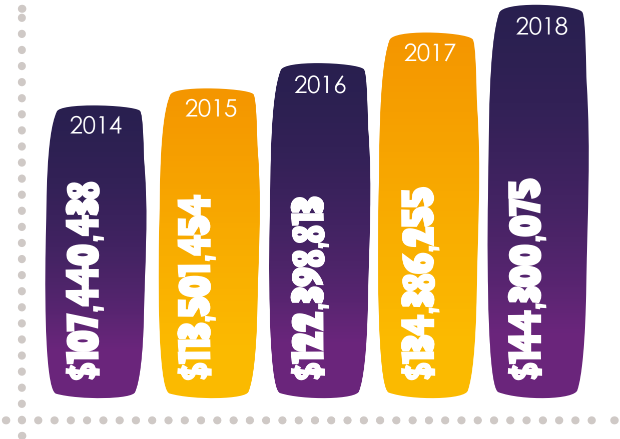
Peoplecare

Annual Report 2018

What's inside

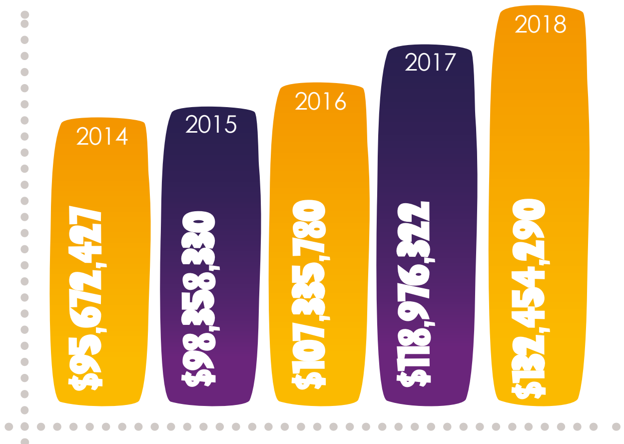
Performance
highlights

Contribution Income



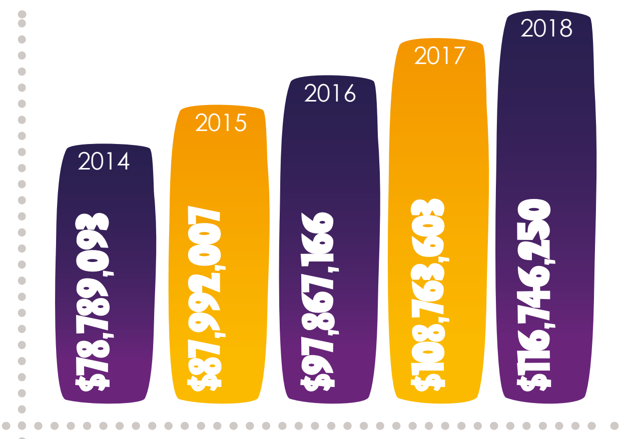
2018 increase of 7.38%

Benefits Paid



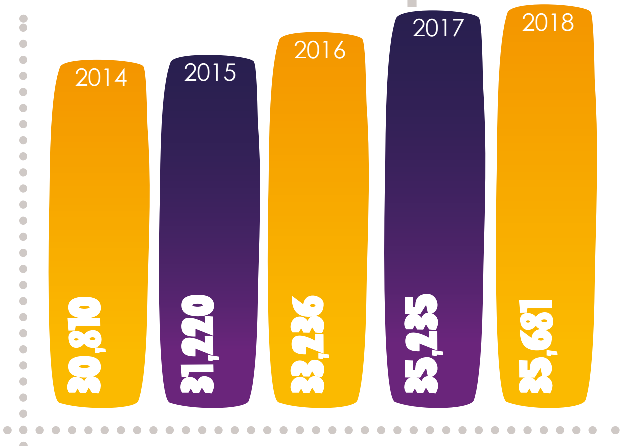
2018 increase of 11.03%

Total Assets



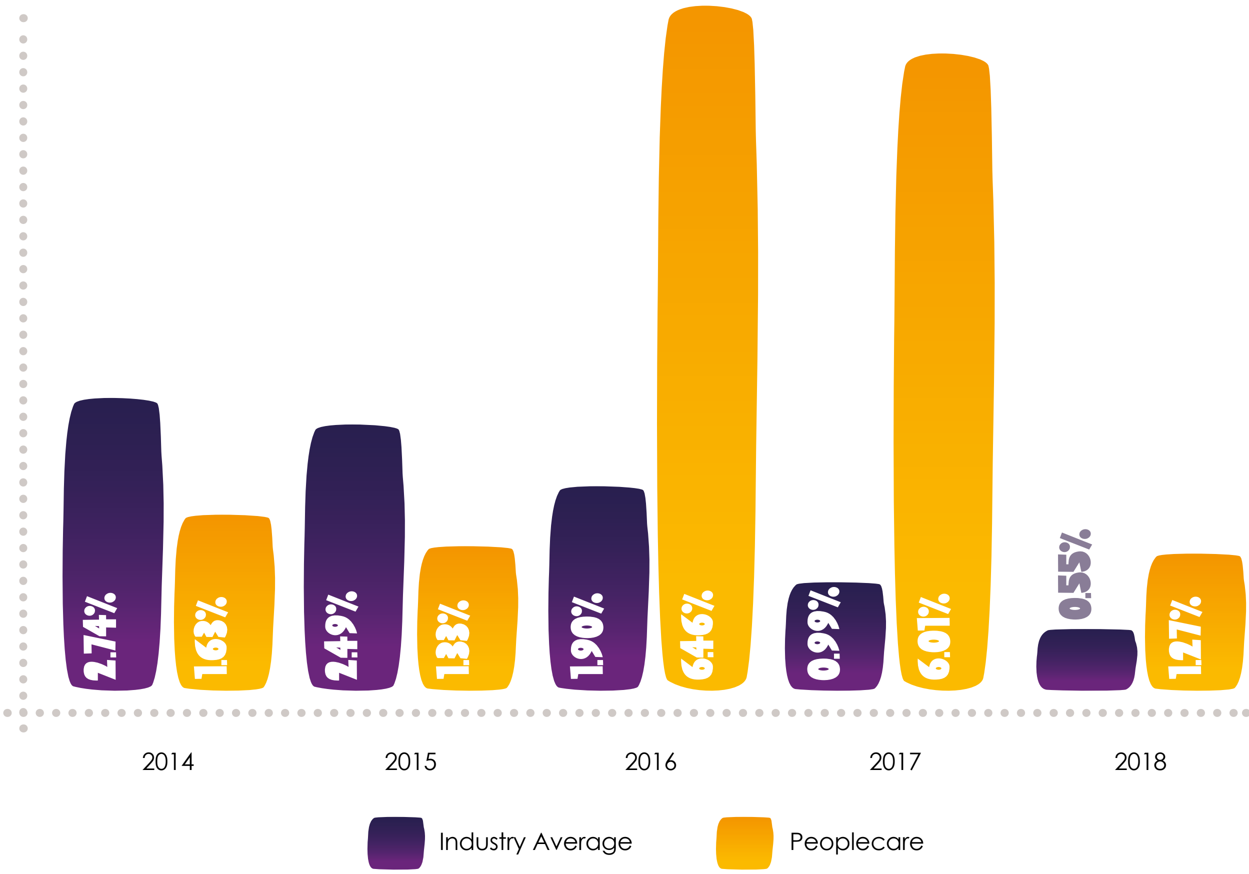
2018 increase of 7.34%

Memberships



2018 increase of 1.27%

Membership growth against industry average



Note: FY17 figures may differ from those published in the 2017 Annual Report due to a revision.

The big picture

Vision

To be the benchmark service company facilitating better health for members

Core purpose

Peoplecare facilitates access to affordable healthcare that positively impacts members' lives

Scope

Peoplecare operates nationally as a not-for-profit health insurer and health service facilitator through strategic alliances

Focussing Question

"How can we continue to secure a sustainable business for our members in the long term?"

Our 5 true loves

Love taking it personally

Love 100% engagement

Love being on your side

Love finding solutions

Love making it easy

A message from the Chairman

The last year has presented many challenges that Peoplecare have worked through to achieve a positive result for our members.

The annual report will provide a detailed review of our financial performance over the past financial year. There are a few important items I would like to address regarding our overall results and Private Health Insurance (PHI) issues that are receiving considerable public discussion.

Firstly to Peoplecare's own performance. Once again we have achieved above the industry average increase in new members. Our membership grew by nearly 1.3%, which, although modest in a very competitive environment, exceeded the industry average of less than one percent.

Peoplecare achieved the highest rating for treating our members as individuals and for the way we treat our members through our call centre (Ipsos biennial Health Care and Health Insurance Survey 2017). Peoplecare were also recognised by the Human Resources Director Magazine as having an innovative HR Team and were again named as one of 15 companies in Australia and New Zealand as an Aon Best Employer. This recognition is due to the commitment and hard work of our team of Peoplecarers.

Over the past 12 months, there has been an increased focus in the media and in politics on the PHI industry with particular attention on the issue of affordability and making PHI easier to understand. There are a number of reforms that will be introduced by 1 April 2019 that are designed to help our members and consumers in general. Peoplecare understand these two issues are of great importance and accordingly have been a focus in the actions of the Board and Executive team of Peoplecare. Time will tell if the reforms are effective. While we have some reservations, we will continue to strive for the best outcomes for our members.

While this report is not intended to be a political commentary, reform is required in order to rein in the increasing cost of healthcare. Over the past 12 months, benefits paid by Peoplecare increased by over 11%. There are many reasons for this increase including our ageing population and the Board will continue to develop product and service strategies that will best address the issue of affordability for our members.

Another change this year is the retirement of our Chief Executive Officer, Michael Bassingthwaighte, who we farewelled after 36 years leading Peoplecare. Michael decided that the call of retirement (not to mention the golf course) was too great to ignore. Michael achieved the respect of many people in the PHI industry at all levels for his knowledge, integrity and commitment and on behalf of the Board and Peoplecare members, I would like to thank him for his contribution and wish him and his wife Hilary a long, healthy and happy retirement.

The Board appointed Dr Melinda Williams as Chief Executive Officer effective from 7 July this year. Dr Mel has been with Peoplecare for 9 years, most recently as the head of our Hospital and Health Services division. We believe this is an outstanding appointment and are thrilled that we had someone of Dr Mel's calibre and experience already part of the Peoplecare Executive team. The Board are excited to work with Dr Mel as we navigate our way through the challenges of PHI.

And finally, I would like to thank my fellow Directors, with a special mention to Greg Parrish who retired from the Board this year after 13 years of valuable service, the Executive team for their outstanding service to the company and members of Peoplecare over the past 12 months. I would also like to thank the staff of Peoplecare (our Peoplecarers) for their commitment to the culture of the business and for the services they provide our members and business partners.

Glenn Lennell GAICD
Chairman Peoplecare Board

27 September 2018
Wollongong

Firstly, I'll take the chance to thank and farewell former Peoplecare CEO Michael Bassingthwaighte, whose 36 years of brilliant service earned him multiple business awards, the prestigious Order of Australia in 2013, many awards for Peoplecare and much success.

Michael retired on 6 July 2018, serving for the entire 2017-18 financial year. We worked closely together on the leadership transition and, along with the Board and the Executive team, formulated our strategic plan to 2021, giving us continuity and certainty for the future.

I am pleased to report that Peoplecare has emerged in a sound, positive financial position for the year ended 30 June 2018, despite a challenging year for Private Health Insurance.

Despite the market, memberships reached a record high of 35,681, growing at 1.27% – still well above the industry average of 0.55%. Our high value health insurance products continue to result in exceptional levels of member satisfaction.

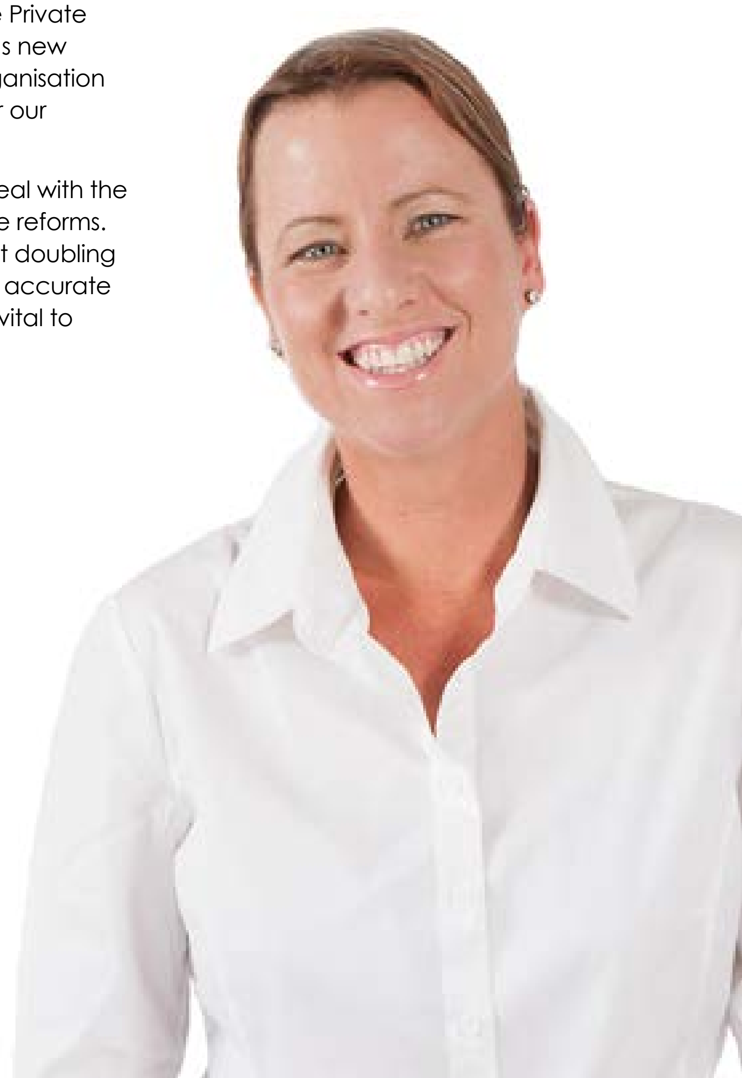
Investments and our other revenue sources helped balance a modest underwriting loss. Unusual claiming patterns on some of our products and a local rise in private hospital billing have contributed to the underlying figures. The 2017–18 financial year surplus was $2.166m, down $4.876m on the previous financial year.

Peoplecare made tactical decisions this year to close a product from the market and also reduce our growth to promote sustainable profitability.

