

Annual Report 2023



Health insurance you can depend on

Contents

2 Performance Highlights

4 Chairman's Report



6 CEO's Statement

8 About us

10 2022-23 Strategic Achievements



12 Financial Performance

13 Member Services

14 Our People



PURPOSE

Our purpose is to protect the health of those who protect our country.

VISION

Our vision is to be your preferred and trusted health partner.



Support for the Defence Community	16
Governance	17
Board of Directors	18
Executive Management Team	20

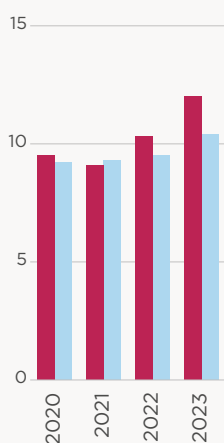
Performance Highlights

Financial Snapshot

\$'000	2023	2022	Change	Change %
Premium revenue	670,760	651,240	19,520	3.0%
Gross margin	158,067	86,131	71,936	83.5%
Management exp	(80,749)	(67,727)	13,022	19.2%
Management exp ratio	12.0%	10.3%		1.70%
Net margin	77,318	18,404	58,914	320.1%
Investment and other income	40,078	(9,718)	49,796	512.4%
Operating surplus	117,396	8,686	108,710	1251.6%
Total assets	665,472	634,406	31,066	4.9%
Total liabilities	166,380	252,710	(86,330)	-34.2%
Total capital reserves	499,092	381,696	117,396	30.8%
Number of policies	146,485	144,724	1,761	1.2%
Market share	2.04%	2.05%		

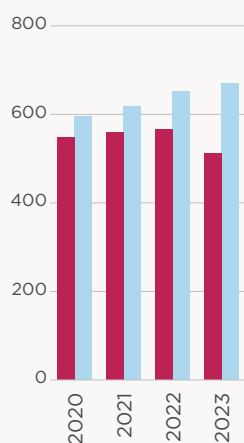
Management expense ratio (%)

● Defence Health
● Industry



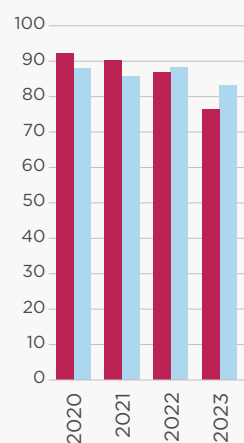
Benefits and premiums (\$'m)

● Benefits paid
● Premium revenue



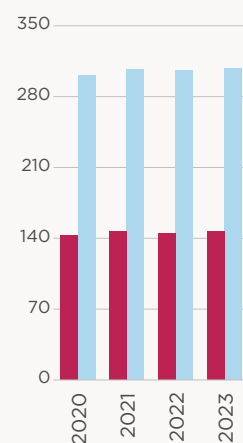
Benefits paid as % of premium (%)

● Defence Health
● Industry



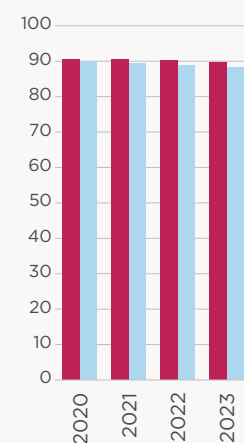
Memberships and people covered ('000)

● Memberships
● People covered



Hospital related medical services fully covered (%)

● Defence Health
● Industry





307,876 people covered

81% with combined hospital and extras cover, 9% hospital only, 10% extras only.



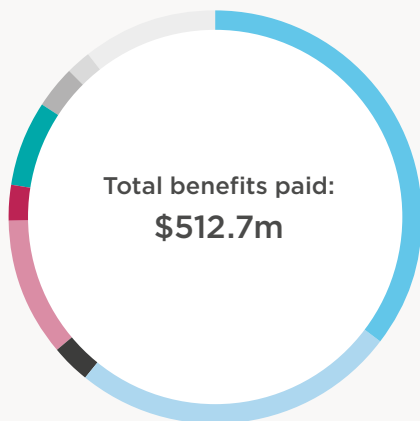
87% of members are satisfied with their membership

(February 2023)

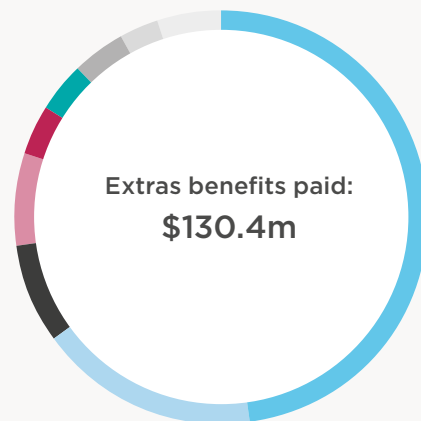


245,057 calls handled

For 70 years, Defence Health has been here to support the families of those who defend our country. In good times and tough times, we have a strong and genuine commitment to our community.



- Hospital Accommodation 35%
- Extras 25%
- Theatre, Surgery & Obstetrics 7%
- Anaesthesia 3%
- Psych & Outreach 3%
- Pathology & Imaging 2%
- Protheses 11%
- Other 11%
- Rehab Programs 3%



- Dental 48%
- Optical 17%
- Physio 8%
- Chiro & Osteo 7%
- Ambulance 4%
- Alternative Therapies 4%
- Devices 4%
- Pharmacy & Vaccinations 3%
- Other 5%

Chairman's Report

The Board of Directors is committed to the long-term, financial sustainability of the fund. We have a clear strategy to grow our offering and be the preferred and trusted health partner in the Defence community.



This year we made significant progress on our organisational-wide technology transformation project. When complete, the advanced technology provided by Oracle Health Insurance will strengthen the fund for the future and deliver substantial benefits for our members and staff.

As a not-for-profit health insurer, Defence Health places member interests at the core of its decision making. The value proposition for members is always top-of-mind. And any surplus from our operations is reinvested in the business to improve member services and outcomes.

At 30 June 2023, we had 307,876 members covered by 146,485 policies. This represents a 1.2% increase in policies over the year.

Premium revenue increased by 3% to \$670.8 million. The fund achieved a surplus of \$117.4 million in 2022-23.

As a not-for-profit company, the Directors of Defence Health focus on the value of insurance products on offer, and the service provided to members.

“1.2% increase in policies.”

\$512.7m

of benefits paid during the year

The value proposition is founded on the fund's commitment to keep premiums affordable; to deliver meaningful health care benefits for members; and to cut waste and unnecessary cost from our operations. The service culture comes from the sense of responsibility we have for the health and wellbeing of Australia's veterans and the Defence community.

The fund paid \$512.7 million in benefits during the year, representing a decline of \$52.4 million (or 9.3%) on the previous year.

Management expenses have moved higher due to ongoing expenditure on Project DELTA. Management expenses were \$80.7 million. The management expense ratio (MER) was 12% of premium revenue. The ratio is expected to lower when the new technology platform is fully embedded.

I would like to acknowledge the dedication and engagement of all Defence Health employees and their leaders in the objective of caring for the Defence community. The Board is delighted to once again see Defence Health recognised as an Employer of Choice in the 2022 Australian Business Awards. Five years in a row is evidence of the high performing and productive workplace culture at Defence Health.

I was pleased to formally welcome Joanne Kadlecik to the role of Chief Executive Officer in November 2022. As the former Chief Operating Officer, she has maintained the momentum and member-centricity that Defence Health is renowned for.

This is my final report as Chairman of Defence Health, with my retirement due in November 2023. It has been an honour to serve on the Board since 2006, and to Chair the Board since 2019. I am grateful for the support, skill and insight of my fellow directors as well as their financial and strategic stewardship of the fund.

Subsequent events

The business moved to the new technology platform in July. The transition caused a series of unforeseen disruptions to operations that impacted on the fund's service delivery. Significant additional resources were subsequently assigned to process a backlog of claims and to reduce lengthy phone queues for members and providers. New features to the technology platform will progressively give members greater control of their membership and enhance their user experience.



Alan Beckett
Chairman



CEO's Statement

As Defence Health approaches its 70th anniversary of operations, it's a good time to reflect on the 'why' of our existence. Back in 1953 when the fund was established, Defence families were struggling to access the health care they needed.



The demand for health services was high and there was a shortage of hospitals. Medicare did not exist, so every interaction with the health system had to be fully self-funded. The introduction of private health insurance enabled the building of private hospitals and better access to timely and affordable care.

As a private health insurer set up to serve the families of serving and ex-serving veterans, Defence Health had a very clear purpose. And seventy years later, that purpose remains steadfast: to protect the health of those who protect our country.

Legacy Australia

This year we demonstrated our commitment to the Defence community by partnering with Legacy Australia to present the Legacy Centenary Torch Relay. The partnership with Legacy is our way to pay tribute to the charity's century of support for those who've given their life or health in service to our country.

I was extremely humbled to attend the launch of the relay with our Chairman in France in April 2023. And it was a very poignant moment to walk the streets of London in the opening leg of the relay.

The centenary torch arrived in Perth in May and is currently travelling around Australia, with torch bearers visiting all 44 Legacy Clubs.

