



Acknowledgment of Country

GMHBA acknowledges the Wadawurrung, Dja Dja Wurrung and Gunditjmara Peoples as the Traditional Owners and Custodians of the lands on which we live and work. We pay our respects to Elders past and present, and extend that respect to all First Nations Peoples, including emerging leaders of the future.

This year GMHBA launched its inaugural Reflect Reconciliation Action Plan, a significant milestone in our commitment to reconciliation. Developed through reflection, consultation and collaboration with staff, stakeholders and the Traditional Owners of Wadawurrung Country, the plan lays the foundation for respectful relationships and meaningful engagement with First Nations communities.

GMHBA remains committed to creating a culture of belonging, where all people feel valued and respected. Through a deliberate focus on education and awareness, we continue to deepen our understanding and strengthen our connection with First Nations Peoples and cultures.



Corrina Eccles, proud Wadawurrung woman and Traditional Owner welcomes GMHBA staff and guests to Country to launch GMHBA's Reflect RAP.

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About GMHBA



GMHBA takes pride in its long history as an Australian not-for-profit health insurance and healthcare company that is, at its core, all about our members. For more than 90 years, we've been dedicated to serving the community and, as a result, have become one of Australia's leading regionally based private health insurers.



We provide coverage to more than 316,125 Australians through our two distinct brands: GMHBA Health Insurance and Frank Health Insurance, as well as through our network of 11 healthcare locations. Our members are at the heart of every decision we make, with their wellbeing our top priority.

Our commitment goes beyond simply providing health insurance; we strive to enhance the health and wellbeing of our members, our customers and our communities. Our health services portfolio includes eye care, dental care, primary care and other allied health services, allowing us to be a more significant partner in our members' health journeys.

At the core of our approach is a belief that health is a collaborative journey. In addition to our specialised healthcare offerings, we actively engage with the broader community through a range of health promotion programs and events.

We know this journey can be challenging when faced alone. We believe that together we can achieve healthier and happier lives.

Our Purpose and Values



Our Values

Be People Focused
Be Purposeful
Be Worthy of Trust
Be Remarkable

Our Purpose

To support and empower
our communities to live
healthier lives.



Highlights

The year in numbers

Members

316,125
Australians covered

161,950 Total memberships
9.1/10 GMHBA customer satisfaction
8.4/10 Frank customer satisfaction
107 years Oldest Australian covered,
GMHBA member for 47 years



Health Services

62,413 GP visits
52,194 Eye care customer interactions
10,427 Dental consultations
6,661 Physiotherapy consultations

Medical Assistance

131,695
occasions of care

126,685 Funded hospital admissions
69,277 Surgeries funded
\$417 million Hospital and medical claims paid
\$114 million Ancillary claims paid
\$590,924 Largest episode of care funded
608 Babies born



Financial Highlights

\$531 million
benefits paid
\$401,539 Community
investment

Highlights

Highlights for the financial year ending 30 June 2025

Awards

Canstar Health Insurance Awards

Outstanding Value Award Hospital Cover (VIC)

Won by GMHBA for the third consecutive year.



Optimizely Awards

Best in Class Content Experience

Awarded for website transformation and enhanced digital performance.



WeMoney Health Insurance Awards 2025

Best for Flexibility

Awarded for delivering adaptable, high-value, member-focused health cover.



WeMoney Health Insurance Awards 2025

Best Silver Hospital Cover

Awarded for strong coverage, competitive premiums, and family-friendly inclusions.



WeMoney Health Insurance Awards 2025

Best Basic Hospital Cover

Awarded to Frank Health Insurance for premium affordability, emergency benefits, waiting periods, and value for young adults and singles.



Australian Association of Graduate Employers (AAGE) Top Graduate Employers List

Top 25 Graduate Employers Small Program

GMHBA's Graduate Program recognised for its learning and development program, meaningful work, support and guidance, work/life balance and company culture.