The significant change this financial year is that the growth in the Private Health Insurance market has slowed to almost zero. Peoplecare's new strategic plan reflects the challenging conditions, shifting the organisation from an expansion footing to locking in a sustainable business for our members in the long term.

Health insurers across Australia, including Peoplecare, have to deal with the new market reality along with the government's health insurance reforms. Our previous investments in our data warehouse and subsequent doubling of business intelligence capability has enabled us to make more accurate analytical business decisions in a market where this could prove vital to cope with the speed and quantity of change.

Dr Melinda Williams BNurs, MPH, PhD, GAICD
Chief Executive Officer



Summary of Results	2018 % income	2018 $'000	2017 % income	2017 $'000	2016 % income	2016 $'000
Contribution Income		**144,300**		**134,386**		**122,399**
Less Member Benefits Paid	86.08%	124,211	82.14%	110,382	81.30%	99,506
Less Risk Equalisation Trust Fund	4.29%	6,190	5.20%	6,993	5.20%	6,368
Less State Ambulance Levy	1.18%	1,702	1.19%	1,601	1.19%	1,461
Less Movement in Unexpired Risk Liability	0.24%	351	0.00%	0	0.00%	0
Gross Margin	**8.21%**	**11,846**	**11.47%**	**15,410**	**12.31%**	**15,063**
Less Management Expenses attributable to the Health Benefit's Fund	9.56%	13,802	9.77%	13,135	9.89%	12,102
Underwriting Result	**-1.36%**	**-1,956**	**1.69%**	**2,275**	**2.42%**	**2,961**
Add Investment & Other Income (net of expenses)	2.86%	4,122	3.55%	4,767	3.01%	3,682
Net Surplus / (Deficit)	**1.50%**	**2,166**	**5.24%**	**7,042**	**5.43%**	**6,643**

Reforms

The Federal Government's key reform moves hospital covers into the Gold/Silver/Bronze/Basic category structure. The good news for consumers is that this structure should make comparing policies easier.

We continue to lobby and influence the current debate through our industry body, Members Health Fund Alliance, to ensure that future changes are implemented in a considered manner.

There is also a projected $300m annual savings in prostheses costs for the private health insurance industry with a view of more to come. The Australian Health Service Alliance, the buying group that Peoplecare is a member of, and our industry group, Members Health Fund Alliance, worked with the federal government to pursue this change.

A workforce doing great things

Peoplecare's workplace continues to win awards. For the second time running, Peoplecare has been awarded the coveted Aon Best Employer accreditation, one of only 15 organisations across Australia and New Zealand to do so.

Peoplecare was recognised as an Innovative HR Team by Human Resource Director Magazine and was a finalist in the Australian HR Awards 2018 in two categories: Employer of Choice (Public Sector & NFP) and Best Health & Wellbeing Program.

Three new courses have strengthened our training program: Change Explorer, a change management program; Better Questions, a communication improvement course; and Walk Different Performance Toolkit, a course that improves mental resilience.

To reward and recognise our Peoplecarers, we launched the V.I.P. portal in July 2018 which provides genuine savings at over 350 retailers. It's just another way of attracting, motivating and keeping the best talent here at Peoplecare.

A strong, sustainable business
The Government reforms mean we will redesign our product suite to increase our competitiveness and improve our underwriting performance. This will complement the work completed this financial year to improve our risk framework and policies. In addition, Peoplecare has appointed a Cyber Security Specialist to implement our new Cyber Security Framework.

A better healthcare experience
Last financial year, we reported on the savings from our pilot for hospital substitution options (that is, rehabilitation and some minor hospital services available at members' homes instead of hospital). This financial year over 90 members participated in the program.

This initiative ties in with our outstanding Ipsos result, with Peoplecare named the number one fund for pre-hospital advice and information about doctor gaps.

Our optical and dental centre, Peoplecare Eyes & Teeth, has enjoyed a steady rise to over 8,700 consultations, providing Peoplecare members with discounts of over $400,000. It continues to receive excellent reviews, with 97% of patients rating the service as either 'Good', 'Great' or 'Fantastic' using our anonymous online survey tool.

Peoplecare's partnership with the University of Wollongong strengthened with the establishment of the first private sector data linkage called the Illawarra Health Information Platform and research into primary care treatment for osteoarthritis.

A more engaged customer
This year, our digital strategy saw the launch of our new mobile-friendly website, a revamped Online Member Services portal with simplified claiming and our new app, Larry, featuring a useful heath information hub.

We also integrated the Healthshare platform to empower members to locate no gap and known gap doctors via the Peoplecare website.

Another improvement for the year was the addition of a real-time survey to measure member engagement through the Net Promoter Score. This gives us the opportunity to respond to member feedback on a daily basis and make improvements as we go.

During 2017-18, Peoplecare continued its partnership with Members Own Health Funds, promoting the message that the not-for-profit health funds are an excellent alternative to the big, profit-driven health funds. More than 2.6 million health fund members belong to Members Own Health Funds across Australia.

All in all, Peoplecare has achieved a positive result during a challenging year. I give my heartfelt thanks, admiration and congratulations to the Peoplecare staff, Executives and Board, who worked tirelessly to achieve our objectives in our members' best interests again this year.

Dr Melinda Williams BNurs, MPH, PhD, GAICD
Chief Executive Officer

27 September 2018
Wollongong

Overview

Benefits - where do they go?

Hospital	FY 2018 ($)	FY 2017 ($)
Cardiac & thoracic	9,634,174	8,637,520
Joint replacements	7,542,230	7,624,901
Psychiatric	5,293,872	5,597,144
Digestive	4,639,337	4,709,360
Orthopaedic	3,989,483	4,214,161
Spinal	3,983,441	3,221,270
Rehabilitation	3,929,694	3,613,148
Obesity	3,853,812	2,499,150
Pregnancy	3,562,673	3,499,776
Kidney & Bladder	3,284,705	2,839,814
All Others	36,447,144	31,248,847
Extras	**FY 2018 ($)**	**FY 2017 ($)**
Dental	16,397,433	16,192,868
Optical	7,513,575	7,501,508
Physiotherapy	1,992,096	2,005,317
Chiropractic	1,824,695	1,787,957
Massage	1,719,493	1,679,430
Ambulance	1,000,037	781,200
Health Coaching	705,484	149,690
Health Aids & Wellness	589,425	559,878
Pharmacy	562,340	566,845
Preventative Health	556,370	568,044
All Others	1,099,652	1,264,395

Note: FY17 figures may differ from those published in the 2017 Annual Report due to reclassification

500 babies born

28,018 hospital episodes

$228,698 top hospital claim

98 members treated at home with our programs

649 chronic disease management programs

Quick facts
members

96.3%
members satisfied
Source: Discovery Research 2018

35,681
members, covering
80,171
people

Premium increase
for 2018 was
4.19%

89%
member retention

Quick facts
company

6,114 hours
of training & development

182
Peoplecarers

For every dollar Peoplecare received in premiums,
92c
was paid back
in the form of benefits

11%
increase in benefits paid

Achievements

Aon Best Employer

Financial year 2017 marked a first in our history, gaining the prestigious Aon Best Employer status for the first time. Getting to the top is hard, but maintaining excellence is harder still. We're proud to have made Aon Best Employer status again in 2018, one of only 15 organisations in Australia and New Zealand to do so.

Our fabulous People, Culture & Capability team have got the formula right to sustain our HR edge – that's the highlight of this result.

What's Aon Best Employers?
It's a program run annually by Aon Hewitt to recognise an elite group of organisations with high employee engagement, effective leadership and high-performance cultures. And we're still the only Australian health fund to be accredited.

Aon Best Employers outperform on employee engagement, senior leadership and staff turnover (the latter by 33%).*

What does this mean for our members?
Peoplecarers who care, leaders who lead effectively and experts who stay for your benefit – there just might be something in this for everyone.

*Source: Aon Best Employers 2018

Mental health

Our Mental Health Program earned us an award as an Innovative HR Team from Human Resource Director Magazine and a finalist place in the HR Awards for Best Health & Wellbeing Program for 2018.

Mental health is one of the toughest challenges facing Australia. Peoplecare is tackling it head-on:

- providing free anonymous counselling services for Peoplecarers and immediate family members
- training our leaders and Mental Health First Aid officers on how to identify, talk with and manage Peoplecarers with mental health issues
- internal activities to engage and empower Peoplecarers
- running Blind Mate Dates at a café for a drink on RUOK?DAY to get conversations going about mental health with Peoplecarers outside their normal social circle

We've also been piloting a mental resilience program to see if there is a more structured and thorough way to build mental strength.

Ipsos

Ipsos conducts a biennial survey on healthcare and PHI. The most recent one, published in early 2018, details Peoplecare's place in health insurance. Peoplecare's outstanding results include:

#1 net supporters score of all open health funds

#1 call centre customer service rating

#1 for pre-hospital advice

Directors' Report

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2018.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- **Glenn Lennell**
- **Peter Fitzgerald**
- **Andrew Gregory**
- **Stephannie Jonovska**
- **Louise Leaver**
- **Greg Parrish** *Retired 19 February 2018*
- **Sue Baker-Finch** *Appointed Associate Director 1 May 2018*
- **Michael Oertel** *Appointed 19 February 2018 (Associate Director 27 September 2017 to 19 February 2018)*

Objectives

The Company's main purpose or objective is to:

Facilitate access to affordable healthcare that positively impacts members' lives.

Strategy for achieving the objectives

To achieve its objective, the company will adopt a range of strategic initiatives categorised under four key pillars:

A workforce doing great things

- Creating a flexible, high performing, enthusiastic and innovative workforce to meet the challenges of the future;
- Fostering the diversity and development of our people to deliver outstanding service to our customers and to provide a challenging and rewarding workplace where they can excel and thrive; and
- Our people make a great contribution to our community.

A more engaged customer

- Recognising the emerging needs of our customers, provide the products and services that they want and deserve;
- Empower our customers to take good care of their health and reward them for achieving their goals;
- Establish health networks to improve access to more affordable care for the long term and continue to move along the integrated care path; and
- Embrace and champion the benefits of the not-for-profit healthcare and financing model.

A better healthcare experience

- Delivering a better healthcare experience for members by providing access to relevant and appropriate healthcare services as part of a national private health insurance product;
- Build a regional presence in Southern NSW; and
- Position Peoplecare as a trusted health partner and capable service provider for the future.

A strong, sustainable business

- Ensuring that key business risks are well understood and embedded throughout Peoplecare;
- Leveraging our data and business intelligence to identify key profitable private health insurance markets and market segments that deliver sound financial results that grow capital strength;
- Leverage our collaborative business partnerships to aggressively pursue new diversified opportunities to further develop our capability and to generate additional revenue streams; and
- A key focus on investment in new technologies that drive customer engagement and the development of strong collaborative partnerships and relationships with the industry regulators.

Principal activities

During the year the principal continuing activities of the company consisted of operating as a private health insurer under the *Private Health Insurance Act 2007*. The company also manages two other Health Benefits funds and services for Allianz Worldwide Partners.

No significant changes to the principal activity have occurred during the financial year.

Our Directors

Glenn Lennell GAICD
Glenn was appointed as a Director in 2014 and Chair since 2016.

Glenn has over 35 years' experience in the IT industry in both technical and management positions. As a self-taught software developer, Glenn gained experience in a number of IT disciplines moving into business administration and management in the late 1980s.

Between 1997 and 2013, Glenn was the Chief Executive Officer of HAMB Systems Limited which provides application software and technical services to 23 of Australia's private health insurers, including Peoplecare.

In this role, Glenn has worked with a number of government agencies in the development of regulatory change to the private health insurance industry.

Glenn is a Graduate of the Australian Institute of Company Directors.

Stephannie Jonovska BCom FCPA GAICD
Stephannie was appointed as Director in 2016.

Stephannie is a commercial management professional with over 25 years' experience in the steel manufacturing and solutions industry.

Currently Manager Finance Transformation for BlueScope Australian Steel Products, her diverse experience spans finance, governance, shared services, innovation and transformation change management.

She is the Chair of the WEA Illawarra Board, a not-for-profit registered training organisation, and is a committee member on the St Mary Star of the Sea College Governance and Nominations Committee.

Stephannie's professional qualifications include a Bachelor of Commerce. She is also a Graduate of the Australian Institute of Company Directors and a Fellow of CPA Australia.

Louise Leaver **LLB (Hons), BSc (Psyc), GAICD**
Louise was appointed as Director in 2016.

Louise is an experienced in-house corporate lawyer and management professional with a diverse background in not-for-profit and commercial enterprises spanning private health insurance, education and steel manufacturing. Louise has particular expertise in corporate and commercial law, as well as corporate governance and risk management. As a former Senior Legal Counsel for a health fund, Louise has an in-depth understanding of private health insurance operations and regulation.

Louise is currently the Company Secretary and Group Head of Strategic Risk for IRT, a not-for-profit provider of seniors' lifestyle and care solutions.

Louise's professional qualifications include a Bachelor of Laws (Hons), Bachelor of Science (Psyc), Graduate Diploma in Legal Practice and Graduate Diploma in Applied Corporate Governance. Louise is also an Associate of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors.

Peter Fitzgerald **BCom FCA MAICD**
Peter was elected as a Director in 2015.

Peter retired in 2015 after 27 years as a Partner of KPMG, including over 20 as managing partner of the Wollongong practice. For more than 10 years he was Chair of the Regional (non-metropolitan) practices of KPMG.

He has provided a variety of professional services over this period, including external audit, internal audit, corporate taxation, business & strategic planning, and broad business advisory to an extensive array of clients.

He completed 12 years as a Council Member of the University of Wollongong in 2017, serving as Chair of its Risk, Audit & Compliance Committee for most of that time.

Peter has a Bachelor of Commerce (majoring in Accounting) from the University of Wollongong. He is a Fellow of the Institute of Chartered Accountants in Australia, a Graduate of the Australian Institute of Company Directors, and formerly a Registered Tax Agent & Registered Company Auditor.

Our Directors

Sue Baker-Finch **BSc (Hons), MBA, MBC, FAICD**
Sue Baker-Finch was appointed as an Associate Director in May 2018.

Sue is a seasoned management professional who, in 2016, transitioned from full-time executive roles to a portfolio career as a non-executive director, management consultant and business coach/mentor. She has over 20 years of senior executive leadership experience in commercial, government and not-for-profit businesses across a range of industry sectors. Sue has substantial background in the health sector, having held leadership roles in a national general practice organisation, a medical research institute and as a Board member in the NSW public hospital system.