Our team of Defence Community Relationship Officers has engaged with the Defence community along the relay route, with each of them participating in a leg of the relay as a torch bearer. We also ran a competition which gave eight Defence Health members and eight of our staff the opportunity to be torch bearers too.

The relay will culminate in Melbourne in October 2023. It has been our honour to get behind this special event to raise awareness and vital funds for the work of Legacy Australia.

Technology project

The DELTA project is an extremely complex, whole-of-business technology transformation. When complete, it will impact every aspect of the business, as well as external stakeholders - and will be the first of its kind in Australia.

Our investment in the technology project will materially change the way we service our members and the way they experience our evolving products and services. Despite the substantial resources assigned to the project, the launch was delayed twice this year.

At its June meeting, the Defence Health Board of Directors approved the cut-over and data migration plan for the launch of the new platform to take place on 24 July 2023.

A total of \$73.5m in COVID-related savings was returned to members.

Impacts of COVID-19

Since the beginning of the pandemic in 2020, Australian health funds have achieved record membership, with more than 14.5 million people (or 55% of the population) now privately insured. People value the choice and peace-of-mind that private health insurance offers.

While we have new members joining the fund, our medical and general treatment claims have not returned to pre-COVID levels. This year we finalised the provision for claims that were delayed because of COVID-19 and quantified the claims that have not – and will not – occur.

Defence Health made a commitment to members that we would not retain any profits that were the result of a lack of access to treatment during COVID-19 restrictions. The fairest and most equitable way to return the COVID-related savings this year was to return them directly to the members affected.

In December 2022 and again in March 2023, Defence Health made cash deposits to the bank accounts of eligible members. These members had held a policy for at least 90 days between 1 March 2020 and 30 June 2022. A total of \$73.5 million in COVID-related savings was returned to members.

These payments were gratefully received by more than 100,000 policy holders.

The fund has also provided two periods of premium relief this year to all members. The 2021 premiums were frozen until October 2022. And we announced a freeze on the April 2023 premium adjustment until October 2023.

These actions highlight our commitment to keep premiums as low as possible, while paying meaningful benefits towards your health care.

Our people

I'd like to thank all staff for the outstanding character and enthusiasm they bring to the workplace every day. Our people are the heart and soul of our service delivery and workplace culture.

They are the reason Defence Health consistently scores highly for member satisfaction – in September 2022 our Voice of Member score increased 4% to 85.3%. In February 2023 it increased again to 87%. That's well ahead of the industry average.

While leadership sets the foundation and tone for a harmonious workplace, it's our people who make it an engaging and rewarding place to work. To be recognised in the 2022 Australian Business Awards as an Employer of Choice – for the fifth year running – is something of which we are extremely proud.

I'd like to thank the Chairman and the Board of Directors for their commitment to, and governance of our major business transformation. Change of the scale we've undertaken is brave, but ultimately vital for our business and members. Thanks also to the Executive Team for their commitment to leading talented and resilient teams with an incredible 'can-do' mindset.



Joanne Kadlecik
Chief Executive Officer

Subsequent events

On 24 August 2023 a temporary change of leadership was implemented at Defence Health. Our Chief Executive Officer, Joanne Kadlecik, was diagnosed with a serious medical condition and undertook a period of leave for treatment. Former CEO, Gerard Fogarty, agreed to the Board of Directors' request to return as Acting CEO while Joanne attends to her health.

About Us

At Defence Health our members are like family.

We're here to support families of Australia's serving and ex-serving veterans. We understand their needs and have created our health insurance products with those needs in mind. We also recognise the thousands of people whose employment supports the function of the Australian Defence Force.

Defence Health operates on a not-for-profit basis. Being not-for-profit means we can provide greater value for members, rather than dividends to shareholders or foreign owners. Our purpose is to look after our members. We manage the fund responsibly for the long term, with any surplus remaining in the fund for the benefit of all members.

At 30 June, more than 80% of the 307,876 Defence Health members held combined hospital and extras cover.

Private health in Australia

The private health sector is vital to the overall operation of the Australian health system. Around two thirds of all elective surgery occurs in private hospitals. Without private health insurance, the public sector would be crippled under the demand for services.

The government recognises the importance of the private sector and provides legislative incentives to encourage people to take out private hospital insurance.

- ▶ An age-based discount is available to young people who take out an eligible hospital policy before turning 30.
- ▶ Lifetime Health Cover legislation penalises people who take out hospital cover later in life (a 2% loading is added to the premium each year they delay after turning 31).
- ▶ The Medicare Levy Surcharge imposes an additional tax on higher income earners who do not take out private hospital cover. The surcharge ranges from an extra 1% to 1.5% in tax, depending on income.
- ▶ The Private Health Insurance Rebate helps reduce the cost of premiums. The rebate is means tested by the government, and a higher rate of rebate is payable to older Australians (from age 65 and higher again from age 70).

Hospital cover

Private hospital cover gives people timely access to high quality health care. It also empowers them with the choice of their own doctor or other health care provider. With public hospitals under more pressure than ever before, greater numbers of people are turning to private health insurance.

Gold, silver, bronze and basic hospital cover is standardised across all health insurers. While the different tiers may include more than the minimum, they may not exclude a clinical category from the standard cover.

With an appropriate level of cover for the treatment required, private hospital insurance covers the cost of the hospital accommodation charges and theatre fees, meals and medication, and nursing care while in hospital.

Hospital cover also contributes to the fees charged by the medical specialists treating a private hospital patient.

- ▶ In 2022-23, Defence Health fully covered 89.7% of all hospital related medical services for our members (compared with the industry average of 88.3%).
- ▶ In the same year, we funded 245,370 days of hospital treatment totalling \$379 million in hospital and medical benefits (up 6.2%).

Our actions drive us towards our ultimate vision:
to be the preferred and trusted health partner
of the Defence community.

Core Values

Our values define us. They provide the foundation for the way we work with members, providers and each other.



Trust

We earn your trust by consistently delivering personal service that meets your needs. We're as good as our word - every time.



Ownership

We're part of the ADF family. So we accept responsibility, act with initiative and follow through. We won't let you down.



Community

We're here for people, not profit. We are committed to making a positive difference to the health and wellbeing of the Defence community.



Excellence

We're proud to serve you and will provide service and experience that others won't or can't. We actively seek ways to continuously improve our offer to you.



Respect

We're friendly and here to help you make good choices. We listen with intent and offer clear explanations, to provide you with peace of mind and support.

Extras cover

Extras cover provides benefits for a range of allied health care services. The type of treatment includes dental and optical care, physiotherapy, psychology, speech and occupational therapy, and podiatry.

Medicare does not provide benefits towards this general treatment unless it's part of an extended care plan.

So the benefits available from extras cover make a valuable contribution to this every-day health care.

Defence Health extras policies also include comprehensive ambulance cover. Members are covered Australia-wide for state-appointed ambulance services on the road, in the air, or on the sea.

Other insurances

Defence Health no longer offers term life, accident or other insurances. However, we continue to support existing policy holders of these products.

We offer Defence Health Travel Insurance for domestic or international travel. Our travel insurance is underwritten by Allianz Australia Insurance Limited (Allianz).

Important information:

Defence Health Limited ABN 80 008 629 481 AFSL 313890 arranges this insurance as agent for AWP Australia Pty Ltd ABN 52 097 227 177 AFSL 245631 trading as Allianz Global Assistance (AGA). AGA issues and manages travel insurance as agent for the insurer Allianz Australia Insurance Limited ABN 15 000 122 850 AFSL 234708 (Allianz). Terms, conditions, exclusions, limits and applicable sub-limits apply. Defence Health, Allianz and AGA do not provide any advice on this insurance based on any consideration of your objectives, financial situation or needs. Therefore, you should consider whether the advice is appropriate for you. Before making a decision please consider the Product Disclosure Statement. The Target Market Determination is available at www.allianzpartners.com.au/policies/. Defence Health, and AGA receive a commission which is a percentage of the premium you pay for a policy - refer to our Financial Services Guide for details or ask us for more information prior to purchasing.

2022-23 Strategic Achievements

The technology project, DELTA, was our steadfast strategic priority. Our new system will lay a strong foundation for future initiatives to lift our member experience and value proposition.



Health insurer of choice for the ADF and ex-serving

- ▶ We returned \$73.5 million of pandemic savings to members in cash givebacks.
- ▶ Our core segments of serving and ex-serving veterans are at the heart of our decision making. Planning for an uplift in service delivery and innovation for this cohort has advanced and will be actioned in the new year.
- ▶ We are a leading insurer for this community with high brand awareness. Our sponsorship of the Legacy Centenary Torch Relay is our largest ever partnership of its kind, demonstrating commitment and relevance to our core segment. Our involvement enabled authentic and meaningful engagement with our community.
- ▶ Defence Health re-signed as a Platinum Pledge Partner with veteran support charity, Soldier On. We recognise the organisational and leadership skills of ADF veterans and our pledge is to support veteran and family employment.
- ▶ Despite the impact on our service level due to the work on DELTA, we maintained high levels of member satisfaction during the year. Our February 2023 satisfaction score remains above the industry average, and above our own target, at a healthy 87%.