Communication and Public Relations Australia (CPRA) Golden Target Awards

Best NFP Corporate Communications Team Silver

Awarded to GMHBA's Corporate Communications team.



Finance

New Memberships

FY2025	17,454
FY2024	14,674
FY2023	14,859

Contribution Income (\$M)*

FY2025	649
FY2024	637
FY2023	624

Benefits Paid (\$M)

FY2025	531
FY2024	513
FY2023	518

Health Services Revenue (\$M)

FY2025	12.6
FY2024	11.9
FY2023	11.7

Net Assets (\$M)

FY2025	513
FY2024	454
FY2023	444

FY 2023 (2022-23) FY 2024 (2023-24) FY 2025 (2024-25)

*Includes impacts of deferring the April 2023 premium increase until October 2023.

Chair and CEO's Report

This year, GMHBA has continued to focus on what matters to us most: supporting our members' health and wellbeing through high-quality, accessible health insurance and healthcare, underpinned by great customer experiences.

We marked our 90th anniversary in August 2024 - a significant milestone in our long-standing commitment to community-oriented, not-for-profit health care. In April we reinforced this commitment through the launch of our new brand campaign, focused on our heritage of caring for community.

Throughout our history, GMHBA has adapted to the changing needs of members and this year was no different. Our new hospital cover has significantly improved our PHI growth trajectory and new extras products being launched in the coming year will provide even greater value and flexibility for our members.

As a member owned organisation, we remain committed to service and are pleased to report another consecutive year of record customer satisfaction scores from both GMHBA and Frank members and ombudsman complaints that continue to run well below industry average.

Members received the final return of COVID-19 related surplus this financial year, with \$67.5 million returned to 161,000 active members in October 2024, via "cash back" payments to current, lapsed and former members to the value of seven-weeks free premium, taking the total value returned to members to \$153 million. During the COVID-19 pandemic, GMHBA set aside funds to pay for anticipated delayed claims, but not all claims that we planned for have been made. This resulted in us generating additional savings which GMHBA has given back in full to our members via various methods including this premium contribution.

We continue to be guided by fairness and sustainability, ensuring members receive value and care that is accessible, high-quality and affordable. We were the only major health fund to freeze base premium increases for extras cover in 2025.

We also delivered the lowest average premium increase among major health insurers for the third year in a row.

Our ongoing efforts to continuously improve service, product innovation and community engagement are all helping to ensure that we remain responsive to what our members truly need.

Leveraging the long success of GMHBA's Care Coordination Service, we launched two key partnerships in FY25 to enhance member wellbeing through more connected, personalised care. Our partnership with Osara Health offers members diagnosed with cancer access to health coaching, digital tools and tailored guidance, helping them feel supported and in control during treatment. Through Healthier Heart at GMHBA, in partnership with Cardihab, members recovering from cardiac events can access a digital rehab program from home, making it easier to stay engaged, build healthy habits, and reduce the risk of future complications.

A standout highlight of the year was the opening of our new Geelong Hub at 60 Moorabool Street, bringing together dental, eye care, physiotherapy, and health insurance services in a modern, purpose-built space.

The Hub, which is open to all members of the community, strengthens integrated care for members and patients while reflecting our broader commitment to innovation, local investment, and improving access and affordability of healthcare in the region.

Early feedback has been overwhelmingly positive, and similar to the Belmont Hub opened in 2023, we are already seeing the benefits of co-located care in improving member experience.

GMHBA continues to operate in a highly competitive and rapidly evolving private health insurance landscape, marked by rising member expectations, regulatory change and increasing cost pressures. We are actively responding to this environment through targeted investment in technology, data, and capability to strengthen member value, improve agility and manage risk effectively.

Technology remains a key enabler of our future.

In 2024, GMHBA launched Program Jupiter, our most significant transformation to date, combining world-class technology with the expertise of our people to deliver more personalised, efficient and impactful experiences for members. With key upgrades across CRM, telephony and digital platforms already in place, we're building a smarter, more connected foundation to better support every health journey.