Sue currently operates her own business, SBF Consulting, providing strategic and operational review and business mentoring services primarily to regionally-based businesses seeking to innovate and expand.

Sue's professional qualifications include a Bachelor of Science (Hons), Masters of Business Administration and Masters of Business Coaching. She is a Fellow of the Australian Institute of Company Directors.

Andrew Gregory **MAppFin BCom (IB, HRM) GAICD**
Andrew was elected as a Director in 2012.

Andrew is an experienced Finance Executive & Company Director, holding senior roles in financial services and private wealth management.

Andrew is currently the General Manager Retail Bank, Regional Victoria and Tasmania with National Australia Bank Limited. Andrew was formally General Manager of NAB Financial Planning in Victoria and Tasmania and a former senior leader of AMP Limited. Andrew brings expertise in financial services, private wealth management, corporate finance, corporate governance and private health insurance.

Andrew is a non-executive Director & Treasurer of the Youth Insearch Foundation and a former non-executive Director of Quay Credit Union.

Andrew is well qualified with a Masters in Applied Finance from Macquarie University, a Bachelor of Commerce from UOW, a Diploma of Financial Services & Mortgage Broking and is a Graduate of the Australian Institute of Company Directors.

Michael Oertel BEc, FCPA, GAICD
Michael was appointed as an Associate Director in 2017 and then as a Director in 2018.

Michael has over 37 years' experience in the private health insurance industry, engaging with boards, management and regulators.

He has been the Chief Executive Officer of a registered private health insurer for 22 years and served as a Director on two of Peoplecare's strategic partner boards, HAMBS and Members Health Funds Alliance.

Michael is a passionate and committed strategic leader with highly developed governance, financial and risk acumen.

Michael's professional qualifications include a Bachelor of Economics majoring in Accounting, Fellow of CPA Australia and Graduate of the Australian Institute of Company Directors.

Greg Parrish BCom CPA MBA GAICD
Greg was appointed as a Director in 2005 and retired in 2018.

Greg has had extensive experience at executive level in the mutual sector. Greg is currently employed as Chief Executive Officer for CEnet, a not-for-profit shared services ICT company. Greg is also a director of Greenacres Disability Services. Previously, he was employed as the Executive Manager – Corporate Services for Community Alliance Credit Union for 11 years and has 20 years' experience in senior management roles in various private health insurance and financial institutions.

Greg's experience includes areas such as strategy, finance, consulting, governance, information technology, mergers and acquisitions.

Greg's professional qualifications include a Bachelor of Commerce and Master of Business Administration. He is also a Graduate of the Australian Institute of Company Directors and a Certified Practising Accountant.

Directors' Report

Meetings of directors

The number of meetings of the company's Board of Directors ("the Board") and each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each director was:

	Full Board		Nomination, Development and Remuneration Committee (NDRC)		Risk & Audit Committee (RAC)	
Director	Attended	Held	Attended	Held	Attended	Held
G. Lennell[1]	7	7	2	2	5	5
P. Fitzgerald[2]	7	7	2	2	1	1
A. Gregory	7	7	-	-	5	5
S. Jonovska	7	7	2	2	-	-
L. Leaver	7	7	-	-	5	5
G. Parrish[3]	4	4	-	-	4	4
M. Oertel[4]	6	6	-	-	4	4
S. Baker-Finch[5]	2	2	-	-	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

1 *Glenn Lennell is the Board Chair and an ex officio member of the Nomination, Development and Remuneration Committee and of the Risk and Audit Committee.*

2 *Peter Fitzgerald attended the Risk and Audit Committee by invitation.*

3 *Greg Parrish retired 19 February 2018.*

4 *Michael Oertel was appointed as Associate Director on 27 September 2017 and appointed as full Director on 19 February 2018.*

5 *Sue Baker-Finch was appointed as Associate Director on 1 May 2018.*

Contributions on winding up

The company is limited by guarantee. Under the constitution of the company, each member agrees that, if the company is wound up during the time that they are a member, or within one year after ceasing to be a member, they will contribute to the assets of the company, for the payment of the debts and liabilities of the company (contracted before ceasing to be a member) and of the costs, charges, and expenses of winding up and for adjustment among the members of the rights of the members, such amount as may be required, but not exceeding $10 (2017: $10). The number of members at the end of the financial year was 35,681 (2017: 35,235).

Matters subsequent to the end of the financial year

As at the date of this directors' report, the directors are not aware of any matter of circumstance that has arisen that has significantly affected, or may significantly affect:

i. the operations of the company;

ii. the results of these operations; or

iii. the state of affairs of the Company in the financial years subsequent to 30 June 2018.

Dividends

The company is limited by guarantee and is prohibited by its constitution and law from paying dividends.

Non-audit services

The Board of Directors, in accordance with advice from the Risk and Audit Committee, is satisfied that the external auditors did not provide any non-audit services during the financial year. Therefore, consideration of the compatibility of the external auditors' services with the general standard of independence for auditors imposed by the Corporations Act 2001 was not required. The directors are satisfied that any future non-audit services contemplated will not compromise the external auditors' independence for the following reasons:

i All non-audit services are reviewed and approved by the Risk and Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

ii. The nature of the services provided do not compromise the general principles relating to auditor independence as set out in Section 290 of APES 110 – Code of Ethics for Professional Accountants set by the Accounting Professional and Ethics Standards Board.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 32.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001. On behalf of the directors

Glenn Lennell GAICD
Director

Louise Leaver LLB (Hons), BSc (Psyc), GAICD
Director

26 September 2018
Wollongong

This statement outlines the Corporate Governance practices Peoplecare Health Limited ("Peoplecare") has in place to ensure that the company is directed and managed effectively and appropriately for the benefit of the members. These practices are a system of directing and controlling the affairs, policies, functions and actions of the company, while managing business risk. The Directors act as stewards of the company on behalf of all members and have legal responsibility for their actions and conduct, primarily through the Corporations Act (2001), the Private Health Insurance Act (2007) and the applicable APRA Governance Standard[1].

Board of Directors

The Constitution of the company provides as follows:

"8.1. The Board of Directors

(a) The board must have not more than 6 directors:

(i) all of whom must be members or member affiliates;

(ii) at least 2 of whom must be elected by the members at a meeting called for that purpose; and

(iii) not more than 4 of whom may be appointed from time to time as directors by resolution of the majority of the board having regard to the specific skills and experience required by the board.

(b) Subject to Rule 8.9, the board may in its absolute discretion appoint not more than 2 persons to act as associate directors in addition to the maximum number of directors allowable under Rule 8.1(a)."

- The Constitution provides as follows for an Associate Director:

"8.9. Associate Directors

(a)The board may from time to time appoint any person, other than a person who is at that time a director, to be an associate director for a term not exceeding one year as determined by the board in its absolute discretion and may from time to time terminate any such appointment.

(b) The board may from time to time determine the powers and duties of any associate director, however no associate director has a vote at any director's meeting and the associate director's attendance at a board meeting will not count for the purpose of determining whether or not a quorum of directors is present.

(c) A person so appointed as associate director, except by the invitation and with the consent of the board does not have any right to attend at any board meeting however notices of board meetings may be sent to all associate directors at the same time as they are sent to the directors.

(d) A person who is an associate director shall immediately cease to hold such position if he or she becomes a director.

(e) The board may re-appoint an associate director at the expiration of their term for a further term of one year as determined by the board in its absolute discretion provided that no person may be appointed as an associate director for more than three terms."

It is not necessary for an associate director to be a member of the health fund on assuming the position.

Although a person so appointed as an associate director has no automatic right of attendance, in normal circumstances they would be invited and be expected to attend all board meetings during their tenure and may be invited to participate in particular committee meetings. It may though be appropriate from time to time to exclude such associates from certain in-camera board discussions. Associate directors, while able through invitation to attend and contribute to Board meetings, will not have a formal vote on any matter put before the Board.

Every financial member of the company is entitled to participate in the governance of the company by being elected or appointed to the Board of Directors in accordance with the Constitution and Board approved nomination processes. The Board will determine candidates on the basis of requisite skills, experience, qualifications, and fit and proper guidelines as determined by the Board from time to time.

The Nomination, Development and Remuneration Committee (NDRC) is responsible for recommending to the Board the director nomination process each year and will take into consideration the need to rejuvenate the board to ensure the board has forward thinking and fully independent directors.

Whilst neither the constitution, nor the APRA Governance Standard, mandates a maximum term of office for directors, it is considered that unless there are skills issues to be addressed it is desirable that only under significant circumstances would tenure exceed 3 x 3 years at which time an annual election or appointment is required.

[1]Currently prudential standard HPS510 – Governance, expected to be replaced by CPS510 in July 2019

Board responsibilities

The Board's overall responsibilities include:

- Set the strategic direction of the company in the best interest of members after considering requirements of other key stakeholders, and monitor the performance and achievement of strategic objectives through a properly defined and endorsed business plan;
- Review and approval of corporate policies and strategies;
- Monitoring the financial position and financial performance of the company including consideration and approval of budgets, and financial reports at least annually;
- Monitoring high level non-financial organisational performance and the achievement of goals and targets in areas of business development, growth, information technology, health insurance business operations, health management, and the operations of non-health and health-related businesses conducted by Peoplecare;
- Appointment and assessment of the performance of the Chief Executive Officer and Executive Managers and assessing / monitoring succession plans and strategies, and ensuring appropriate resources are available to senior executives;
- Ensuring the significant risks faced by the company have been identified and appropriate control, monitoring and reporting mechanisms are in place to ensure these risks are well managed in accordance with APRA Prudential Standard CPS220 – Risk Management;
- Ensuring that the company complies with all relevant legislation;
- Monitoring the effectiveness of the Board, each Director, and Board Committees, and ensuring the Board is composed of an appropriate set of skilled and qualified directors to meet Governance Standard requirements and the business challenges faced by the company;
- Ensure that the company, its Directors and Officers are ethical in their behaviour through the establishment and review / monitoring of codes of conduct, and company Standards of Ethical Behaviour; and
- Approving and monitoring Capital Management Plans, and major capital acquisitions, investments or divestitures in accordance with the approved delegations policy guidelines.

Board composition

The Board shall determine its composition in accordance with the Constitution and recommendations from the Nomination, Development and Remuneration Committee.

- The majority of Board will comprise independent directors, within the meaning of the Governance Standards defined by APRA; and
- The Board will advise members at the Annual General Meeting of any addition to or variation to the terms of appointment of any appointed director.

The Chairman of the Board shall be a director elected by the Board of Directors at the first meeting of Directors each year that follows the Annual General Meeting. Members of all Board Committees shall also be selected by the Board of Directors at the first meeting of Directors each year that follows the Annual General Meeting.

Board attributes

Due to the democratic process followed for the election of Directors that comprise some of the Board, it is recognised that it may not always be possible to attract Directors with required business or management skills through an election process.

Independent Appointed Director positions will be filled based on a set of skills, experience and professional standing as the Board may determine from time to time as necessary to enhance and complement the skills and attributes of directors. It is the responsibility of those directors who have been granted undirected proxies for the election of directors to utilise those proxies, as far as possible, to ensure that the skills as determined by the board are met.

The Board will ensure that the skills, experience, and attributes of the directors is appropriate for the size and complexity of Peoplecare, and the industry in which it operates. The skill mix on the Board may vary from time to time, and the following is a guideline for those skills and experience that may be appropriate:

a. Finance

b. Risk Management

c. Legal / Company Secretarial / Governance

d. Sales / Marketing / Business Development

e. Health Industry Specialist

f. Business Strategy

g. General / Information Technology / Human Resources Management.

The following key behavioural/other attributes are also expected in any person elected or appointed to a position as Director of Peoplecare:

- *Independence of thought* – an ability to form and express an independent view and decision on the matters put before the Board, without coercion or influence from others;
- *Material Personal Interest* – complies with the Material Personal Interest policy of the company and appropriately discloses any material personal financial or business interests in the company or matters being presented for decision. The director's judgement is not to be affected by strong personal or family relationships with management or other Board members;
- *Excellent communication skills* – able to express themselves well at meetings, participate actively in debate, and provide well considered and summarised thoughts on subject matter before the Board. Excellent written skills are also appropriate for active contribution to Board matters (forming resolutions, strategy, etc.);
- *Able to spend the required time on Peoplecare governance* – is not committed to other organisations / employment / Boards to an extent where their contribution to Peoplecare will be constrained or limited;
- *Questioning / challenging / focused* – will actively question and challenge, where appropriate, information presented by management and will provide input to assist the Board in decision making;
- *Balanced commercial focus* - commercially focused, but balanced with mutual / member / community values so as to achieve the best mix of business underpinned with values focussed on service to members;
- *Assertive while not dominant* – able to get their view through to other Board members and management, without dominating the discussion or becoming aggressive; and
- *High ethical standards* - in terms of personal conduct, conduct while attending Board and member meetings, and while conducting business or interacting with members, Peoplecare staff, or the community, including compliance with the Peoplecare EEO and Anti-discrimination policies.

Diversity

The Peoplecare Board recognises the value that diversity adds to the company workforce and governance and will actively pursue a diverse board.

Within the board, directors will be sought recognising the diversity principle and will consider all candidates with appropriate skills, experience and attributes and must always recommend appointment of the best candidate based entirely on merit with qualifications and capacity to contribute within the vacant position.

Board process

The Board and Board Committees meet regularly in accordance with the Board approved annual calendar. The Board plans its business each year through an Annual Agenda, where key business items are raised at each meeting on a predetermined cyclical basis.

The Chief Executive Officer and Company Secretary are responsible for ensuring the preparation of Board business papers and provide any additional information necessary for the Board to discharge its responsibilities effectively.

All Board decisions are made on a consensus basis so far as possible. Directors may elect to have the details of their vote recorded in the minutes. It should be noted that under the Constitution of the Company, the Chairman of the Board has a casting vote in instances where there is an equality of votes.

The Company Secretary is accountable to the Board in regard to governance matters, and will ensure that board policy and procedures are followed, the coordination and despatch of Board business papers, and the preparation of requisite minutes and action item schedules for effective follow-up.

The Board utilises the following committees to assist in the discharge of its duties:

- Risk and Audit Committee;
- Nomination, Development and Remuneration Committee.

In addition, other ad-hoc committees will be established as required to manage specific issues. The extent, role and structure of committees are commensurate with the size of the company.

Each Board committee has an established Terms of Reference that is regularly reviewed by those committees with recommended changes approved by the Board; the current Terms of Reference for each committee is appended to this Governance Statement.