Strengthen our business

- ▶ Local area marketing activities – especially along the Legacy Centenary Torch Relay route – are boosting brand awareness and membership growth.
- ▶ Newly negotiated hospital contracts support high quality care for members and long-term sustainability.
- ▶ Capital per policy increased to \$3,407, ensuring the fund is secure and resourced for future initiatives to improve the health and wellness of our members.

Deliver strategic growth

- ▶ We continued the planning and design of strategic products and programs that will be enabled after the launch of DELTA.
- ▶ The Legacy Centenary Torch Relay positioned Defence Health as a valuable and aligned partner working to support the Defence community alongside one of Australia's most trusted charities.



Financial Performance



In 2022–23, the revenue from premium contributions grew by 3.0% to \$670.8 million. The premium adjustment due in April 2023 was again postponed until October 2023 – providing financial relief during a period of rising inflation. The number of health insurance policies grew by 1.2% to 146,485 policies.



The value of benefits paid to, or on behalf of members, declined by 9.3% to \$512.7 million. There appears to be a combination of patient hesitancy and supply constraints in the access to health care since the pandemic. This drop in claims utilisation was significantly lower than our forecasts. The provision for delayed claims and COVID-related claims savings was returned to members as cash deposits in December 2022 and March 2023. The payments totalled \$73.5 million and have cleared the provision from our accounts.



Management expenses include salaries, office expenses, IT, cyber-security investments and professional services. This year the management expense was \$80.7 million, up \$13 million on the prior year. This is due to additional costs associated with Project DELTA, which will benefit members in the future. As a percentage of premium revenue, the management expense ratio (MER) of 12.0% reflects the significant investment made in building the new membership platform. The ratio is expected to decrease in coming years as the efficiencies of the new system are realised. The average MER for all health insurers is 10.4%.



The investment portfolio produced income of \$37.9 million – reflecting a significant \$47.9 million rebound in growth assets following the prior year loss. The total return on the investment portfolio was 6.2%. The fund’s capital reserves increased by 30.8% to \$499.1 million or \$3407 per policy.



With benefit outlays lower than forecast and strong investment returns, the fund produced a surplus of \$117.4 million. A healthy surplus is beneficial as it increases the organisation’s reserves and provides a buffer against uncertain economic conditions and adverse movements in investment markets. As a member-owned fund, we intend to invest part of this surplus in targeted and evidence-based health programs to enhance the wellness of our members and further position the fund as the preferred and trusted health partner in our core veteran segments.

Member Services

Our members rely on the expertise, empathy and knowledge of our highly trained Member Delivery team. The team demonstrates genuine care for members and supports them with their health care through a variety of channels.

Member satisfaction

We pride ourselves on our industry-leading customer service and member satisfaction ratings. If a member has a problem with our service, we aim to resolve it immediately.

Our promise to members is that we look after our own. We support them in good times and bad – and we always take the time to listen.

Member satisfaction is measured quarterly. In November 2022, member satisfaction was recorded at 85.3% – that's above industry average and higher than our own target. In February 2023 the satisfaction score increased to 87%.

The Commonwealth Ombudsman is available to consumers who have complaints about their health insurer.

The Ombudsman receives very few complaints from our members. In 2022-23, the Ombudsman received just 38 complaints from our members. This represents 1.1% of all complaints to the Ombudsman and is lower than our market share of 2.04%.

Here's some feedback from members after receiving the first cashback payment in December...



“Thank you for your integrity and professionalism. Defence Health has our absolute respect and trust.”



“Absolutely thrilled with my refund. Thank you and well done Defence Health.”



“What a fantastic gesture by Defence Health. A wonderful gift before Xmas. As a member for 30+ years I really appreciate this return of funds to members.”

Our people

Defence Health has a distinctive workplace culture that is defined by the corporate values of trust, excellence, ownership, respect, and community. The values guide every interaction we have with members, service providers, and each other.

For the fifth year in a row, Defence Health was named an Employer of Choice in the 2022 Australian Business Awards. The awards celebrate organisations that maximise the potential of their workforce through effective recruitment, engagement, training and retention. It's great to receive this recognition that Defence Health is a rewarding and stimulating place to work.



Employment

The post-COVID hybrid working model hit a productive operating rhythm this year. Recruitment has settled with a mix of face-to-face and online interviews.

At 30 June 2023 we had a workforce of 267 people (11 fewer than last year). This is comprised of 206 full-time staff, 44 part-timers, 9 casuals and 8 directors.

The gender composition of the workforce is 57.12% women. Managerial roles are split close to evenly with 49.33% women and 50.67% men. The Board is 38% women. The Associate Director Traineeship program further supports women by giving them experience in the function of a corporate Board.

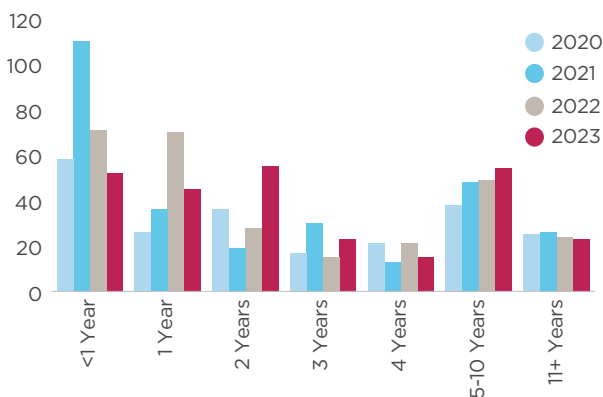
During the year there were 89 employee departures (or 33.3% turnover).

Project DELTA

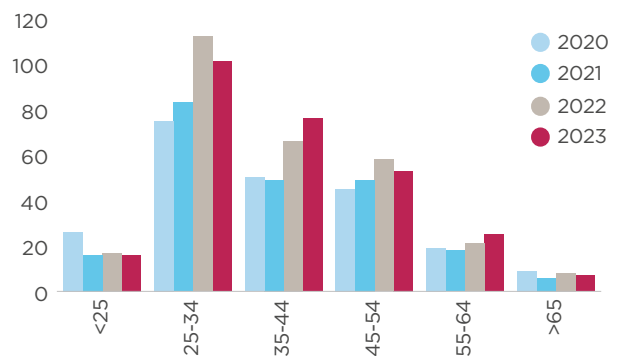
The 'build' phase of the technology platform that we call DELTA was completed during the year. At the time of writing, the project was scheduled to go-live on 24 July 2023.

This critical project will bring new capability to Defence Health. It will enhance the product offering and service to our members and deliver greater efficiencies for our people. Defence Health is the first health insurer to build this technology in Australia. It has been a huge undertaking and will ultimately be worth the investment.

Number of staff by length of service



Number of staff by age



Health and wellbeing

Defence Health has an active Wellbeing Strategy which aims to enhance the health and wellbeing of all staff. The strategy is framed by five key pillars of holistic health: financial, career, physical, mental and social.

From 1 July 2022, the company absorbed the additional 0.5% increase in the superannuation guarantee which increased employer contributions to 10.5%. This, in effect, was an increase in every employee's

annual salary and ensures the increase in superannuation does not reduce their take-home pay.

Physical and emotional health is also supported with employer-funded health insurance for full-time and part-time staff; an Employee Assistance Program; and additional paid leave for anyone experiencing domestic violence. All staff are also entitled to an additional day of 'wellbeing' annual leave.

This year the company increased its paid parental leave from 18 to 20 weeks to match the leave offered by the government. Eligible employees receive 20 weeks paid at their normal base salary, either paid 100% by the company, or a combination of government payments topped up by Defence Health.



"The people are very friendly and inclusive."




"I love coming into the office and seeing the other teams. I look forward to it weekly. The work life balance is a great help to me too."



Support for the Defence Community

It has been the biggest year ever for our network of Defence Community Relationship Officers (DCROs). They have been the face of our activity and community engagement as the Legacy Centenary Torch Relay has travelled around Australia.





The Defence community is our reason for being. And our commitment to our community underpins our partnership with Legacy in its centenary year.

The DCROs engage with serving and ex-serving organisations to keep their finger on the pulse of issues impacting our core membership segments. They attend special events that focus on the wellbeing of the Defence community.

The team also provides on-base education and support to help serving ADF personnel and their families to navigate the health system.

Because of the work of the DCROs, Defence Health has strong relationships with veteran wellbeing centres, the Defence Special Needs Support Group, Defence Families Australia, RSL branches, Open Arms, Mates 4 Mates, Soldier On, Defence Member and Family Support, Commonwealth Superannuation Corporation, Buddy Up, Point Assist and veteran peak bodies.

Governance

Defence Health is a registered company, limited by guarantee, under the *Corporations Act 2001*. It is also registered under the *Private Health Insurance (Prudential Supervision) Act 2015* as a not-for-profit health insurer with no shareholders or borrowings.

The Statutory Members of the fund are the Chief of Army, Chief of Air Force and the Board of Directors. The Board is responsible for the governance and performance of the fund.

We have a robust governance structure and prudent risk, compliance, and financial management culture. The governance culture and goal of best-practice corporate governance is underpinned by the five core values of trust, excellence, ownership, respect and community.

Defence Health provides regular reports to the Australian Prudential Regulation Authority, which is the independent statutory authority that monitors and regulates the private health insurance industry.