The Board will also conduct a strategy review each year clearly setting guidelines for the executive to translate into a business plan for the company.

External advice

In consultation with the Chairman, Directors can seek independent external professional advice on business matters relating to Peoplecare at the company's expense.

External independent professional advice is also available to Directors while acting in positions on Committees of the Board.

Board remuneration

Change to the total aggregate sum of remuneration available to Directors is approved by members of the company at the Annual General Meeting.

This aggregate sum covers total Director Remuneration including superannuation requirements, and fees for Appointed and Associate Directors but excluding remuneration for special or additional duties undertaken by a Director over and above their usual role or duties as a Director.

The aggregate sum required as remuneration for Directors will be reviewed annually, and considers a balance of:

- the mutual / not-for-profit status of the company, and a need to focus on appropriate containment of management costs of the company;
- the requirement for appropriate skills and experience on the Board for effective governance and the benefit of members over the long term;
- the market level of Directors' fees required to attract appropriate candidates; and
- the market level of Directors' fees for similar companies.

External advice and surveys may be used from time to time to determine an appropriate level of aggregate and individual director remuneration.

Director remuneration is allocated amongst Board members in accordance with a formula recommended to the Board by the Nomination, Development and Remuneration Committee from time to time, based on participation in meetings and Board Committees, and reflecting the additional skills, experience and qualifications of candidates appointed to positions as Chair of the Board or a Board Committee. The allocation formula must be approved by the Board.

Such allocation may include reserving of some fees each year for special project appointments at a later date.

Material personal interest (conflict of interest)

In accordance with Section 191 of the Corporations Act (2001) Directors must advise the Board of any material personal interest that could potentially conflict with those of the company. Where the Board believes that a significant conflict exists, it may require the director (or senior executive if applicable) concerned either not to be present at the meeting or not to participate in discussions whilst the item is being considered.

Section 195 of the Act states that should the Board decide to allow a director with a material personal interest to stay & vote on the matter, it must pass a resolution that:

- identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the company; and
- state that those directors are satisfied that the interest should not disqualify the director from voting or being present.

The attendance register of each meeting of Directors requires all present to sign a declaration in regard to material personal interest for any matter being discussed or considered for decision at that meeting. In addition, directors and senior executives are required to complete or update a Material Personal Interest Disclosure Statement in the form approved by the Board.

Director education

The Company has a formal process to induct new directors in the business of the company and this includes an induction manual covering the nature of the business, governance, current industry issues, the Strategic Plan and the expectations of the Company concerning performance of directors. Directors also have the opportunity to visit the Company's offices and meet with management to gain a better understanding of business operations.

The Board Nomination, Development and Remuneration Committee is responsible for setting the director education budget, and ensuring directors are informed of, and attend, relevant forums and seminars in order to develop and enhance their knowledge in corporate governance, health or health insurance industry matters, or the changing environment of business operations.

In addition all directors (other than associates unless expressly agreed) are required, as a minimum, to undertake the following:

1. Become members of the Australian Institute of Company Directors (AICD);
2. Undertake the "AICD Company Directors Course" within the first term following their appointment to the Board; and
3. Directors are expected to maintain their membership with the AICD without recompense directly from company finances.

Management will also assist the Board through the Nomination, Development and Remuneration Committee, to develop a schedule of non-mandatory relevant scheduled short-courses to assist in their ongoing development.

Directors who are members of the Australian Institute of Company Directors are required to undertake Director Professional Development (DPD) to maintain their membership status. The Chairman of the Board, or the Chair of the Nomination, Development and Remuneration Committee may approve attendance at some DPD courses at the Company's expense, provided these fit within the Board Education budget. Directors should be aware however those AICD DPD requirements are a director's personal responsibility.

Attendance at board approved director training can include course fees, reasonable accommodation, meals and travel expenses as appropriate.

Membership of the Australian Institute of Company Directors ensures directors are regularly and independently informed of ongoing governance issues and provided with avenues for personal development.

Board and director performance appraisal

The Board has approved and introduced a director performance appraisal system, whereby the performance of the whole Board, individual directors, and Board Committees is reviewed annually against approved criteria. Performance appraisal will normally be an internal process recommended by the Nomination, Development and Remuneration Committee but at least once each three years an external review will take place.

Approved criteria for the review process shall include assessment in areas of:

- Strategy and planning;
- Board structure and role;
- Business performance monitoring;
- Meeting attendance and preparedness;
- Board and director responsibilities;
- Director conduct and contribution; and
- Effectiveness of the committees of the board as individual committees and of the composite committees.

The Chairman of the Board will drive improvements in Board and individual director performance utilising results of the annual performance review, together with knowledge of the conduct of each director gathered throughout the year.

Board meeting strategy and internal control

The Board has instituted a standard system that governs the process of all Board meetings to ensure that due recognition is given to ensuring that all relevant business requirements are effectively maintained, including but not limited to;

- Business Planning and Review;
- Risk Management Planning and Review;
- Compliance Management and Internal Control; and
- Business Performance Reporting including detailed financial analysis.

The annual Board Program also highlights issues to be considered at various meetings and events throughout each calendar year, to ensure Board coverage of every business aspect in appropriate timeframes and cycles.

Standards of ethical behaviour

As part of the Board's commitment to the highest standard of conduct, the Company adopts Standards of Ethical Behaviour to guide the Board, individual directors, and executive management in carrying out their duties and responsibilities. The executive management will also ensure that the principles of these behaviours flow to all employees through Human Resource Policies and work practices generally.

Standards of Ethical Behaviour – directors and executive managers:

- Must act honestly, in good faith and in the best interests of the Company as a whole.
- Have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- Must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- Must recognise that the primary responsibility is to the Company and through this responsibility, through to the members of the company and should where appropriate, have regard for the interests of all stakeholders of the Company.
- Must not make improper use of information acquired as a Director or Executive Manager.
- Must not take improper advantage of the position of Director or Executive Manager.
- Must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- Has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors or the Executive Managers.
- Confidential information received by a Director or Executive Manager while acting in that role for the company remains the property of the company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the company, or the person from whom the information is provided, or is required by law.
- Should not engage in conduct likely to bring discredit upon the company.
- Shall comply with all relevant Human Resources policies of the company, in regard to their conduct while in the presence of staff, members and others.
- Recognising the inherent nature of regulation to the industry as a whole be responsive and open at all times to the requirements of the regulator and Government.
- Has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of these Standards of Ethical Conduct.

Delegations

The Board delegates the day to day management responsibility for the company to the Chief Executive Officer.

A separate Delegations Policy, that includes delegations of authority to the Board Committees, the Chief Executive Officer, and other executive managers is in operation, and reviewed annually as a Board annual program item.

Board performance vs policy

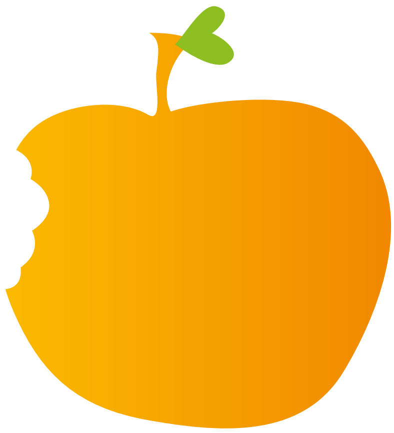
The Board shall routinely review its performance against the provisions of this Policy as part of the annual Board performance appraisal.

Director election and appointment process

The Board determines the process for election or appointment of directors through the Nominations, Development and Remuneration Committee. This will consider:

- Providing members with adequate and complete notice of upcoming director elections;
- The skill and experience attributes required on the Board, and assessment of the need for appointed positions; and
- Providing elected director candidates with an opportunity to present their credentials and a short testimonial to all members prior to the AGM.

The guidelines for the election and appointment processes are updated by the Company Secretary in accordance with the requirements set by the Nominations, Development and Remuneration Committee.



Our Executive Team

Chief Executive Officer (7 July 2018)

Dr Melinda Williams BNurs, MPH, PhD, GAICD
Melinda joined Peoplecare in 2009 and successfully headed the Hospital & Health Services department before becoming CEO in July 2018.

Melinda has extensive experience in the highly specialised hospital–medical side of health funds, the design and evaluation of health management programs, as well as clinical nursing experience in both hospital and community sectors.

Melinda completed her PhD with the University of Wollongong in population health management.

Melinda is a Director of The Cram Foundation (disability services).

Chief Executive Officer (retired 6 July 2018)

Michael Bassingthwaighte AM FAICD
Michael, CEO from 1982 to 2018, has been instrumental in driving the direction of Peoplecare.

He has been a key player in private health insurance in Australia and has played a major role in representing the interests of smaller funds within the industry.

His appointments include Director of:

- Australian Health Service Alliance (AHSA) (up to 7 June 2018)
- Coordinare Limited
- Defence Health
- HAMB Systems Limited (up to 30 May 2018)
- Illawarra Health and Medical Research Institute
- Members Health Fund Alliance
- Members Own Health Funds Ltd (up to 6 June 2018)
- IRT Group (from 28 June 2018)

Michael was awarded the Member of the Order of Australia in 2013 for his *"significant service to the private health insurance industry and the community of the Illawarra region."*

Deputy Chief Executive Officer
& Chief Risk Officer

Head of Governance, Risk & Compliance

Dale Cairney BCom CPA GAICD
Dale is responsible for governance, risk management, and compliance for Peoplecare and its customer insurers. Dale also undertakes the role of Chief Risk Officer as part of APRA requirements.

Dale has a wealth of senior management experience across a range of industries, including private health insurance, dental and eye care practice management, finance, manufacturing, mining, and transport industries over the past 35 years.

Dale's particular strengths are in general management, corporate governance, risk management, and finance. Dale is a regular volunteer and participant in charitable events.

Dale currently chairs the Members Health Fund Alliance Governance, Risk & Compliance Committee, and is a volunteer Director and Chair of the Audit and Risk Committee at The Cram Foundation.

Chief Financial Officer
& Company Secretary

Head of Finance & Administration

Chris Stolk BCom CPA GAICD
Chris is responsible for the provision of all financial management functions and has responsibility for the data analytics and reporting function within the organisation. Chris has more than 25 years' experience in the accounting and finance field, most of which time was spent working with organisations in the financial services industry.

His specialist skills include management reporting, statutory reporting, taxation and business planning and compliance. He also has a keen interest in treasury operations. Chris is also Company Secretary for Peoplecare.

Chris is a member of the Catholic Development Fund (CDF) Advisory Council as well as a representative on the Finance, Insurance and Audit Committee.

Our Executive Team

Head of Customer Service & Marketing

Anita Mulrooney BA GDipIM GDipCom GAICD
Anita has over two decades of experience in the not-for-profit, insurance, and health sectors in Australia and South-East Asia across key business functions including operations, customer service, sales and marketing and human resources.

She is responsible for Peoplecare's operations, customer service delivery, marketing, brand, communications, and community relations.

Anita's primary focus is to lead our Customer Service and Marketing Teams to provide clear, simple and high-value products for our members and to make sure Peoplecare's customer service experience is an exceptional one.

Since assuming the role in 2006, Anita has played a pivotal role in the evolution the Peoplecare brand from a small restricted fund to one of Australia's most respected not-for-profit health insurers.

Anita's other appointments include:

- Members Health Fund Alliance Marketing Committee – Chair
- Private Health Insurance Ombudsman's Website Reference Group – Member
- IRT – Director
- UOW Pulse – Director

Head of People , Culture & Capability

Maree Morgan-Monk
Maree joined Peoplecare in 2011 and is Head of People and Culture. She has 20 years of HR Management experience across various industries, including education, hospitality and general insurance.

As Head of People, Culture & Capability, Maree is responsible for ensuring that our people, processes and practices retain Peoplecare's status as a true employer of choice with an exceptional level of staff satisfaction.

Maree supports our managers and staff in the areas of recruitment, training and development, Work Health and Safety, Human Resource policy, and cultural development.

Maree was awarded Australia's HR Manager of the Year for 2013 at the Australian HR Awards. Her particular areas of expertise are leadership development and training.

Head of Strategy & Innovation

Peter Buckley **BCom MBA GAICD**
Peter joined Peoplecare in 2016 as Head of Strategy and Innovation to further our customer centricity, innovation and business agility. He is an experienced executive manager with a track record of building value for businesses, their people and customers across a number of key roles in large engineering and services businesses, along with a number of iconic Australian and ASX-listed companies.

Peter was awarded Young Business Person of the Year in 2012 by the Illawarra Business Chamber. He is a Director and Vice-President of The Illawarra Connection, and member of the Salvation Army Illawarra Advisory Board.

His current volunteer appointments include roles for the University of Wollongong, The Smith Family and School for Social Entrepreneurs. Within the health sector he is a member of the Commonwealth Government Overseas Students Health Cover consultative group.

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Auditor's Independence Declaration

To the Directors of Peoplecare Health Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Peoplecare Health Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A Sheridan
Partner – Audit & Assurance

Sydney, 27 September 2018

Statement

of surplus or deficit and other comprehensive income

For the year ended 30 June 2018

	Note	2018 $	2017 $
Revenue			
Premium revenue		144,300,075	134,386,255
Expenses			
Fund benefits paid to members		(122,105,886)	(110,762,215)
State ambulance levies		(1,702,406)	(1,601,292)
Risk Equalisation Trust Fund Levy		(6,190,030)	(6,992,953)
Movement in outstanding claims liability		(2,105,007)	380,138
Movement in unexpired risk liability		(350,961)	-
		(132,454,290)	(118,976,322)
Gross underwriting result		11,845,785	15,409,933
Management expenses			
Remuneration of auditors: Auditing the financial report		(94,618)	(84,982)
Employee benefits expense		(10,111,756)	(9,126,775)
Depreciation and amortisation expense		(734,727)	(781,212)
Other management expenses		(9,481,405)	(8,394,280)
		(20,422,506)	(18,387,249)
Other			
Other revenue	4	11,578,989	10,172,419
Increase/(decrease) in fair value of financial assets	5	801,869	922,782
Net gain/(loss) realised on disposal of financial assets held at fair value through surplus or deficit	6	(177,551)	416,923
Other cost of goods sold	7	(1,460,658)	(1,492,608)
		10,742,649	10,019,516
Surplus before income tax expense (net underwriting result)		2,165,928	7,042,200
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Peoplecare Health Limited		2,165,928	7,042,200
Other comprehensive income for the year			
Items that will not be reclassified to surplus or deficit			
Gain on revaluation of land and buildings		325,000	325,000
Other comprehensive income for the year		325,000	325,000
Total comprehensive income for the year attributable to the members of Peoplecare Health Limited		2,490,928	7,367,200

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes

Statement
of financial position

As at 30 June 2018

	Note	2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	8	51,803,351	56,529,675
Trade and other receivables	9	4,997,840	5,452,475
Inventories	10	126,928	94,132
Other financial assets	11	24,421,405	17,205,746
Other assets	12	757,735	449,487
Total current assets		82,107,259	79,731,515
Non-current assets			
Other financial assets	13	25,767,005	20,468,474
Property, plant and equipment	14	7,276,027	6,751,970
Intangibles	15	1,595,959	1,811,644
Total non-current assets		34,638,991	29,032,088
Total assets		116,746,250	108,763,603
Liabilities			
Current liabilities			
Trade and other payables	16	25,513,565	22,316,561
Provisions	17	8,723,613	6,204,435
Total current liabilities		34,237,178	28,520,996
Non-current liabilities			
Payables	18	-	244,452
Provisions	19	321,729	301,740
Total non-current liabilities		321,729	546,192
Total liabilities		34,558,907	29,067,188
Net assets		82,187,343	79,696,415
Equity			
Reserves	20	900,860	575,860
Retained surpluses		81,286,483	79,120,555
Total equity		82,187,343	79,696,415

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2018

	Reserves	Retained surpluses	Total equity
	$	$	$
Balance at 1 July 2016	250,860	72,078,355	72,329,215
Surplus for the year	-	7,042,200	7,042,200
Other comprehensive income for the year	325,000	-	325,000
Total comprehensive income for the year	325,000	7,042,200	7,367,200
Balance at 30 June 2017	575,860	79,120,555	79,696,415

	Reserves	Retained surpluses	Total equity
	$	$	$
Balance at 1 July 2017	575,860	79,120,555	79,696,415
Surplus for the year	-	2,165,928	2,165,928
Other comprehensive income for the year	325,000	-	325,000
Total comprehensive income for the year	325,000	2,165,928	2,490,928
Balance at 30 June 2018	900,860	81,286,483	82,187,343

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement
of cash flows

For the year ended 30 June 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Receipts from members and customers		157,525,127	142,773,262
Payments to members, suppliers and employees		(152,435,721)	(136,064,547)
		5,089,406	6,708,715
Dividends received		718,746	600,114
Interest received		2,077,087	2,245,878
Net cash from operating activities	27	7,885,239	9,554,707
Cash flows from investing activities			
Payments for investments		(161,438,926)	(129,591,321)
Payments for property, plant and equipment	14	(791,223)	(364,868)
Payments for intangibles	15	(61,378)	(655,727)
Proceeds from disposal of investments		149,549,054	133,463,744
Proceeds from disposal of property, plant and equipment		130,910	62,169
Net cash from/(used in) investing activities		(12,611,563)	2,913,997
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(4,726,324)	12,468,704
Cash and cash equivalents at the beginning of the financial year		56,529,675	44,060,971
Cash and cash equivalents at the end of the financial year	8	51,803,351	56,529,675

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial report covers Peoplecare Health Limited as an individual entity. The financial report is presented in Australian dollars, which is Peoplecare Health Limited's functional and presentation currency.

Controlled entities

Peoplecare Health Limited has incorporated two 100% owned subsidiaries. Peoplecare Health Insurance Pty Limited and Peoplecare Professional Services Pty Limited were both set up to register the names for potential future organisation group structure.

The financial statements of Peoplecare Health Limited have been prepared on the basis of the stand-alone entity. These financial statements do not include the consolidated results of either 100% owned subsidiary Peoplecare Health Insurance Pty Limited and Peoplecare Professional Services Pty Limited . This is on the basis that neither subsidiary has traded during the year and the consolidated financial statements would not differ to those of the stand-alone entity financial statements of the company.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Peoplecare Health Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office
Corner Victoria & Young Streets,
Wollongong, NSW, 2500

Principal place of business
Corner Victoria & Young Streets,
Wollongong, NSW, 2500

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and applicable to the company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB') except for:

- AASB 116 'Property, Plant and Equipment' accounting for net revaluation increments and decrements on a class of assets basis rather than on an individual asset basis as required for For-Profit entities.
- AASB 136 'Impairment of Assets' value in use being determined as being the depreciated replacement cost of an asset instead of the present value of the future cash flows expected to be derived from the asset as required for For-Profit entities.

Historical cost convention

The financial statements have also been prepared on an historical cost basis, except for the revaluation of selected non- current assets, financial assets and financial liabilities for which the fair value method of accounting has been adopted.

Comparative figures

Where required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both internally and externally to the company.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in the following notes:

- Note 2: Significant accounting policies - under the heading 'Liability adequacy test';
- Note 2: Significant accounting policies - under the heading 'Provisions: Outstanding claims liability';
- Note 2: Significant accounting policies - under the heading 'Property, plant and equipment: Land and buildings';
- Note 14: Non-current assets - property, plant and equipment - under the heading 'Valuations of land and buildings'; and
- Note 15: Non-current assets - intangibles - under the heading 'Useful lives of intangibles'.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised for the major business activities as follows:

Premium revenue
Premium revenue is recognised in surplus or deficit when it has been earned. Premium revenue is recognised in surplus or deficit from the attachment date over the period of the contract. The attachment date is from when the insurer accepts the risk from the insured under the insurance contract. Revenue is recognised in accordance with the pattern of the incidence of risk expected over the term of the contract. Where time does not approximate the pattern of risk, previous claims experience is used to derive the incidence of risk.

Interest income
Interest income is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

Dividend income
Dividends are recognised as income when the right to receive payment is established.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Receivables

Unclosed business premium
Unclosed business premium represents amounts owing by members at the end of the reporting period, up to and including the date of the next normal payment cycle for their individual policy. The unclosed business premium consists of two components:

i Earned – representing contribution amounts owed by members up to and including 30 June; and

ii Unearned – representing contribution amounts owed by members from 30 June up to and including their next normal payment date.

A small provision for doubtful debts is sufficient as the policies are cancelled once the lapsed period of arrears reaches 90 days.

Interest receivable
Interest receivable represents an accrual calculation of interest from investments outstanding as at the end of the reporting period.

Private Health Insurance rebate on premiums
This is the amount claimed by Peoplecare Health Limited, as a cash amount, from the Department of Human Services for the Australian Government Private Health Insurance Rebate.

Other debtors
Other debtors are recorded at amounts due less any provision for doubtful debts. Other debtors are normally settled in 30 days.

Income tax

No income tax expense was provided for as the company is entitled to tax exempt status under the provisions of Section 50- 30, Item 6.3 of the Income Tax Assessment Act 1997.

Claims

Claims are recorded as an expense in the period in which the service has been provided to the member. The cost of claims therefore represents the claims paid during the period adjusted for the opening and closing provision for unpresented and outstanding claims. The provision for unpresented and outstanding claims provides for claims received but not assessed and claims incurred but not received. The provision is based on an actuarial assessment taking into account historical patterns of claims incidence and processing. No discount is applied to the provision due to the generally short period between claims incidence and settlement. The provision also provides for the expected payment to or receipt from the Risk Equalisation Trust Fund (RETF) in relation to the amount provided for unpresented and outstanding claims. The provision also allows for an estimate of expenses to cover the cost of processing the claims.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land and buildings

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Independent valuations are performed regularly to ensure that the carrying amounts of land and buildings does not differ materially from the fair value at the end of the reporting period. A director's valuation will be carried out in each year that the property is not valued by an external independent valuer.

Where an adjustment is made to the valuation, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Where there is no adjustment, accumulated depreciation remains as is and the building continues to be depreciated as per the depreciation policy.

Increases in the carrying amounts arising on the revaluation of land and buildings are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in surplus or deficit, the increase is first recognised in surplus or deficit. Decreases that reverse previous increases of the same asset are first charged against the revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to surplus or deficit.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation of property, plant and equipment

Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Leasehold improvements	2 to 10 years
Plant and equipment	2 to 15 years
Motor vehicles	3 to 5 years
Computer equipment	2 to 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to surplus or deficit. When revalued assets are sold, it is the company's policy to transfer the amounts included in other reserves in respect of those assets to retained surpluses.

Impairment of assets

Financial assets

A financial asset, other than those classified as fair value through surplus or deficit, is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in surplus or deficit.

Non-financial assets
At the end of each reporting period, the company reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in surplus or deficit. The value in use is determined as being depreciated replacement cost.

Intangible assets

Computer software and software development
Costs incurred in acquiring software licences and the development of both software and a website that will contribute to future period financial benefits through reserve generation and/or cost reduction are capitalised to computer software.

Software licences and capitalised development costs have a finite useful life and are carried at cost, less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the costs over their useful lives being 2 1/2 to 5 years.

Goodwill and licence intangibles
As part of the purchase of an optical business in December 2012, the company attained access to a loyal, long-term customer base of the acquired business. Costs associated with acquiring these customer intangibles are amortised on a straight-line basis over the period of their expected benefit, which has been assessed as 10 years.

A service agreement has been entered into with Members Own Health Funds Limited. Peoplecare Health Limited has obtained marketing, advertising and promotion services in relation to the Members Own Health Fund Trade Marks. The licence to use the Trade Marks is for the term of the agreement which is 20 years. The cost of acquiring the licence is amortised on a straight line basis over the period of the expected benefit being 6 years.

Unearned premiums
Premiums received from members prior to 30 June 2018 relating to the period beyond 30 June 2018 are recognised as unearned premiums. Also, forecast premiums receivable from members at 30 June 2018 are recognised as unclosed business premiums.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Liability adequacy test
At each reporting date, the sufficiency of the unearned premium liability is assessed by considering the current estimate of all expected future cash flows relating to future claims against current private health insurance contracts.

The provision for unexpired risk liability is determined as the excess of benefits, risk equalisation, state levies, claims related expenses plus a risk margin, over the premiums for the relevant period. Projected benefits, risk equalisation, state levies and claims related expenses were determined from projections adjusted for recent experience compared to projected and based on no membership growth.

The risk margin of 4.00% (2017: 4.00%) that is applied to the benefits, risk equalisation, state levies and claims related expenses cashflows has been estimated to equate to a probability of adequacy of approximately 75% (2017: 75%).

The liability adequacy test has been performed collectively for hospital and general treatment contracts up to 1 April 2019, the next premium adjustment opportunity allowed by the Department of Health, using a probability of sufficiency of 75%.

Provision for unexpired risk liability

2018	Unearned premium[1] $	Unearned unclosed business[2] $	Constructive obligation[3] $	Total $
Hospital and General Treatment Combined Premiums	16,134,899	126,725	95,937,054	112,198,678
Outflows:				
Central estimate of future benefits	(14,755,614)	(117,459)	(85,875,235)	(100,748,308)
Central estimate of future management expenses	(1,073,045)	(8,573)	(6,390,881)	(7,472,500)
Risk margin	(633,146)	(5,041)	(3,690,645)	(4,328,832)
Total outflows	(16,461,806)	(131,074)	(95,956,760)	(112,549,640)
Total surplus	(326,906)	(4,349)	(19,706)	(350,961)
Total unexpired risk liability				(350,961)

1. *Unearned premium - the value of health insurance premiums received from members prior to 30 June 2018 relating to the period beyond 30 June 2018.*
2. *Unearned unclosed business - the value of health insurance premiums owing by members from 30 June 2018 up to and including their next normal payment date.*
3. *Constructive obligation - the value of health insurance premiums to be received from members and the cash flows relating to future claims arising from rights and obligations under current insurance coverage at 30 June 2018 up to 31 March 2019, the next premium rate change date at which time Peoplecare is no longer obligated to accept policy renewals at the current premium rates.*

2017	Unearned premium[1] $	Unearned unclosed business[2] $	Constructive obligation[3] $	Total $
Hospital and General Treatment Combined Premiums	11,654,581	161,763	95,592,616	107,408,959
Outflows:				
Central estimate of future benefits	(10,636,085)	(149,338)	(84,003,920)	(94,789,343)
Central estimate of future management expenses	(758,575)	(10,611)	(6,328,345)	(7,097,531)
Risk margin	(455,786)	(6,398)	(3,613,291)	(4,075,475)
Total outflows	(11,850,446)	(166,347)	(93,945,556)	(105,962,349)
Total surplus	(195,866)	(4,584)	1,647,060	1,446,611
Total unexpired risk liability				-

1. *Unearned premium - the value of health insurance premiums received from members prior to 30 June 2017 relating to the period beyond 30 June 2017.*
2. *Unearned unclosed business - the value of health insurance premiums owing by members from 30 June 2017 up to and including their next normal payment date.*
3. *Constructive obligation - the value of health insurance premiums to be received from members and the cash flows relating to future claims arising from rights and obligations under current insurance coverage at 30 June 2017 up to 31 March 2018, the next premium rate change date at which time Peoplecare is no longer obligated to accept policy renewals at the current premium rates.*

For 2018, the liability adequacy test has identified deficiencies in all areas, therefore a provision for unexpired risk liability has been recognised at 30 June 2018 (2017: nil).

Provisions

Outstanding claims liability

The outstanding claims estimate is derived based on three valuation classes, namely Hospital, Medical and General Treatment services. Provision is made at the period end for the liability for outstanding claims which is measured as the central estimate of the expected payments against claims incurred but not settled at the reporting date under private health insurance contracts issued by the company. This 'central estimate' of outstanding claims is an estimate which is intended to contain no intentional over or under estimation. For this reason the inherent uncertainty in the central estimate must also be considered and a risk margin is added. Actual results could differ from the estimate.

The expected future payments include those in relation to claims reported but not yet paid and claims incurred but not yet reported, together with allowance for Risk Equalisation Trust Fund consequences and claims handling expenses.

The provision for outstanding claims liability is determined after taking into account claims paid in July of the following financial year, that relate to services provided in the current financial year.

Accounting estimates and judgments

Risk margins are determined by the Board based upon advice from the Appointed Actuary, and on a basis that reflects the company's business. Regard is had to the robustness of the valuation models, the reliability and volume of available data, past experience of the company and the industry and the characteristics of the classes of business written.

Actuarial assumptions

The following assumptions have been made in determining the outstanding claims liability:

	2018			2017		
	Hospital	**Medical**	**General Treatment**	**Hospital**	**Medical**	**General Treatment**
Variables	**%**	**%**	**%**	**%**	**%**	**%**
Assumed portion paid to date	98.33%	97.30%	98.32%	98.52%	96.67%	98.43%
Expense rate	6.90%	6.90%	6.90%	7.16%	7.16%	7.16%
Discount rate	-	-	-	-	-	-
Risk equalisation rate	6.85%	6.85%	-	9.04%	9.04%	-
Risk margin	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

The risk margin was determined from the assumption that there is a normal distribution of differences between the calculated provisions required for past periods and the finally determined requirements for those periods. A probability of sufficiency of 75% is intended to be achieved through the adoption of the risk margin of 3.25% (2017: 3.25%) at the end of the reporting period.