Board of Directors

At 30 June 2023, the Board of Directors was comprised of eight non-executive, independent directors and one associate director. The Associate Director Traineeship program was introduced in 2015 as an initiative to improve the representation of women in corporate Australia. The program gives talented women in the

Defence community exposure to governance and board operations.

The Chief Executive Officer is appointed by the Board.

Directors' interests and committee memberships, at 30 June 2023, are detailed below.



Alan Beckett

BEc FCA GAICD

Chairman since November 2019

Director since January 2006

- Member - Nomination and Remuneration Committee
- Chair - Meat and Livestock Australia Ltd
- Director - Integrity Systems Company Ltd
- Director - MLA Donor Company Ltd



COL Anthony Hambleton

AM CSC GAICD

Director since February 2014

- Chair - Nomination and Remuneration Committee
- Member - Standby Army Reserve
- Appointed Director - Chief of Army



GPCAPT Susan Stothart

CSC BBus M Def Stud Grad Dip Applied Finance GAICD

Director since November 2016

- Member - Nomination and Remuneration Committee
- Member - RAAF Active Reserve
- Appointed Director - Chief of Air Force
- Director, Legacy Club of Canberra



Robin Burns

FAICD

Director since October 2018

- Chair - Risk Committee
- Chair - Audit Committee
- Member - Nominations and Remuneration Committee
- Director - BT Funds Management Ltd
- Director - Westpac Securities Administration Ltd
- Director - Uniting Ethical Investors Ltd
- Independent Member - External Compliance Committee, PIMCO Australia Ltd



Carolyn Ireland

MBA (Executive) CA GAICD

Director since October 2018

- Chair - Investment Committee
- Director - International Women's Development Agency
- Director - Xavier College Foundation
- Chair - Finance Committee, Melbourne Archdiocese Catholic Schools Ltd
- General Manager - Pact Group Holdings Ltd



Rebecca Davies AO

LLB (Hons) BEc FAICD

Director since November 2019

- Member – Risk Committee
- Member – Audit Committee
- Director – Catholic Healthcare Ltd
- Director – Transparency International Australia
- Director – The Actuator Operations Ltd
- Director – Lifehouse Australia
- Director – National Heart Foundation of Australia
- Member – UNSW Centre for Big Data in Health, Advisory Committee
- Member – Medical Research Future Fund: Targeted Translational Research Board
- Nominee Trustee – The University of Notre Dame Australia
- Member – Audit and Risk Committee, Dept of Health Professional Services Review



Matthew Walsh

BAppSc MBA GAICD

Director since November 2021

- Member – Risk Committee
- Member – Audit Committee
- Member – Investment Committee
- Director – Matt Walsh Consulting Pty Ltd
- Advisor – Surgical Order Pty Ltd
- Advisor – Recovr Pty Ltd



Mr Michael Liu

BCom LLB

Director since February 2023

- Member – Investment Committee
- Director – Police Financial Services Ltd
- Director – Foresters Financial Ltd
- Director – WCM Global Growth Ltd
- Director – Law Institute of Victoria Ltd



COL Bridget Mitzevich

MIR MMDS GAICD

Associate Director since October 2022

- Full-time serving member of the Australian Army
- Director – Army Amenities Fund Company

Executive Management Team

The Chief Executive Officer is responsible to the Board for the overall management and performance of the company.

The CEO is supported by an Executive Management Team. In November 2022, Joanne Kadlecik was appointed CEO following the retirement of Major General Gerard Fogarty AO, (Ret'd).



Chief Executive Officer
Joanne Kadlecik
AssDip BusMgmt



Chief Risk Officer
Tanya Haines
AssDip BusMktg
GradCertBusMgt
CertGovPrac&RiskMgt



**Company Secretary and
General Counsel**
Andrew Guerin OAM
LLB BEc FGIA FCIS
DipFS(FinPlan)



Chief Operating Officer
Garry Cregan
BA (Hons)



Chief Financial Officer
John Thomopoulos
BBus (Acc) FCPA



Chief People Officer
Kelly Dickson
AssDip HRM



Head of Brand and
Communications
Serena Fernandes
BBus



Chief Strategy Officer
Christine Smyth
PhD BA BSc (Hons)



Transformation Director
Bryan Dunne
MBA B. IT (Hons)



Head of Information
Technology
Romie Leathem
BComp GradCertMgt

Code of conduct

Our corporate code of conduct conveys clear guidelines on the ethics and behaviour expected of our employees. We are also a signatory to the industry based Private Health Insurance Code of Conduct.

Under both codes, we commit to:

- communicate with members in plain English
- provide relevant information to help members and prospective members in their decision making
- ensure our staff are thoroughly trained and know what they are talking about
- provide members with easy access to an effective dispute resolution process.

The company undertakes a regular audit of our compliance under the industry code.

Consolidated Concise Financial Statements

for the year ended 30 June 2023

Contents

Directors' Report	23
Auditor's Independence Declaration	28
Financial Statements	29
Income statement and other comprehensive income	29
Statement of financial position	30
Statement of changes in equity	31
Statement of cash flows	32
Notes to the Financial Statements	33
Directors' Declaration	45
Independent Auditor's Report	46

Defence Health Limited

(ABN 80 008 629 481 AFSL 313890)

Registered Office and
Principal Place of Business

Level 7 380 St Kilda Road
Melbourne VICTORIA 3004

Extract from the Financial Statements signed on 28 September 2023.

The Consolidated Concise Financial Report is derived from the full financial report and cannot be expected to provide as full an understanding of the financial position, and financial and investing activities of the Company as the full financial report which is available at defencehealth.com.au

Directors' Report

Defence Health Limited ("Defence Health" or the "Company") is a company limited by guarantee, incorporated and domiciled in Australia. The Company reports to members and has obligations to the Australian Prudential Regulation Authority (APRA), which regulates and monitors the private health insurance industry and to the Australian Securities and Investments Commission which regulates its corporate and financial services obligations.

Members

The Members of Defence Health are the Directors, and the officeholders of the Chief of Army and the Chief of Air Force.

Defence Health Limited has one class of Member and each Member is entitled to one vote on matters determined by Members' votes. If the Company is wound up, each person who is a Member at the time or who was a Member within the preceding year is liable to contribute up to one hundred dollars as necessary to meet the debts and liabilities of the Company. The total amount which Members are liable to contribute collectively is one thousand dollars.

Directors

The eight non-executive Directors and one associate Director who held office during the financial year are as follows. The interests of the Directors shown below are as at 30th June 2023:

Mr Alan Ian Beckett

BEc FCA, GAICD

Appointed to the Board in January 2006. Mr Beckett was appointed as the Chair of the Board in November 2019 and is a member of the Nomination and Remuneration Committee. Current term expires at the end of the Annual General Meeting to be held in 2023. Mr Beckett is a Chairman of Meat and Livestock Australia Ltd, Director of Integrity Systems Company Ltd and a Director of MLA Donor Company Ltd. He is also an ex-partner of Ernst and Young.

Mr Robin Buick Orr Burns

FAICD

Appointed to the Board in October 2018. Mr Burns' appointment was extended to October 2026 at the Annual General Meeting held in 2022. Mr Burns was elected the Deputy Chair of the Board in June 2022. Mr Burns was the Chair of the Risk and Audit Committees for the entire year, was a member of the Investment Committee until February 2023 and joined the Nominations and Remuneration Committee in that month. Mr Burns is a Director of BT Funds Management Ltd and a Director of Uniting Ethical Investors Ltd. He is a member of the External Compliance Committee of PIMCO Australia Management Ltd. Mr Burns has previously held senior executive roles in a number of financial services companies.

COL Anthony Gerard Hambleton AM

GAICD

Appointed to the Board in February 2014. COL Hambleton's term was previously approved for extension by the Chief of Army for an additional 2 years until the Annual General Meeting in 2023 in which it expires. COL Hambleton was the Chair of the Nomination and Remuneration Committee for part of the year. COL Hambleton was a Director and is a member of the Army Standby Reserve and the appointed Director of Chief of Army.

GPCAPT Susan Stothart CSC

BBus, Mmgt, M Def Stud, Grad Dip Applied Finance, GAICD

Appointed to the Board in November 2016. Current term expires at the Annual General Meeting to be held in 2024. GPCAPT Stothart was a member of the Risk and Audit Committee for part of the year and Nomination and Remuneration Committees for the entire year. GPCAPT Stothart is a member of the RAAF active reserve and is the appointed Director of Chief of Air Force as well as a Director of the Legacy Club of Canberra.

Directors' Report

(Continued)

Mr Michael Liu

BCom, LLB

Appointed to the Board in February 2023. Current term expires at the Annual General Meeting to be held in 2026. Mr Liu is a member of the Investment Committee. Mr Liu is also a director of Police Financial Services Ltd, Foresters Financial Ltd, WCM Global Growth Ltd and Law Institute of Victoria Ltd.

Ms Carolyn Ireland

MBA (Executive), CA, GAICD

Appointed to the Board in October 2018. Ms Ireland's appointment was extended until October 2026. Ms Ireland was a member of the Investment Committee for the entire year. Ms Ireland was the Chair of the Investment Committee from the Annual General Meeting in 2021. Ms Ireland was a Director of International Women's Development Agency, Xavier College Foundation and a Director and Chair of the Finance Committee, Melbourne Archdiocese Catholic Schools Ltd for the entire year.