The actuarial valuation model used to calculate the outstanding claims is a modified chain ladder model. This model, and variants of it, is used by other health insurers and general insurers to calculate outstanding claims liabilities by using the relationships between the claims paid at each time interval in the past, for each period incurred, to predict the extent of incurred claims for each recent period for which claim payments have not yet been completed.

As the run-off of health insurance claims is relatively rapid, the claims to be paid in the future were not discounted.

The company conducts sensitivity analysis to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact the performance and equity of the company.

Impact on key variables

2018

Variables	**Movement in variable**	**Adjustments on surplus**	**Adjusted amount included in Income Statement**	**Adjustments on equity**	**Adjusted amount included in Balance Sheet**
		$	**$**	**$**	**$**
Chain ladder development factors	1.00%	(67,585)	(67,585)	(67,585)	(67,585)
	-1.00%	67,585	67,585	67,585	67,585
Discount rate	-	-	-	-	-
	-	-	-	-	-
Risk equalisation rate	1.00%	(54,303)	(54,303)	(54,303)	(54,303)
	-1.00%	54,303	54,303	54,303	54,303
Risk margin	1.00%	(76,226)	(76,226)	(76,226)	(76,226)
	-1.00%	76,226	76,226	76,226	76,226

2017

Variables	**Movement in variable**	**Adjustments on surplus**	**Adjusted amount included in Income Statement**	**Adjustments on equity**	**Adjusted amount included in Balance Sheet**
		$	**$**	**$**	**$**
Chain ladder development factors	1.00%	(48,685)	(48,685)	(48,685)	(48,685)
	-1.00%	48,685	48,685	48,685	48,685
Discount rate	-	-	-	-	-
	-	-	-	-	-
Risk equalisation rate	1.00%	(37,872)	(37,872)	(37,872)	(37,872)
	-1.00%	37,872	37,872	37,872	37,872
Risk margin	1.00%	(55,838)	(55,838)	(55,838)	(55,838)
	-1.00%	55,838	55,838	55,838	55,838

Other provisions
Provisions are recognised when:

i the company has a present legal or constructive obligation as a result of past events;

ii it is more likely than not that an outflow of economic benefits will be required to settle the obligation; and

iii that the outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Employee benefits

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Accumulating sick leave is expensed to surplus or deficit when incurred.

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation
Contributions to superannuation plans are expensed in the period in which they are incurred.

Executive Long Term Retention Strategy
A long term retention strategy has been adopted by the Board for nominated company executives which provides annual incentive based payments, vesting over a period of time. The value of the payment is linked directly to the achievement of a range of strategic performance benchmarks. The scheme is designed to link executive reward structure and long term strategic goals of the company, and also serves as a risk management strategy aimed to retain executive talent and knowledge over the longer term.

Health Insurance Risk Equalisation Trust Fund (RETF)
Under the provisions of the Private Health Insurance Risk Equalisation Policy Rules 2007, the risk equalisation scheme seeks to share the risks among all registered health insurers by averaging out the cost of hospital treatment across the industry. Money is then transferred from private health insurers with younger healthier members with lower average claims payments to those insurers with older and less healthy membership and which have higher average claims payments.

Goods and Services Tax ('GST') and other similar taxes
Revenues and expenses are recognised net of GST, except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Assets backing private health insurance liabilities
The company has adopted a conservative investment strategy that utilises both short term and longer term financial instruments. Liquidity of the portfolio is matched to the expected pattern of future cash flows arising from the private health insurance liabilities.

The company has determined that all financial assets of the Health Benefits fund are held to back private health insurance liabilities and their accounting treatment is as follows:

Investment and other financial assets:
Financial assets at fair value through surplus or deficit
Financial assets are designated at fair value through surplus or deficit. Initial recognition is at fair value, being acquisition cost, in the statement of financial position and subsequent measurement is at fair value with any resultant fair value gains or losses recognised in surplus or deficit.

Details of fair value for the different types of financial assets are listed below:

Cash and cash equivalents
Cash and cash equivalents, and bank overdrafts are carried at face value of the amounts deposited or drawn. The carrying amounts of cash assets and bank overdrafts approximate their fair value. For the purposes of the statement of cash flows, cash includes cash on hand, deposits held at call with financial institutions net of bank overdrafts, and other short-term highly liquid investments maturing within 3 months of the end of the reporting period.

Other financial assets
Initial recognition is at fair value, being acquisition cost, in the statement of financial position with transaction costs expensed in surplus or deficit. Subsequent measurement is at fair value with any resultant fair value gains or losses recognised in surplus or deficit. Regular purchases and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive the cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Shares and fixed interest securities are initially recognised at fair value, being the acquisition cost and the subsequent fair value is taken as the quoted bid price of the instrument at the end of the reporting period. If quoted market values are not available then fair values are estimated based on mid-market price valuation models.

Amounts due from members
Amounts due from members are initially recognised at fair value, being the amounts due. They are subsequently measured at fair value which is approximated by taking this initially recognised amount and reducing it for impairment as appropriate.

A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the value of estimated future cash flows. The impairment charge is recognised in surplus or deficit.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended, that are applicable to the company but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting.

The company will adopt this standard from 1 July 2018. The company has reviewed its financial assets and liabilities and is expecting the following impact on adoption of the new standard:

- the company's investments are currently measured at fair value through profit or loss ('FVTPL') which will continue to be measured on the same basis under AASB 9. Accordingly, the company does not expect the new guidance to affect the classification and measurement of these financial assets;
- there will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the company does not have any such liabilities;
- the derecognition rules have been transferred from AASB 139 and have not been changed;
- the company has minimal exposure to hedge arrangements; and
- the new impairment model requires the recognition of impairment provisions based on expected credit losses ('ECL') rather than only incurred credit losses, as is the case under AASB 139. The company anticipates that it will use the simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. Based on the assessments undertaken to date, the company does not expect a material impact of the new impairment model.
- the new standard also introduces expanded disclosure requirements and changes in presentation.

AASB 15 Revenues from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018 (for-profit entities) or 1 January 2019 (not-for-profit entities). The standard provides a single standard for revenue recognition and replaces AASB 118 'Revenue' which covers contracts for goods and services and AASB 111 'Construction Contracts' which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The majority of the company's revenue is recognised under AASB 1023 'General Insurance Contracts' which is not impacted by the adoption of AASB 15. There is no material impact of this standard on the company's non-insurance revenue. The company will adopt this standard from 1 July 2019.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and some lease-related Interpretations:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 11
- requires new and different disclosures about leases

When this Standard is first adopted for the year ending 30 June 2020, the company will recognise new lease assets and liabilities however there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 17 Insurance Contracts

The Australia Accounting Standards Board issued AASB 17 Insurance Contracts on 19 July 2017. This will replace AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. AASB 17 will change the accounting for insurance contracts by the company.

Three new measurement approaches are introduced. These include the Building Block approach for long term contract, the Premium Allocation approach for short term contracts, and a Variable Fee approach for direct participating products.

AASB 17 is not mandatory until financial years commencing on or after 1 January 2021. No assessment has been performed to date as to the impact on the company. The company does not intend to adopt the standard before its effective date.

Note 3. Risk management and financial instruments

The Company has exposure to the following risks from investing in various financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

This note presents information about the company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Risk and Audit Committee, which is responsible for developing and monitoring risk management policies. The Risk and Audit Committee consists entirely of non-executive directors and reports regularly to the full Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through training and management standards and procedures, aims to develop a disciplined and constructive risk culture in which all employees understand their roles and obligations.

The Risk and Audit Committee is responsible for monitoring compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Risk and Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported through the Risk and Audit Committee to the Board of Directors.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from policyholders (insurance contracts), other customers and investment securities.

Receivables from insurance contracts:
Credit risk in relation to insurance contracts is discussed in Note 29.

Other receivables:
The risk of financial loss to the company from customers other than fund members arises principally from two sources: management services provided by the company to other private health and specialty insurers, and receivables due from Department of Human Services in relation to the Australian Government Private Health Insurance Rebate.

The probability of financial loss to the company from these arrangements is assessed as low for the following reasons:

i The premium reductions scheme is legislated under the Private Health Insurance Act 2007 and is an integral part of the private health insurance industry affecting all private health insurers; and

ii In relation to the management services provided, the company has formal arrangements via a management services contract which among other things provides appropriate protection to the company in respect of the risk of customer default.

There has been no history of default in relation to this category of receivables.

Investment securities (Cash and cash equivalents and other financial assets):
The Board has addressed the issue of credit risk from investment securities through the development and regular review of the company's investment strategy. The strategy requires the company holds a diversified investment portfolio, heavily weighted to defensive assets over growth assets.

The portfolio of defensive assets consists of cash and cash equivalents, highly liquid fixed interest securities, longer term fixed income securities (up to 10 years), short term receivables and assets used in the operations of the business.

The company limits its exposure to counterparty credit risk through the following policies which are detailed in the investment strategy and summarised below:

Cash and cash equivalents and highly liquid fixed interest securities (short-term investments):

(i) investing only with authorised deposit-taking institutions (ADIs) regulated by the Australian Prudential Regulation Authority (APRA):

(a) Short term investments are required to be placed with ADIs with a minimum issuer credit rating of A1 or higher (as defined by Standard and Poor's rating agency). This is to ensure that investment funds are placed with highly secure, low risk rated entities; and

(b) Notwithstanding (a), the Board has a tolerance for up to 20% of the defensive investment asset portfolio to be invested with ADIs who meet the following criteria:

i Net Assets > $50 million;

ii Return on Equity > 5% for each of the last two financial years; and

iii Total regulatory capital as a % of total risk weighted assets > 12% for each of the last two financial years; and

iv The maximum amount invested with any individual ADI or related banking group in this category is $1,000,000.

Long-term fixed income securities

Long term fixed income securities held by the company may include:

- Bank endorsed bills of exchange;
- Term Deposits;
- Securities Issued by Federal or State Government bodies or securities issued by a semi-government authority with security guaranteed by the Federal or State Government; and
- Corporate bonds

i All long term defensive investments are required to have a minimum issuer rating of AA- (as defined by Standard and Poor's rating agency) except for corporate bond investments which must have a minimum issuer credit rating of A-; and

ii Exposure to any single issuer, financial institution or related banking group, is limited to a maximum of 35% of the defensive asset investment portfolio. This maximum may be exceeded for a short period of time (two weeks).

In addition to the above, the company holds a portfolio of growth assets which includes shares in listed corporations. The company manages credit risk in respect to this portfolio by:

i The share portfolio will be actively managed by an independent investment advisor;

ii Only stocks from the ASX200 Accumulation Index will be included in the portfolio and will include shares from a range of diverse industry sectors with sector limits of +/- 15%; and iii No more than 17% of the Australian equity portfolio is to be held in any one company.

iv The total combined holding of Australian and International equities cannot exceed the Board endorsed maximum of 15% of the total investment assets of the Fund;

v An equities Investment via an ETF will only be through the purchase of a physical ETF, that is, the Fund will not invest in synthetic ETFs.

vi Any ethical or conflict of interest investment considerations/decisions are not to be applicable when investing via a passive approach (index fund or ETF) due to the individual investment decisions being deemed "arms-length" in nature.

(vii) The investment advisor will seek approval from the management investment committee before changing or adding any direct holdings, managed funds or ETF's into the portfolio.

During the 2017 year ratings agency Standard and Poor's changed its view of the Australian banking sector which resulted in a lowering of the issuer rating of three bonds held in the portfolio (face value: $3,000,000). Because of this, the issuer rating fell below the minimum rating requirement under the Investment Policy. After discussing with the independent portfolio investment advisor, the Board resolved to retain these bonds until maturity, however the Board will review this position should any further ratings downgrade occur.

Given the company's conservative investing policies and procedures, management does not expect any counterparty to fail to meet its obligations.

At the end of the reporting period, the maximum exposure of the company to any one financial institution measured at fair value was $30,298,328 (2017: $29,685,259).

(b) Liquidity risk

Liquidity risk is the risk that the company might encounter difficulties in settling debts or otherwise meeting its obligations related to financial liabilities. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following procedures have been adopted by the company to manage future liquidity requirements:

(i) Management prepare daily cash flow forecasts for the upcoming six months. This forecast provides for the major types of inflows and outflows, as well as the projected net cash position each day and cumulatively over the forecast period. The forecasts are assessed and updated on a regular basis as new information comes to hand. Cash flow projections are updated daily with actual cash flow outcomes to assess accuracy and assist in improving future cash flow forecasting;

(ii) The company should always hold enough cash to meet the solvency standard. Investments in cash and term deposits must be sufficient to meet the short-term liabilities, claims liability and other recurring operating expenditure. To do this, the value of the short-term deposit portfolio must be at least equal to the capital adequacy requirement reported in the quarterly regulatory return lodged with APRA.

In setting the minimum cash balance the Board has considered the following:

- The historical seasonality of cash flows of the fund over a number of years;
- The potential size of cash outflows under stressed business conditions. To test the fund's ability to meet the solvency standard retrospectively, management increased historical daily cash outflows over the past four years by factors of 1.25 and 1.50. Under both scenarios, a minimum cash balance of $2,500,000 would have been sufficient to meet the solvency standard requirements;
- The inability to convert term deposits into cash prior to maturity date;
- The inability to convert fixed income securities into cash prior to maturity date (trade on the secondary market); and
- The inability to convert all or a portion of the fund's equities portfolio quickly to cash to meet the minimum cash requirements.

Should the company's cash balance fall below the board approved minimum cash balance for a period of more than a few days, management will undertake remediation activities outlined in the liquidity management plan.

To ensure, as far as practically possible, compliance with the Solvency Standard requirements and to avoid breaching the cash management requirement under the standard, the sum of $1,800,000 is held in a separate bank account that will not be drawn upon and is not to be considered in managing the day to day cash flow requirements of the fund; and

(iii) Ensure an adequate match between fund assets and liabilities.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of a financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk in relation to insurance contracts:

Market risk in relation to insurance contracts is discussed in Note 29.

Market risk in relation to investment securities:

1. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company has minimal currency risk exposure at 30 June 2018. The company held $2.95m of international equities via physical Exchange Traded Funds (ETF) however $1.44m of these equities is not affected by currency risk because this proportion is fully hedged. The role of hedging for international equity investments is to neutralise foreign exchange risk within the portfolio.