Ms Rebecca Davies AO

LLB (Hons), Bec, FAICD

Appointed to the Board in November 2019. Current term expires at the Annual General Meeting to be held in 2023. Ms Davies was a member of the Nomination and Remuneration for part of the year, Risk and Audit Committees for the entire year. Ms Davies was also a Director of Catholic Healthcare Ltd, Transparency International Australia, The Actuator Operations Ltd, Lifehouse Australia, and Member Advisory Committee, UNSW Centre for Big Data in Health and a Member of the Targeted Translational Research 'Board' - a program funded by the Medical Research Future Fund, Member Audit and Risk Committee of the Professional Services Review (part of the Department of Health), Nominee Trustee for the The University of Notre Dame Australia and Director National Heart Foundation of Australia.

Mr Matthew Walsh

BAppsc, MBA, GAICD

The Board appointed Mr Walsh at the 2021 Annual General meeting. Mr Walsh's term will expire at 2025 Annual General Meeting. Mr Walsh is a Director of Matt Walsh Consulting Pty Ltd, and provides strategic advice to Boards and Executives. Mr Walsh's past roles include: Director and CEO, Australian Unity Health Limited; Director, Australian Unity Bank Limited and Director, Lifeplan Australia Friendly Society Limited; Director, Australian Health Service Alliance; Group Executive and Chief Executive Officer, Australian Unity - Retail; Chief Executive, Lifeplan Funds Management; Chair, Strategic Advisory Board of Adelaide University's International Centre for Financial Services, and Management Consultant, Price Waterhouse.

COL Bridget Mitzevich

MIR, MMDS, MBus, GAICD

The Board appointed an Associate Director, COL Mitzevich on 18 October 2022. COL Mitzevich's term is set to expire in October 2024. COL Mitzevich is a full-time serving member of the Australian Army and a Director of the Army Amenities Fund Company.

COL Michelle Mason

The Board appointed an Associate Director, COL Mason on 28 October 2021. COL Mason's term expired in October 2022. COL Mason is a full-time serving member of the Australian Army and a Director of Hughes Primary School Board.

The Directors named above held office during the entire of the financial year, with the exception of COL Michelle Mason, COL Bridget Mitzevich and Mr Michael Liu.

Company Secretary

Mr Andrew Guerin LLB, BEc, FGIA was appointed Company Secretary in September 2005. Mr Guerin was also the Company Secretary of Defence Health Foundation Pty Ltd.

Directors' meetings

The number of Board and Committee meetings held during the financial year and attendance by each Director are shown below.

	Board of Directors' Meetings		Investment Committee Meetings		Risk Committee Meetings		Audit Committee Meetings		Nomination and Remuneration Committee Meetings	
Chair	A I Beckett		C Ireland		R Burns		R Burns		A Hambleton/ Susan Stothart	
Meetings held	9		4		4		4		5	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
A I Beckett	9	9							5	5
R Davies	9	9			4	4	4	4	3	3
A Hambleton	9	9							5	5
M Walsh	9	8	4	4	4	4	4	4		
S Stothart	9	7			2	1	2	1	5	5
R Burns	9	9	2	2	4	4	4	4	2	2
C Ireland	9	9	4	4						
M Liu	4	4	2	2						
Associate Directors	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
M Mason	2	2	1	1						
B Mitzevich	7	6			2	2	2	2		

Directors' Report

(Continued)

Principal activities

The principal activities of Defence Health during the financial year were:

- to operate a registered health benefits fund in accordance with the *Private Health Insurance Act 2007*; and
- to provide health insurance and complementary products to members and families of the Australian Defence Force (ADF) and the wider Defence community.

The Company reinstated its travel insurance product this year as international borders reopened. There were no other significant changes in the nature of the Company's activities during the financial year.

Objectives of the Company

The core purpose is to protect the health of members of the ADF, veterans, and the wider Defence community. The Company's vision is to be the preferred and trusted health partner of the Defence community. To achieve this vision the company seeks to:

- Strengthen our PHI operating model to ensure a sustainable business into the future.
- Be the health insurer of choice for the ADF and ex-serving community.
- Deliver strategic growth.

Achievement of goals

- The Company will offer differentiated products, propositions and programs tailored to our specific market segments.
- The Company will maintain a strong and sustainable PHI portfolio.
- The Company will extend its scope of business to further embed itself in the Defence community.

The Company regularly measures, monitors and addresses its performance towards its strategic goals by:

- its market share, and the level of member advocacy in designated target segments;
- the financial performance of its PHI business;
- and its pipeline of strategic growth opportunities.

Review of operations

Defence Health recorded a surplus of \$117.4 million in the 12 months to 30 June 2023. This was predominately driven by claims not yet returning to the levels expected following the COVID-19 period and strong investment returns of \$37.9 million (2022: \$10.0 million loss), stemming from strong performance by growth assets.

The lower than expected claims level is believed to be due substantially to supply constraints in the health industry, as well as lower claim patterns in certain ancillary services, rather than any significant or long-term improvement in national health conditions. The claim levels relative to pre-COVID-19 experience incurred by Defence Health during the year are believed to be similar to broader industry outcomes.

During the year the number of health insurance policies increased by 1.2%. Defence Health has 146,485 policies at 30 June 2023. Premium revenue increased by 3% to \$670.8 million and net benefits expenses decreased by 5.9% to \$529.3 million.

Total management expenses of \$80.8 million comprised 12% of premium income (2022: 10.4%). The increase compared to prior year management expenses is due to continuing investment in a new core IT platform that will benefit members in the future. The new IT platform has since gone live in July 2023 and is anticipated to deliver operational efficiencies for the company, resulting in a decrease in the expense ratio in future years.

The strong surplus generated as a result of the lower than expected claim levels places the Fund in a good position to pursue and invest in targeted and evidence-based health programs to enhance the overall health and wellness of our members. The veteran community will be the priority focus in 2023-24 for a new product offering and programs to improve their health and wellbeing. This gives Defence Health the opportunity to further position ourselves as the preferred and trusted health partner in our core segment.

Dividends

As a company limited by guarantee, Defence Health is prohibited by its constitution from paying dividends.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company.

Subsequent events

The business moved to the new technology platform in July. The transition caused a series of unforeseen disruptions to operations that impacted on the fund's service delivery. Significant additional resources were subsequently assigned to process a backlog of claims and to reduce lengthy phone queues for members and providers. New features to the technology platform will progressively give members greater control of their membership and enhance their user experience.

Environmental regulation

The Company's operations are not materially exposed to any environmental regulations.

Directors' benefits

Directors' fees are disclosed in Note 21 and related party transactions disclosed in Note 20 to the Financial Statements. No Director received any benefit as a result of a contract made by the Company with the Director, or with a firm associated with the Director or in which the Director has a substantial financial interest.

Indemnification of Directors and Officers

The Company has paid premiums to indemnify each of the Directors and executive officers against any liability, claim, expense or cost which may arise as a result of work performed in their respective capacities, to the extent permitted by law.

Auditor's independence declaration

The auditor's independence declaration is included on page 28.

Rounding of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with the Class Order amounts in the Directors' Report and the Financial Report are rounded to the nearest thousand dollars, unless otherwise indicated.



Mr Robin Buick Orr Burns
Director

28 September 2023



Mr Alan Ian Beckett
Director

28 September 2023

Auditor's Independence Declaration

Deloitte.

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28 September 2023

The Board of Directors
Defence Health Limited
380 St Kilda Road
MELBOURNE VIC 3004

Dear Board Members


Auditor's Independence Declaration to Defence Health Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Defence Health Limited.

As lead audit partner for the audit of the financial report of Defence Health Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Financial Statements

Income statement and other comprehensive income

for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Premium revenue	4	670,760	651,240
Direct benefits expense		(501,615)	(531,231)
Risk Equalisation Trust Fund expense		(22,249)	(26,256)
State ambulance levies		(5,482)	(5,125)
Net benefits expense		(529,346)	(562,612)
Unexpired risk reserve		16,653	(2,497)
Underwriting result		158,067	86,131
Employee expenses		(37,763)	(34,086)
Marketing expenses		(3,732)	(2,089)
IT and computing expenses		(22,751)	(16,995)
Transaction processing costs		(1,959)	(1,919)
Professional fees		(9,337)	(7,683)
Depreciation and amortisation expenses		(1,849)	(1,957)
Occupancy expenses		(549)	(489)
Industry subscriptions		(1,318)	(1,269)
Agency legal costs		(328)	(323)
Interest expense		(139)	(159)
Other management expenses		(1,024)	(758)
Total expenses		(80,749)	(67,727)
Underwriting result after operating expenses		77,318	18,404
Investment income	4	37,886	(9,994)
Other revenues	4	2,192	276
Surplus/(deficit) for the year		117,396	8,686
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		117,396	8,686

This income statement and other comprehensive income should be read in conjunction with the accompanying notes.