2. Interest rate risk

The company is subject to interest rate risk through volatility in cash flows generated by interest bearing financial instruments. To minimise this volatility, the company diversifies its holdings of financial instruments between various financial institutions and through investing in a range of differing financial products. The company has adopted an investment strategy that delivers a diversified portfolio with a heavier weighting to defensive assets versus growth assets. Defensive assets consist of fixed interest securities and cash and cash equivalents.

3. Other market price risk

The company is exposed to securities price risk in relation to both the long term fixed income and the equities investment portfolios. This arises from investments held by the company and classified on the statement of financial position as at fair value through surplus or deficit. This risk is managed in the following investment strategy requirements:

Equities Portfolio

i The share portfolio will be actively managed by an independent investment advisor;

ii Only stocks from the ASX200 Accumulation Index will be included in the portfolio and will include shares from a range of diverse industry sectors with sector limits of +/- 15%;

iii No more than 17% of the Australian equity portfolio is to be held in any one company;

iv The total combined holding of Australian and International equities cannot exceed the Board endorsed maximum of 15% of the total investment assets of the Fund;

v An equities Investment via an ETF will only be through the purchase of a physical ETF, that is, the Fund will not invest in synthetic ETF's.

vi Any ethical or conflict of interest investment considerations/decisions are not to be applicable when investing via a passive approach (index fund or ETF) due to the individual investment decisions being deemed "arms-length" in nature.

vii The investment advisor will seek approval from the management investment committee before changing or adding any direct holdings, managed funds or ETF's into the portfolio.

Fixed Income Portfolio

i. No more than 35% of the defensive asset portfolio can be invested in any single issuer; and

ii. Fixed interest securities will be acquired under the advice of a Board approved independent investment adviser.

The investment policy is subject to review and approval by the Board.

Capital management

The company operates in the private health insurance industry and is subject to prudential capital regulations determined in accordance with the solvency and capital adequacy standards which are set out in the APRA Prudential Standard HPS 100 - Solvency Standard and APRA Prudential Standard HPS 110 - Capital Adequacy.

The Capital Adequacy Standard requires amongst other things that the company holds sufficient assets in its health benefits fund to provide adequate capital for the conduct of the health benefits fund in accordance with the Private Health Insurance Act 2007 and in the interests of policyholders of the fund. The company's compliance with the capital adequacy standard is an indication of its future financial strength, on a going concern basis.

Each private health insurer must have, and comply with, a written, Board endorsed, capital management policy, which as a key component must include a capital management plan. The company's capital management plan must contain:

i A description of the Board's risk appetite as it relates to capital needs and the process used to determine that appetite;

ii Target capital levels which have regard to access to internal and external capital and the impact on premiums of holding more or less capital than the amount determined;

iii Details of how the capital target is calculated; and

iv Clearly defined capital trigger points and corrective actions for each of the trigger points which specifies the actions and timeframes for those actions that the company may utilise to return capital to the target levels.

The Board's policy is to maintain a strong capital base and to hold capital in accordance with the capital management plan.

At the end of the reporting period the company held capital in excess of the capital adequacy requirements determined in accordance with the Capital Adequacy Prudential Standard.

The Board reviews the capital management plan on a biennial basis, or as triggered by events detailed in the company's capital management policy.

Solvency

The purpose of this Prudential Standard is to ensure as far as practicable that at any time the financial position of a health benefits fund conducted by a private health insurer is such that the private health insurer will be able to meet, out of the fund's assets, all liabilities that are referrable to the fund, as those liabilities become due.

This Prudential Standard requires the private health insurer to demonstrate that it will be able to meet the liabilities of its health benefits fund, allowing for adverse circumstances.

It is also a requirement of the Solvency Standard that the company have and comply with a Board endorsed liquidity management plan for each health benefits fund it conducts. The liquidity management plan must include Board approved minimum liquidity requirements and management action triggers should liquidity fall below the minimum set down by the Board.

The company has a Board endorsed liquidity management plan in place and all liquidity requirements contained in the Standard were met at all times during the year ended 30 June 2018.

Note 4. Other revenue

	2018 $	2017 $
Travel insurance commission	21,487	25,751
Overseas student health cover agency fee	720,527	729,819
Management services income	4,769,882	3,699,889
Interest income	2,107,359	2,133,065
Dividend income	718,746	600,114
Dental income	1,714,378	1,869,169
Optical income	1,054,076	1,037,298
Other income	472,534	77,314
	11,578,989	10,172,419

The company has entered into a number of management services agreements, all at arm's length and on normal commercial terms.

Note 5. Increase/(decrease) in fair value of financial assets

	2018 $	2017 $
Shares in listed corporations	801,869	922,782

Note 6. Net gain/(loss) realised on disposal of financial assets held at fair value through surplus or deficit

	2018 $	2017 $
Shares in listed corporations	(177,551)	416,923

Note 7. Other cost of goods sold

	2018 $	2017 $
Cost of dental sales	787,442	839,040
Cost of optical sales	673,216	653,568
	1,460,658	1,492,608

Note 8. Current assets - cash and cash equivalents

	2018 $	2017 $
Cash on hand	2,200	1,400
Cash at bank	5,979,200	5,816,440
Term deposits maturing within 3 months after the end of the reporting period	45,821,951	50,711,835
	51,803,351	56,529,675

Cash at bank bears floating interest rates between 0.00% and 1.60% (2017: 0.00% and 1.60%). Term deposits bear fixed interest rates between 2.30% and 2.75% (2017: 2.07% and 2.65%).

For the purpose of the cash flow statement, cash includes cash on hand, bank deposits, and investments in money market instruments maturing within 3 months of the end of the reporting period. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position.

Note 9. Current assets - trade and other receivables

	2018 $	2017 $
Unclosed business premium - earned	152,702	181,199
Unclosed business premium - unearned	126,725	181,516
Private Health Insurance Rebate on premiums	3,079,154	3,320,181
Investment Income Receivable	353,639	323,367
Other debtors	1,295,196	1,455,788
Less: provision for impairment of receivables	(9,576)	(9,576)
	4,997,840	5,452,475

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $258,627 as at 30 June 2018 ($341,925 as at 30 June 2017).

The aging of the past due but not impaired receivables are as follows:

	2018 $	2017 $
Past due 0 - 30 days	194,085	198,121
Past due 31 - 120 days	29,332	30,562
Past due 121 days to one year	41,713	122,685
More than one year	3,073	133
More than one year - impairment	(9,576)	(9,576)
	258,627	341,925

There was no increase in the provision for impairment of receivables (2017: Nil).

Note 10. Current assets - inventories

	2018 $	2017 $
Optical stock on hand - at cost	126,928	94,132

Note 11. Current assets - other financial assets

	2018 $	2017 $
Financial assets at fair value through surplus or deficit: Shares in listed corporations	15,065,670	11,550,806
Financial assets at fair value through surplus or deficit: Term deposits	7,500,000	5,000,000
Financial assets at fair value through surplus or deficit: Bonds	1,855,735	654,940
	24,421,405	17,205,746

Note 12. Current assets - other assets

	2018 $	2017 $
Prepayments	757,735	449,487

Note 13. Non-current assets - other financial assets

	2018 $	2017 $
Unlisted shares - Lysaght Credit Union	2	2
Unlisted shares - Peoplecare Health Insurance Pty Ltd	100	100
Unlisted shares - Peoplecare Professional Services Pty Ltd	2	2
Financial assets at fair value through surplus or deficit: Bonds	25,766,901	20,468,370
	25,767,005	20,468,474

Note 14. Non-current assets - property, plant and equipment

	2018 $	2017 $
Land and buildings - at fair value	5,825,000	5,500,000
Leasehold improvements - at cost	904,855	828,486
Less: Accumulated depreciation	(476,806)	(367,612)
	428,049	460,874
Plant and equipment - at cost	1,683,783	1,565,023
Less: Accumulated depreciation	(1,404,914)	(1,335,580)
	278,869	229,443
Motor vehicles - at cost	621,994	592,229
Less: Accumulated depreciation	(175,432)	(200,632)
	446,562	391,597
Computer equipment - at cost	1,500,740	1,214,405
Less: Accumulated depreciation	(1,203,193)	(1,044,349)
	297,547	170,056
	7,276,027	6,751,970

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and Buildings $	Leasehold Improve. $	Plant and Equipment $	Motor Vehicles $	Computer Equipment $	Total $
Balance at 1 July 2016	5,175,000	543,607	261,279	354,155	159,651	6,493,692
Additions	-	-	28,608	204,696	131,564	364,868
Disposals	-	-	-	(63,130)	-	(63,130)
Revaluation of assets	325,000	-	-	-	-	325,000
Depreciation expense	-	(82,733)	(60,444)	(104,124)	(121,159)	(368,460)
Balance at 30 June 2017	5,500,000	460,874	229,443	391,597	170,056	6,751,970
Additions	-	76,369	118,760	309,759	286,335	791,223
Disposals	-	-	-	(134,502)	-	(134,502)
Revaluation of assets	325,000	-	-	-	-	325,000
Depreciation expense	-	(109,194)	(69,334)	(120,292)	(158,844)	(457,664)
Balance at 30 June 2018	5,825,000	428,049	278,869	446,562	297,547	7,276,027

Valuations of land and buildings

The fair value of land and buildings located at 2-12 Victoria Street, Wollongong NSW, at the end of the reporting period was assessed by Opteon Property Group, an independent external valuer, in accordance with the company's accounting policy. Fair value has been determined in the context of current commercial property market conditions. The fair value of the company's land and buildings at 30 June 2018 is $5,825,000 (2017: $5,500,000).

The company classifies its assets into the three levels prescribed under the accounting standards. All resulting fair value estimates for land and buildings are classified as Level 2. The Level 2 fair value of land and buildings has been derived using the market value approach. The key inputs under this approach are the current observable prices in an active market for similar properties in the same location and condition, and the net market rental income as at the valuation date, capitalised at an appropriate market yield.

Note 15. Non-current assets - intangibles

	2018 $	2017 $
Computer software - at cost	2,276,189	983,669
Less: Accumulated amortisation	(1,024,214)	(877,223)
	1,251,975	106,446
Computer software under development - at cost	-	1,231,142
Goodwill and licence intangibles - at cost	875,181	875,181
Less: Accumulated amortisation	(531,197)	(401,125)
	343,984	474,056
	1,595,959	1,811,644

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Software $	Software Development $	Goodwill and licence intangibles $	Total $
Balance at 1 July 2016	158,826	649,777	760,066	1,568,669
Additions	74,362	581,365	-	655,727
Amortisation expense	(126,742)	-	(286,010)	(412,752)
Balance at 30 June 2017	106,446	1,231,142	474,056	1,811,644
Additions	61,378	-	-	61,378
Transfers in/(out)	1,231,142	(1,231,142)	-	-
Amortisation expense	(146,991)	-	(130,072)	(277,063)
Balance at 30 June 2018	1,251,975	-	343,984	1,595,959

Note 16. Current liabilities - trade and other payables

	2018 $	2017 $
Unclosed business premium liability	126,725	181,516
Unearned premium liability (premiums in advance)	14,420,967	11,008,017
Amounts due to the Risk Equalisation Trust Fund	900,324	1,757,232
Annual leave	947,041	770,370
Executive long term retention scheme	931,658	576,578
Other creditors and accruals	8,186,850	8,022,848
	25,513,565	22,316,561

Refer to Note 21 for further information on financial instruments.

Note 17. Current liabilities - provisions

	2018 $	2017 $
Long service leave	502,339	439,129
Outstanding claims liability - central estimate	7,622,581	5,583,833
Outstanding claims liability - risk margin 3.25%	247,732	181,473
Unexpired Risk Liability	350,961	-
	8,723,613	6,204,435

Outstanding claims liability
Process for determining risk margin

The risk margin for the outstanding claims provision is based on an analysis of the historical accuracy of the Fund's provision for outstanding claims. The benefits component of the provision for each period, which reflects the expected outstanding claims at the time of reporting, calculated according to the chain ladder method, is compared to the actual claims that are subsequently paid for that period. The difference between the actual outstanding claims and the expected outstanding claims is analysed to determine a risk margin which provides a 75% probability of sufficiency.

The risk margin at 30 June 2018, is calculated as 3.25% of the central estimate of the benefits component of the outstanding claims liability. Allowance is also made for expected risk equalisation consequences and administration costs associated with claims processing in the outstanding claims liability estimate.

The risk margin adopted at 30 June 2018 was 3.25% (2017: 3.25%). The Provision was determined by adopting one month's hindsight of claims paid after 30 June. Refer to Note 2 for further explanation.

Unexpired risk liability
Process for determining risk margin

The risk margin for the liability adequacy test is based on an analysis of the historical variance of the Fund's projected net margins compared with actual net margins. The difference between the actual net margins and the expected net margins is analysed by the Appointed Actuary to determine an appropriate risk margin which has been estimated to equate to a probability of adequacy of approximately 75%.

The risk margin adopted at 30 June 2018 was 4.00% (2017: 4.00%). Refer to Note 2 for further explanation.

Movements in provisions

Movements in each class of provision, other than employee benefits, are set out below:

Outstanding claims

	2018 $	2017 $
Carrying amount at the start of the year	5,765,306	6,145,444
Add Claims incurred	124,210,893	110,382,077
Less Claims paid	(122,105,886)	(110,762,215)
Carrying amount at the end of the year	7,870,313	5,765,306

Unexpired risk

	2018 $	2017 $
Carrying amount at the start of the year	-	-
Add Movement in Unexpired Risk Liability	350,961	-
Carrying amount at the end of the year	350,961	-

Amounts not expected to be settled within the next 12 months
Long service leave obligations:

The current portion of this liability represent the unconditional entitlement to long service leave where employees have completed the required period of service. This amount is presented as a current liability as the Company does not have an unconditional right to defer settlement for these obligations. However, based on past years' experience including low turnover of long term staff, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2018 $	2017 $
Employee benefits obligation expected to be settled after 12 months	456,453	398,942

Note 18. Non-current liabilities - payables

	2018 $	2017 $
Executive long term retention scheme	-	244,452

Refer to Note 21 for further information on financial instruments.

Note 19. Non-current liabilities - provisions

	2018 $	2017 $
Long service leave	321,729	301,740

Provision for long-term employee benefits
A provision has been recognised for employee benefits relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 2 to the financial statements.

Note 20. Equity - reserves

	2018 $	2017 $
Revaluation surplus reserve	900,860	575,860

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties. In the event of a sale of an asset, any balance in the reserve in relation to that asset is transferred to retained surpluses.

	Revaluation surplus 2018 $	Total 2017 $
Balance at 1 July 2016	250,860	250,860
Revaluation - gross	325,000	325,000
Balance at 30 June 2017	575,860	575,860
Revaluation - gross	325,000	325,000
Balance at 30 June 2018	900,860	900,860

Note 21. Financial instruments

Financial risk management objectives
The company's activities expose it to a variety of financial risks. Note 3 presents information about the company's exposure to these risks.

Market risk
Foreign currency risk.
Sensitivity analysis for currency risk.
The company holds an unhedged international portfolio of equity investments valued at current foreign exchange prices of $1,515,795 (2017: nil). For equity investments classified as fair value through surplus or deficit, a 5% change of the Australian Dollar against all other currencies at reporting date would have resulted in an increase or decrease to the company's surplus or deficit of $75,790 (2017: nil). Equity would increase or decrease by the same amount.

The above example assumes a constant and equal 5% change of the Australian Dollar against all other currencies. However, in practice a basket of currencies does not move in this constant fashion because invariably macroeconomic factors will impact each currency differently.

Price risk
Sensitivity analysis for price risk.
The company's equity investments are listed on the Australian Securities Exchange. For equity investments classified as fair value through surplus or deficit, a 10% change in the bid price at reporting date would have resulted in an increase or decrease to the company's surplus or deficit of $1,506,567 (2017: $1,155,081). Equity would increase or decrease by the same amount.

The company's bonds are listed on the secondary market. For bonds classified as fair value through surplus or deficit, a 10% change in the bid price at reporting date would have resulted in an increase or decrease to the company's surplus or deficit of $2,762,264 (2017: $2,112,331). Equity would increase or decrease by the same amount.

Interest rate risk
Interest rate risk is explained in Note 3 (c).

Note 21. Financial instruments (continued)

At the end of the reporting period the interest rate profile of the company's interest bearing financial instruments was:

	2018		2017	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Fixed rate instruments (maturing within one year):				
Financial assets	2.64	55,177,686	2.41	56,366,775
Fixed rate instruments (maturing after one year):				
Financial assets	3.71	25,766,901	3.54	20,468,370
Variable rate instruments:				
Financial assets	1.57	5,979,200	1.63	5,816,440
Net exposure to cash flow interest rate risk		86,923,787		82,651,585

Sensitivity Analysis:

	Basis points increase			Basis points decrease		
2018	Basis points change	Effect on surplus $	Effect on equity $	Basis points change	Effect on surplus $	Effect on equity $
Fixed rate instruments	100	809,446	809,446	100	(809,446)	(809,446)
Variable rate instruments	100	59,792	59,792	100	(59,792)	(59,792)
		869,238	869,238		(869,238)	(869,238)

2017	Basis points change	Effect on surplus $	Effect on equity $	Basis points change	Effect on surplus $	Effect on equity $
Fixed rate instruments	100	768,351	768,351	100	(768,351)	(768,351)
Variable rate instruments	100	58,164	58,164	100	(58,164)	(58,164)
		826,515	826,515		(826,515)	(826,515)

The above results are based on the change in interest rates being maintained for the past year and with all other variables remaining constant.

Credit risk

Credit risk is explained in Note 3 (a).

Exposure to credit risk:

The carrying amount of the company's financial assets represents the maximum credit exposure. The company's maximum exposure to credit risk at the end of the reporting period was as follows:

Note 21. Financial instruments (continued)

	2018 $	2017 $
Financial Assets		
Cash and cash equivalents	51,803,351	56,529,675
Receivables	4,997,840	5,452,475
Financial assets at fair value through surplus or deficit: Term deposits	7,500,000	5,000,000
Financial assets at fair value through surplus or deficit: Bonds	27,622,636	21,123,310
	91,923,827	88,105,460

Liquidity risk

Liquidity risk is explained in Note 3 (b).

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2018	1 month or less $	Between 2 and 4 months $	Between 4 and 6 months $	More than 6 months $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables (excl. GST & PAYG)	8,891,119	-	-	277,426	9,168,545
Total non-derivatives	8,891,119	-	-	277,426	9,168,545

2017	1 month or less $	Between 2 and 4 months $	Between 4 and 6 months $	More than 6 months $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables (excl. GST & PAYG)	8,642,134	-	-	244,452	8,886,586
Total non-derivatives	8,642,134	-	-	244,452	8,886,586

The carrying value of trade and other payables is $9,168,545 (2017: $8,886,586). The company is not significantly exposed to this risk as it has $51,803,351 of cash and cash equivalents to meet these obligations as they fall due.

Note 21. Financial instruments (continued)

Fair value

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the company are as follows:

	2018		2017	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Assets				
Cash and cash equivalents	51,803,351	51,803,351	56,529,675	56,529,675
Loans and receivables	4,997,840	4,997,840	5,452,475	5,452,475
Financial assets fair valued through surplus or deficit	33,266,901	33,266,901	25,468,370	25,468,370
Shares in listed corporations	15,065,670	15,065,670	11,550,806	11,550,806
	105,133,762	105,133,762	99,001,326	99,001,326
Liabilities				
Trade and other payables	(9,168,545)	(9,168,545)	(8,886,586)	(8,886,586)
	(9,168,545)	(9,168,545)	(8,886,586)	(8,886,586)

Financial assets measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets and liabilities above are classified as Level 1 due to either their short term nature or their values being derived by quoted prices (unadjusted) in active markets for identical assets. The net carrying amounts for these financial assets and liabilities are deemed to approximate their fair values.

Note 22. Key management personnel disclosures

Directors

The following persons were directors of Peoplecare Health Limited during the financial year:

Glenn Lennell	
Greg Parrish	Retired 19 February 2018
Peter Fitzgerald	
Andrew Gregory	
Stephannie Jonovska	
Louise Leaver	
Michael Oertel	Appointed Director - 19 February 2018 (Associate Director from 27 September 2017 to 19 February 2018)
Sue Baker-Finch	Appointed Associate Director 1 May 2018

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the company, directly or indirectly, during the financial year:

Michael Bassingthwaighte	Chief Executive Officer
Dale Cairney	Chief Risk Officer Deputy Chief Executive Officer
Anita Mulrooney	Head of Customer Service & Marketing
Christopher Stolk	Chief Financial Officer
Dr Melinda Williams	Head of Hospital & Health Services
Maree Morgan-Monk	Head of People & Culture
Peter Buckley	Head of Strategy & Innovation

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2018 $	2017 $
Short-term employee benefits	2,102,007	1,980,903
Post-employment benefits	181,937	239,245
Long-term benefits	110,627	120,440
	2,394,571	2,340,588

Total Directors' remuneration of up to a maximum of $338,264 per annum was approved by members at the Annual General Meeting on 8 November 2017. For the year ended 30 June 2018 total directors' remuneration paid was $293,240.

Other transactions with key management personnel

During the period the company received health insurance contributions from key management personnel on normal terms and conditions. That is to say, on terms or conditions no more favourable than those available to other members.

Note 23. Contingent assets and liabilities

At 30 June 2018 the company had no contingent assets and liabilities.

Note 24. Commitments

	2018 $	2017 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	-	213,210
Work in progress - Computer software under development; payable within one year	-	1,105,177
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	239,155	218,000
One to five years	404,438	503,728
	643,593	721,728

Operating lease commitments includes contracted amounts for office facilities, a retail outlet and plant and equipment under non-cancellable operating leases expiring within 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 25. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in Note 22.

Transactions with other parties

The following transactions occurred with other parties:	2018 $	2017 $
Payment for goods and services:		
Payment for services from HAMB Systems Limited	660,425	839,972
Payment for services from Australian Health Service Alliance Limited	386,444	387,856
Payment for services from Members Own Health Funds	231,659	236,450

During the year, fees were paid to HAMB Systems Limited, a not-for-profit company which the CEO, Michael Bassingthwaighte, was a director. He received from HAMB Systems Limited, nominal remuneration to cover costs. The payments were made on normal commercial terms and conditions and relate to software and information technology services provided to the company.

During the year, fees were paid to Australian Health Service Alliance Limited, a not-for-profit company which the CEO, Michael Bassingthwaighte, was a director. He received no remuneration from Australian Health Service Alliance Limited. The payments were made on normal commercial terms and conditions and relate to the management of provider relationships, collection, dissemination and analysis of medical and hospital data, management of Access Gap Cover, as well as prosthesis, educational services and training.

During the year, amounts were paid to Members Own Health Funds, a not-for-profit organisation which represents not-for- profit and mutual health funds, which the CEO, Michael Bassingthwaighte, was a director. He received no remuneration from Members Own Health Funds. The payments were made on normal commercial terms and conditions and are for marketing, advertising and promotion services in relation to the Members Own Health Fund Trade Marks.

Receivable from and payable to other parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from other parties
There were no loans to or from other parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 26. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 27. Reconciliation of surplus to net cash from operating activities

	2018 $	2017 $
Surplus after income tax expense for the year	2,165,928	7,042,200
Adjustments for:		
Depreciation and amortisation	734,727	781,212
Net loss on disposal of property, plant and equipment	3,592	961
(Increase)/decrease in fair value of financial assets	(801,869)	(922,782)
Net (gain)/loss on disposal of financial assets transferred to surplus or deficit on disposal	177,551	(416,923)
Change in operating assets and liabilities:		
Increase in trade and other receivables	454,635	(485,693)
Decrease/(increase) inventories	(32,796)	1,023
Decrease/(increase) prepayments	(308,248)	25,472)
Increase in trade and other payables	(161,155)	1,825,021
Increase in employee benefits	83,199	52,476
Increase/(decrease) in other provisions	2,455,968	(380,138)
Increase/(decrease) in retirement benefit obligations	(244,452)	36,734
Increase in other operating liabilities	3,358,159	1,995,144
Net cash from operating activities	7,885,239	9,554,707

Note 28. Non-cash investing and financing activities

During the financial year the entity did not undertake any non-cash activities.

Note 29. Nature and extent of risks arising from insurance contracts

The purpose of insurance is risk distribution, that is, to spread risks across a large pool of individuals. Insurance provides a mechanism by which individuals who pay an agreed sum, known as a 'premium' can be indemnified against future events that may cause loss.

An insurance contract is a product under which an insurer accepts significant risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

A health insurance contract is a type of insurance whereby the company (the insurer) agrees to reimburse the policyholder for health care costs in exchange for a premium. The contract (policy) stipulates the type of health care benefits covered as well as costs to be reimbursed.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its life, even if the insurance risk reduces significantly during the period.

The company has determined that all current contracts with policyholders are insurance contracts.

Sensitivity to insurance risk

Health insurance claims tend to be short-tailed in nature, in that the period of time between a claim event occurring and the date of payment of that claim are typically less than one year, and in most cases less than six months. Historical claim lag patterns demonstrate that greater than 90% of claims are settled within three months of the claim event occurring.

The health insurance claims are therefore generally not sensitive to factors such as inflation, changes in interest rates, or other time-value of money issues, and as such a sensitivity analysis has not been provided in the financial statements.

Selection, pricing and concentration risk

Community rating is the basis of Australia's private health insurance system. Under the *Private Health Insurance Act 2007*, private health insurance contracts are required to be community rated, that is, in setting premiums, or paying benefits, funds cannot discriminate on the basis of health status, age, race, sex, and sexuality, use of hospital or medical services or general claiming history. Although this risk is shared collectively across the entire pool of policyholders, actuaries and underwriters still collect health information to determine the overall premium that insurers must charge to sustain the pool.

Community rating mandates that one price must apply to all member groups within each product, meaning that the pricing applied to the member groups within a product applies to all current and future potential members.

The company manages concentration risk by pricing each product with regard to the risk profile of each policyholder group.

Another regulatory factor is Risk Equalisation which supports the principle of community rating. The Risk Equalisation scheme transfers money from private health insurers with younger healthier members with lower average claims payments to those insurers with an older and less healthy membership and which have higher average claims payments.

The Private Health Insurance Act 2007, also limits the types of treatment that private health insurers are able to offer as part of their health insurance business. Premiums for health insurance can only be changed with the approval of the Minister for Health.

Credit risk in relation to insurance contracts

Credit risk is the risk that one party to an insurance contract will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk for insurance contract related assets, at the end of the reporting period, is the carrying amount net of any provision for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

This risk is minimised through a process of arrears management whereby benefit payments are with-held from non- financial policyholders. Where payment of contributions is not received for a continual period of three months, the policy is terminated.

The company does not have any material credit risk exposure to any single receivable or group of receivables under insurance contracts entered into by the company.

Liquidity risk in relation to insurance contracts

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with insurance contracts.

The company manages liquidity risk in relation to insurance contracts by continuously monitoring forecast and actual cash flows and claims provisioning risk as well as holding a high percentage of highly liquid investments to meet the obligations of the company.

The approach adopted by the company in determining the outstanding claims provision is detailed in Note 2. The provision is subject to some uncertainty, but the company seeks to ensure the outstanding claims provision is adequate by:

i. ongoing and regular review of claim lags to ensure they are consistent with historical analysis;

ii. a periodic external review conducted by the appointed actuary, incorporated within a quarterly report to the Board of Directors and the annual financial condition report prepared for the Board of Directors and provided to the industry regulator;

iii. ongoing and regular reviews of forecasts to ensure that factors included in calculating the outstanding claims provision remain relevant and reliable; and

iv. the inclusion of a risk margin in the calculations (as detailed in Note 2) to ensure a probability of sufficiency of 75%.

Market risk in relation to insurance contracts
Market risk is the risk that the fair value or future cash flows associated with insurance contracts will fluctuate because of changes in market prices. Factors affecting market prices faced by the company include inflation risk.

The company is exposed to inflationary risk in relation to hospital and medical services that may materially impact on the future value of claims payments. Controls in place to mitigate this risk include contracts with hospital and medical service providers, and limits applied to some benefits provided under general treatment products. The company also monitors growth in the utilisation and charges for medical services on an ongoing basis to ensure they are within forecast ranges.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Glenn Lennell GAICD
Director

Louise Leaver LLB (Hons), BSc (Psyc), GAICD
Director

26 September 2018
Wollongong

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Independent Auditor's Report

To the Members of Peoplecare Health Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Peoplecare Health Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A Sheridan
Partner – Audit & Assurance

Sydney, 27 September 2018

Peoplecare

Peoplecare Health Limited
A registered private health insurer ABN 95 087 648 753