Financial Statements

(Continued)

Statement of financial position

as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents		105,377	58,986
Trade and other receivables		31,651	18,969
Contract assets		563	669
Financial assets	5	519,034	544,367
Total current assets		656,625	622,991
Non-current assets			
Contract assets		1,158	1,937
Property, plant and equipment		414	724
Intangible assets		28	39
Right of use asset		7,247	8,715
Total non-current assets		8,847	11,415
Total assets		665,472	634,406
Current liabilities			
Trade and other payables		69,873	63,727
Lease Liability		1,132	1,157
Claims liabilities	6	85,930	160,731
Provisions		2,052	18,241
Total current liabilities		158,987	243,856
Non-current liabilities			
Lease Liability		5,223	6,251
Provisions		2,170	2,603
Total non-current liabilities		7,393	8,854
Total liabilities		166,380	252,710
Net assets		499,092	381,696
Equity			
Contributed equity		43,346	43,346
Retained earnings		455,746	338,350
Total equity		499,092	381,696

This statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the financial year ended 30 June 2023

	Contributed Equity \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2021	43,346	329,664	373,010
Total comprehensive income for the year	-	8,686	8,686
Balance at 30 June 2022	43,346	338,350	381,696
Total comprehensive income for the year	-	117,396	117,396
Balance at 30 June 2023	43,346	455,746	499,092

This statement of changes in equity should be read in conjunction with the accompanying notes.

Financial Statements

(Continued)

Statement of cash flows

Cash flows for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Premium receipts		671,534	649,768
Benefits paid to and on behalf of fund members		(576,173)	(484,777)
Government and other levies paid		(5,460)	(5,100)
Payments to Risk Equalisation Trust Fund		(22,551)	(27,185)
Payments to suppliers and employees		(82,283)	(67,597)
Commission received		1,378	1,054
Net inflows/(outflows) cash from operating activities		(13,555)	66,163
Cash flows from investing activities			
Purchase of investment securities		(270,592)	(398,514)
Proceeds on sale of investment securities		314,289	352,035
Interest and dividends received		17,500	16,704
Purchase of property, plant and equipment		(54)	(536)
Purchase of right of use asset		(5)	(409)
Repayment of lease liability		(1,053)	(992)
Interest paid on lease liability		(139)	(159)
Net inflows/(outflows) cash used in investing activities		59,946	(31,871)
Net increase/(decrease) in cash and cash equivalents		46,391	(34,292)
Cash and cash equivalents at the beginning of the financial year		58,986	24,694
Cash and cash equivalents at the end of the financial year		105,377	58,986

This statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1 – Summary of significant accounting policies

Defence Health Limited (referred to as “Defence Health” or the “Company”) is a company limited by guarantee, incorporated and domiciled in Australia. The Company is a not-for-profit entity. The address of its registered office and principal place of business is Level 7, 380 St Kilda Road Melbourne Victoria 3004.

1.1 Statement of compliance

The general purpose financial statements of the Company for the year ended 30 June 2023 have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, International Financial Reporting Standards and comply with other requirements of law.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 28 September 2023.

1.2 Basis of preparation

The general-purpose financial statements have been prepared:

- on a historical cost basis, except for financial instruments which are measured at fair value; and
- presented in Australian dollars and rounded to the nearest thousand dollars.

1.3 Key judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions in applying the Company’s accounting policies which are disclosed in note 2.

1.4 Revenue recognition

Revenue is recognised for the major income streams as follows:

- (i) Premium revenue consists of contributions from policyholders, inclusive of the government rebate. This is recognised in the income statement when it has been earned evenly over the period of contract commencing from the attachment date. The earning of premium approximates the pattern of the incidence of risk expected over the term of the contract period. The proportion of premiums not earned at the reporting date is recognised as an unearned premium liability.
- (ii) Dividend and interest revenue from investments is recognised when the right to receive income is established. Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, through the expected life of the financial asset to that asset’s net carrying amount.
- (iii) Other revenue includes Life, Travel and Accident insurance commissions.

Under AASB 15, revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer (net of refunds) and excludes amounts collected on behalf of third parties. The Company typically satisfies its performance obligations at a point in time, and recognises revenue as and when the life, travel and accident insurance products are sold and the Company transfers control of the good to a customer.

Variable consideration

The Company applies judgement in estimating the related variable consideration, which is measured on a best estimate basis using the ‘expected value’ method, and which is recognised to the extent that a significant reversal will not occur (a constraint).

In making the estimate, the Company uses historical, current and forecast information that is reasonably available to it.

A higher constraint is applied when the results underlying these arrangements are highly susceptible to factors outside the Company’s influence or when the Company’s experience has limited predictive value.

Estimates of the variable consideration are assessed at the end of each reporting period to determine whether they need to be revised. The estimated commission is recognised as a contract asset and is reclassified to trade and other receivables when the underlying insurance premiums are determined.

Notes to the Financial Statements

(Continued)

The company has used the following assumptions:

- Lapse rates – use of a combination of historical and current data to forecast
- Commission rates – assumption that there is an increase based on inflation
- Discount rate used – risk free rate based on inflation plus risk margin.

1.5 Receivables

Unclosed business premiums – earned (contributions in arrears) represent amounts owing by policyholders in relation to health insurance policies. Contributions in arrears are recognised when they become receivable. After 63 days the policy is cancelled.

Health insurance rebates receivable represents the amount claimed by the Company from the Government for members' entitlement to the Private Health Insurance Rebate.

Other receivables include prepaid expenses, commissions for life, travel and accident insurances, and other amounts due at the balance sheet date. These amounts are usually received within 90 days.

1.6 Income tax

The Company is a not-for-profit entity. Its Constitution prohibits it from paying dividends and returning capital to its members. Accordingly, the Company is exempt from income tax.

1.7 Goods and Services Tax

Revenue, expenses and assets are recognised net of the goods and services tax (GST), except where GST on a purchase is not recoverable from the Australian Taxation Office (ATO). In such a case, the GST is recognised as part of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are reported on a gross basis in the statement of cash flows. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1.8 Provision for Risk Equalisation

Under the provisions of the *Private Health Insurance Act 2007*, all eligible registered health insurers must participate in the Risk Equalisation Trust Fund.

The amounts payable to and receivable from the Risk Equalisation Trust Fund are determined by Australian Prudential Regulation Authority (APRA) after the end of each quarter. Estimated provisions are recognised on an accruals basis.

1.9 Investments and other financial assets

The Company manages its investment portfolio to ensure adequate liquidity exists to match future health insurance liabilities, also having regard to operational cash flows. Investments comprise assets backing insurance liabilities.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The classification of financial assets depends on the nature and purpose of the financial asset and is determined at the time of the initial recognition. Financial assets are classified into the following specified categories:

Financial assets at fair value through profit or loss (held for trading)

Financial assets are classified as financial assets at fair value through the statement of profit or loss where the financial asset:

- (i) has been acquired principally for the purpose of selling in the near future;
- (ii) is part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) is a derivative that is not designated and effective as a hedging instrument.

Net gains or losses recognised in the statement of profit or loss incorporates any dividend or interest earned on the financial assets. Fair value is determined in the manner described in note 17(f).

Held-to-maturity investments

This type of investment has fixed or determinable payments and fixed maturity dates (where the group has the positive intent and ability to hold to maturity). Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

This includes fixed income and equity trusts that are not traded in an active market; are stated at fair value; and are highly liquid. Gains and losses arising from changes in fair value are recognised through other comprehensive income.

Loans and receivables

Fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. They are measured at amortised cost using the effective interest method less impairment.

Impairment of financial assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impaired.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of other tangible and intangible assets

The carrying amounts of tangible and intangible assets are reviewed for impairment at balance sheet date. If there is an indication of impairment, the recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount is estimated to be less than the carrying amount, the impaired asset is written down to the recoverable amount. An impairment loss is recognised in the statement of profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, less what the amortised value would have been. A reversal of an impairment loss is recognised in the statement of profit or loss immediately.

Notes to the Financial Statements

(Continued)

1.10 Assets backing insurance liabilities

Financial assets held by the Company have been determined to be assets backing insurance liabilities and are designated as “at fair value through profit or loss”. Fair value is based on independent valuation for all assets for which a secondary market exists. Cash at bank and deposit products are valued at cost. All related realised and unrealised gains or losses are included in investment income. Interest earned or dividends received are included in interest and dividend income respectively.

1.11 Product classification

‘Insurance contract’ means a contract under which one party (the insurer) accepts significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

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

1.12 Insurance contract liabilities

Health insurance outstanding claims liabilities

Health insurance outstanding claims liabilities are measured as the central estimate of the present value of expected future payments against claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs and an additional risk margin to allow for the inherent uncertainty in the central estimate.

Claims handling costs include internal and external costs incurred in the negotiation and settlement of claims. Internal costs include all direct expenses of the claims department and any part of the general administrative costs directly attributable to the claims function.

Outstanding claims liabilities are generally fully settled within one year and are substantially settled within three months of the insurable event. Therefore, the effective discount rate is zero.

The 2022 provision for COVID-19 deferred claims was released from the deferred claim liability during 2023. The member giveback provision was settled during 2023.

Provision for unearned premium and unexpired risks

The proportion of written premiums attributable to subsequent periods is deferred as unearned premium. The change in the provision for unearned premium is taken to the statement of profit or loss in the order that revenue is recognised over the period of risk. Further provisions are made to cover claims under unexpired insurance contracts which may exceed the unearned premiums and the premiums due in respect of these contracts.

The adequacy of the unearned premium liability in respect of each class of business is assessed by considering current estimates of all expected future cash flows relating to future claims covered by current insurance contracts.

If the present value of the expected cash flows relating to future claims, plus the additional risk margin, exceeds the unearned premium liability (less related intangible assets and related deferred acquisition costs) then the unearned premium liability is deemed to be deficient.

The entire deficiency is recognised in the statement of profit or loss and other comprehensive income and recorded in the statement of financial position as an unexpired risk liability.

1.13 Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred can be for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs, if incurred, can be recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. At this point the Group has no costs incurred like this.

1.14 Accounting standards issued but not yet effective

The Group has adopted all new and revised standards and interpretations effective during the year in the preparation of the financial statements. The adoption of these standards has not affected the amounts reported but has impacted the level of disclosure included in the notes to the financial statements.

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

- AASB 9 *'Financial Instruments'*

Effective for annual reporting periods beginning on or after 1 January 2018.

On 2 July 2019 the AASB published ED 292 *'Amendments to AASB 17 Insurance Contracts'* that provided exemption from applying AASB 9 until 2023 for those companies whose activities are predominantly connected with insurance. The Company has taken advantage of this temporary exemption and will apply AASB 9 in the financial year ending 30 June 2024.

- AASB 17 *'Insurance Contracts'*

Effective for annual reporting periods beginning on or after 1 January 2023.

Expected to be initially applied in financial year ending 30 June 2024.

AASB 9 *Financial Instruments*

The changes required for AASB 9 *Financial Instruments* requires the company to value financial instruments at fair value, which is currently being done. This is expected to have a minimal impact on the company and will likely be limited to disclosure notes.

The Company will adopt AASB 9 *Financial Instruments* from 1 July 2023 with the first financial statements presented including AASB 9 for the year ended 30 June 2024.

AASB 9 introduces new requirements for the classification, measurement, incl. impairment, and derecognition of financial assets, financial liabilities as well as requirements for hedge accounting.

AASB 9 became effective for financial years starting on or after 1 January 2018, but the Company elected to defer the application as allowed by AASB 4 *Insurance Contracts*, to coincide with the adoption of AASB 17 *Insurance Contracts*.

The Company holds a portfolio of financial assets comprising both debt and equity instruments. These include term deposits, interest bearing securities, units in fixed income trusts, units in unlisted equity trusts and alternative investments currently measured at fair value through profit or loss. There will be no change in the measurement of financial instruments on adoption of AASB 9, as the Company will designate these financial assets as held at fair value through profit or loss on transition. As such the impact on the adoption of AASB 9 is not expected to be material to the Company.

Notes to the Financial Statements

(Continued)

AASB 17 Insurance Contracts

AASB 17 *Insurance Contracts* ('AASB 17' or 'the Standard') is a comprehensive new accounting standard for insurance and reinsurance contracts covering recognition, measurement, presentation and disclosure. The Australian Accounting Standards Board ('AASB') issued AASB 17 on 19 July 2017, following the issue of IFRS 17 *Insurance Contracts* (IFRS 17) by the International Accounting Standard Board ('IASB') on 18 May 2017. Various implementation matters were raised by stakeholders and the IASB considered these concerns and issued amendments to the Standard on 10 July 2020. This was followed by the issue of the amended AASB 17 on 27 July 2020. One of the changes to the Standard was an agreed effective date for periods beginning on or after 1 January 2023, with early adoption permitted. AASB 17 will replace the current AASB 4 *Insurance Contracts* ('AASB 4'), AASB 1023 *General Insurance Contracts* ('AASB 1023') and AASB 1038 *Life Insurance Contracts* ('AASB 1038'). The Company will adopt AASB 17 for the financial year ending 30 June 2024.

Measurement of insurance contracts

Measurement models

AASB 17 introduces a new 'general measurement model' ('GMM') for the recognition and measurement of insurance contracts.

However, AASB 17 permits the use of a simplified measurement model, the Premium Allocation Approach ('PAA'), in certain circumstances. This model is similar to current accounting under AASB 1023. The Company has completed a detailed impact assessment of AASB 17 and has determined that the Company will be eligible to apply the PAA for all its insurance contracts.

The Company has chosen to apply the PAA as set out in AASB 17.53(b), as all contracts issued by the Company have a coverage period of one year or less.

Acquisition costs under the PAA

For groups of contracts accounted for under the PAA and that have a coverage period of one year or less, AASB 17 provides an option to recognise any insurance acquisition costs as expenses when incurred. The Company does plan to apply this option and expense any acquisition costs as and when they become incurred.

Risk adjustment for non-financial risk

The measurement of insurance contract liabilities will include an explicit risk adjustment for non-financial risk, reflecting the compensation that a Company requires for bearing non-financial risk. This replaces the risk margin currently required under AASB 1023. The risk adjustment includes the benefit of diversification to the extent this is included in the compensation the Company requires for bearing non-financial risk.

As AASB 17 does not prescribe a methodology for calculating the risk adjustment, the Company has determined that the percentile technique will likely be used in estimating the risk adjustment for liability for incurred claims (outstanding claims liability), whilst also likely to use the target margin for liability for remaining coverage (premium liability) and onerous contracts, as that is the level of compensation the Company needs to take on insurance risk.

This is consistent with how the Company currently calculates the risk margins, as it defines a probability of sufficiency based on uncertainty in past estimates.

As the above approach is well understood and the cost of capital approach isn't likely to be appropriate given the short tail nature of incurred claims within the private health insurance industry (PHI), management consider it appropriate that the Company adopt the above approach.

AASB 17 requires the disclosure of the confidence level that corresponds to the risk adjustment used in the measurement of insurance contract liabilities. Determination of the compensation the Company requires for bearing non-financial risk requires significant judgement and the industry interpretation of this requirement is still subject to change and therefore the financial impact cannot currently be reasonably estimated.

Discount Rates

AASB 17 requires estimates of future cash flows to be discounted to reflect the time value of money and financial risks related to those cash flows but does not prescribe a methodology for determining the discount rates used. However, as the Company has selected to apply the PAA method, the Company has elected to not discount future cash flows on premiums or outstanding claims as all cash flows are expected to be settled within one year of the amounts becoming due.

Onerous Contracts

AASB 17 requires the identification of 'groups' of onerous contracts and recognition of losses arising on these contracts. The Company is currently developing the methodology to be applied to identify and measure onerous contract losses.

Onerous contract losses are required to be recognised in the Statement of Comprehensive Income on a gross basis when the expected fulfilment cash flows exceed the carrying value of the contract, or group of contracts.

Contracts under the PAA are assumed to not be onerous unless facts and circumstances indicate otherwise. The Company is developing criteria for identifying relevant facts and circumstances that indicate potential onerous contracts by leveraging existing management processes in place to deliver portfolio management, premium sufficiency and profitability analysis. These criteria also includes consideration of the management information provided to the Board of Directors and key management decision makers for planning and performance management purposes, the Financial Condition Report (FCR) prepared by the Appointed Actuary and the overarching pricing philosophy of the Company.

Given the judgemental nature of the measurement of onerous contract losses and evolving industry practice the Company is still determining the financial impact of the onerous contract requirements.

Transition

AASB 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach ('MRA') or the fair value approach ('FVA') may be applied.

Based on an assessment performed by the Company, it has determined that all portfolios will be valued applying the full retrospective application.

In applying the PAA and determining the above approach, the Company's revenue recognition is consistent with that used under AASB 1023. On implementation of AASB 17, the Company will recognise any loss component on onerous contracts, which will be offset by derecognition of deferred claims liabilities and unexpired risk liabilities; the current treatment of these liabilities is obsolete due to the updated accounting approach of AASB 17. Further, the premium deferral provision is derecognised, aligning with AASB 17 requiring reduced premium received from members to be treated under the passage of time basis over the coverage period.

Presentation and disclosure

AASB 17 introduces several significant changes to the presentation of and disclosures in insurers' financial statements. These include the introduction of new line items into the Statement of Financial Position and Statement of Comprehensive Income.

Existing insurance line items on the Statement of Financial Position will be replaced and allocated to single line items representing portfolios of insurance contract assets, and separately liabilities. Insurance contract liabilities under AASB 17 include all cash flows that relate to the fulfilment of insurance contracts including direct costs (such as acquisition, claims settlement and policy administration and maintenance costs) and other costs that are attributable to the fulfilment of insurance contract (such as overheads costs). Insurance contract liabilities, and separately assets, include portfolios of direct insurance contracts issued and inward reinsurance contracts issued.

In the Statement of Comprehensive Income, gross earned premium will be replaced by insurance contract revenue reflecting the amount that the Company expects to receive for the services it has provided in the period (Incl premium rebates). Claims incurred, including recoveries (e.g. risk equalisation scheme) and attributable operational expenses will be combined into a single line item for the insurance service expenses. The total of insurance contract revenue less the insurance service expense will represent the insurance service result.

Given the significant areas of judgement required to apply AASB 17 and the ongoing implementation work being performed the financial impact of adopting AASB 17 cannot currently be reasonably estimated.

Notes to the Financial Statements

(Continued)

AASB 17 implementation progress

The Company performed an impact assessment which identified the key areas of expected change. Accounting policy decisions and application methodologies have been developed. Financial reporting systems currently in place can deliver the financial information to meet the requirements of AASB 17. The key areas of change are in our actuarial models, processes, and reporting, and in our financial systems and reporting processes. Additional data requirements have been identified and changes to these systems has now been completed.

The Company's implementation project is progressing and is well positioned to finalise the comparative restatement for the reporting requirements from 1 July 2023 onwards.

Financial Impact

Based on the above policy decisions the company's Total Equity at transition on 1 July 2022 will increase by \$47.5m. This is due to the derecognition of the provision for deferred claims. The concept of a deferred claims liability is not compatible with incurred claims under AASB 17. Other opening balance impacts may well be driven by the key accounting policy decisions for which the work is ongoing. Management do not expect impacts to be material.

Note 2 – Key judgements and estimates

The Company estimates certain assets and liabilities, the most material being the provision for outstanding claims liabilities.

The provision for outstanding claims (Note 11) is based on a central estimate of the present value of the expected future payments for claims incurred, with an additional risk margin to allow for the inherent uncertainty in the central estimate.

As approximately 95% of claims are settled within three months of the reporting date, the expected future payments do not differ materially from the present value of those payments. Therefore, a discount rate of zero has been applied.

The expected future payments include amounts in relation to: reported and unpaid claims; claims incurred but not reported; claims incurred but not reported in their entirety; risk equalisation payments; and costs which the Company expects to incur in settling the incurred claims.

The expected payments to the Risk Equalisation Trust Fund are separately recognised in the financial statements.

The key judgements and estimates are the:

- (i) Central estimate which is the mean of all the possible values of expected future payments.
- (ii) Risk margins which reflect the variability of the underlying insurance risk, the reliability and volume of data available and the robustness of the valuation models.

The risk margin adopted by the Company for outstanding claims, on the advice of the Appointed Actuary, is 8.0% (2022: 8.0%) and determined to give at least a 75% probability of adequacy. The risk margin remains at 8.0% as no hindsight adjustment is being applied. This is consistent with the approach used in 2022.

The unexpired risk reserve in Note 12, and the deferred claims provision for COVID-19 was released in line with the adoption of AASB 17 effective 1 July 2023.

- (iii) The member giveback provision (2022) was settled in 2023.

The 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.

Note 3 – Insurance contracts; risk and risk management

An important part of the Company's overall risk management framework is the effective governance and management of the risks that impact the amount, timing and uncertainty of cash flows arising from insurance contracts. These risks include insurance risks, financial risks and other risks such as capital and regulatory risk.

a) Insurance risk, underwriting risks and risk selection and pricing

The *Private Health Insurance Act 2007* prohibits the Company from discriminating against an existing or prospective contributor on the basis of health, age, or claims history.

This 'community rating' principle means the Company cannot charge risk related premiums. However, the individual risks are absorbed within the total portfolio which presents a relatively consistent and predictable total risk.

Concentration risk

Due to community rating, the Company is exposed to a possible concentration of insured people who have a higher than average likelihood of requiring frequent or high cost health care. The concentration risk is managed by regularly predicting future expected claiming patterns and where a significant change is identified, making appropriate changes to the terms or the premium or both for all insurance policies where the risk exists. Past predictions are regularly measured against actual experience to gauge their effectiveness. The concentration risk is mitigated through the "high cost claims pool" administered by APRA, whereby high cost claims are partially funded by all insurers.

Claims management and claims provisioning risks

Note 2 explains how the Company determines the outstanding claims provision. Adequacy of the provision is also informed by the following controls:

- Regular review of payment patterns to ensure the timeliness of claims notification and payment remains within the assumed 12-month period.
- External quarterly reviews by the Appointed Actuary of the financial conditions of the Company with a formal Financial Conditions Report delivered to the Board annually.
- Reviews of forecasts to ensure the factors considered remain appropriate and effective.

b) Financial risks arising from insurance contracts

The Company is exposed to the risk of medical services inflation being greater than expected in relation to setting the contribution rates and schedule of benefits. This risk is substantially reduced through contracts between the Company and the majority of hospitals and medical practitioners which establish set charges for hospital and medical services.

c) Capital and regulatory risks

Prudential regulations designed to protect contributors require the Company to maintain adequate capital reserves. Regulations include solvency and capital adequacy requirements and continue to evolve in response to economic, political, demographic and industry developments. The Company works closely with the regulator (APRA) and monitors any developments that could impact the prudential management of the Company.

d) Sensitivities

The interval between the provision of an insured service and the presentation of a claim is generally less than one year. More than 95% of all claims are settled within 90 days. Once lodged and assessed, claims are generally subject to little variation.

Therefore, processed health insurance claims are not sensitive to inflation, interest rates or other time-value of money factors. Accordingly, no sensitivity analysis has been presented.

Notes to the Financial Statements

(Continued)

Note 4 – Revenue

	2023 \$'000	2022 \$'000
Continuing Operations		
Premium revenue pursuant to a contract of private health insurance	670,760	651,240
Investment revenue		
Interest revenue		
Bank deposits	2,335	127
Term deposits	6,197	1,116
Interest bearing securities	980	430
	9,512	1,673
Dividends		
Unlisted fixed income trusts	1,216	2,884
Unlisted equity trusts	8,622	11,498
Alternatives	2,173	777
	12,011	15,159
Realised gains/(losses) on disposal		
Unlisted fixed income trusts	35	(1,588)
Unlisted equity trusts	291	(816)
Alternatives	390	-
	716	(2,404)
Realised foreign exchange gains/(losses)		
Alternatives	2	(453)
	2	(453)
Unrealised gains/(losses)		
Unlisted fixed income trusts	188	(7,422)
Unlisted equity trusts	11,304	(21,109)
Alternatives	4,153	4,562
	15,645	(23,969)
Total Investment Revenue	37,886	(9,994)
Other revenue		
Life insurance revenue	57	185
Travel insurance revenue	437	86
Accident insurance revenue	-	1
Other revenue	1,698	4
	2,192	276
	710,838	641,522

Note 5 – Financial assets

	2023 \$'000	2022 \$'000
Current		
Term deposits	170,896	243,396
Interest bearing securities ⁽ⁱ⁾	21,792	19,845
Units in fixed income trusts	88,151	67,981
Units in unlisted equity trusts	148,959	144,453
Alternatives	89,236	68,692
Total investments	519,034	544,367

Investments held to maturity and carried at carried at fair value through profit or loss.

(i) The company has granted the lessor of the property a bank guarantee to support the lease obligations of \$0.9 million (2022: \$0.9 million)

Note 6 – Claims liabilities

	2023 \$'000	2022 \$'000
Gross outstanding claims	78,749	60,270
Risk equalisation cost	2,856	2,057
Claims handling costs	701	443
Risk margin	3,624	2,470
Deferred Claims (COVID-19)	-	53,448
Member give-back provision	-	42,043
Gross outstanding claims liability	85,930	160,731
Changes in the gross outstanding claims liabilities can be analysed as follows:		
Opening balance	160,731	114,689
Benefits incurred during the year	520,000	486,020
Benefits utilised during the year	(502,640)	(484,690)
Unused provision from prior year	1,120	(3,301)
Member give-back provision	(42,043)	42,043
Risk equalisation cost	799	(11)
Claims handling costs	258	(1)
Risk margin	1,153	(10)
Deferred claims (COVID-19)	(53,448)	5,992
Closing balance	85,930	160,731

The risk margin of 8.0% (2022: 8.0%) has been estimated to equate to at least 75% probability of adequacy (2022: 75%) refer to Note 2.

Notes to the Financial Statements

(Continued)

Note 7 – Contingent liabilities and contingent assets

There are no material contingent liabilities and contingent assets at reporting date.

Note 8 – Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of financial year that has significantly affected, or may significantly affect, the operations of the Group.

Directors' Declaration

The Directors of Defence Health Limited declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe the Group is able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements; and
- (c) in the Directors' opinion, the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the entity.


Signed in accordance with a resolution of the Director's made pursuant to S.295(5) of the *Corporations Act 2001*.

On behalf of the Board of Directors.



Mr Robin Buick Orr Burns
Director

28 September 2023



Mr Alan Ian Beckett
Director

28 September 2023

Independent Auditor's Report

to the members of Defence Health Limited

Deloitte.

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Independent Auditor's Report to the Members of Defence Health Limited

We have audited the accompanying concise financial report of Defence Health Limited ("the Entity") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity, consolidated statement of cash flows for the year then ended, and related notes, derived from the financial report of Defence Health Limited for the year ended 30 June 2023 and the discussion and analysis.

In our opinion, the accompanying concise financial report, including the discussion and analysis of Defence Health Limited for the year ended 30 June 2023 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

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 Concise Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of 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 concise 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.

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon.

The Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the financial report in our report dated 28 September 2023.

Directors' Responsibilities for the Concise Financial Report

The directors of the Entity are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports* and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with AASB

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1039 Concise Financial Reports based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

Melbourne, 28 September 2023

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