Following the launch of our mobile app in 2024, we launched digital cards for Frank members early in 2025, with GMHBA to follow in early 2026. These tools are just the first steps in broader strategy to empower members to manage their health more easily.

Significant progress has been made to modernise and integrate our technology. The investment and effort in rolling out our upgraded platforms will support us in our constant work to protect information and data, uplift our people's ability to enhance member experience, and develop efficiencies to allow us to keep costs down for our members.

We remain focused on data security and privacy, aligned with CPS 230 and CPS 234 regulatory requirements. With privacy and trust front of mind, we are building systems that will serve our members safely and reliably for the long term.

Despite global volatility, we have maintained a level of capital above regulatory minimums, and the fund continues to be sustainably positioned for the future.

In October we welcomed a delegation from the Health Care Security Administration of Shandong Province in China who approached us seeking to better understand Australia's private health insurance landscape, learn about best practice health insurance in a regional context and exchange knowledge on health care industry opportunities and challenges.

We continued to focus on our people, recognising that they are the driving force behind the success of the organisation. Through the success of our talent and culture strategy, GMHBA has achieved

a significant reduction in voluntary employee turnover, decreasing from 23.1% in FY 2021/22 to just 9.2% in the most recent financial year.

In November, Kath Young was appointed as Chief Information Officer as part of our executive team. Kath will lead the strategic transformation of our technology platforms that will ensure our staff are equipped with leading edge tools and resources to deliver seamless, high-quality service to our members and patients.

In February, we made two new appointments to the GMHBA Limited Board. Dee McGrath and Dr Rachel Swift bring valuable expertise in strategy development, financial services, technology, digital transformation, and healthcare that will help GMHBA navigate industry opportunities and challenges and enhance member value.

We extend our sincere thanks to Vicky Papachristos, who retired from the Board in August 2024, for her dedicated service and valuable contributions throughout her tenure.

As we reflect on our 90th year, the Board and Executive Team remain confident in the ongoing strength of GMHBA in how we support our members today and in how we're preparing for the future.

Whether it's new product cover options, expanded health services, stronger digital tools, or deeper community engagement, we're proud to be building a future-focused health insurer that puts people first.

We thank our members, patients, employees, healthcare partners and communities for your continued trust and support as we look ahead to our next chapter.

Members received the final return of COVID-19 related surplus this FY, with \$67.5 million returned to 161,000 active members in October 2024...taking the total value returned to members to \$153 million.



Claire Higgins
Chair
GMHBA Limited



David Greig
Chief Executive Officer
GMHBA Limited

Positive Community Outcomes

In FY25, GMHBA deepened its already strong commitment to local communities.

Now in its second year, our support helped bring The Resilience Project's School Wellbeing Program to five Geelong schools, equipping students with tools to build mental resilience. Delivered in partnership with the Geelong Cats, the program includes school visits from AFL and AFLW players who help engage and inspire students through their own stories and experiences.

We continued our longstanding partnership with Read The Play, which in the past 12 months has increased the number of sporting codes involved and launched new programs targeting youth issues like vaping, building resilience and mental health literacy, extending valuable support to more children and families across the Geelong region.

Engagement with local partners remained a key focus, with ongoing support for genU's vital work in inclusion and accessibility, and participation in Give Where You Live's *Conversations That Matter* event series, helping to drive meaningful dialogue and action on social equity in our community.

Staff volunteering at Geelong Foodshare, our most popular initiative this financial year, helped support vital food relief efforts, contributing to the distribution of thousands of meals to individuals and families facing food insecurity in our region. Staff in Ballarat, Bendigo and Portland accessed new volunteering opportunities aligned to local priorities, with a particular focus on improving access to healthy, fresh food.

And GMHBA was a proud sponsor of the inaugural Serenity in the Stadium event, a yoga event held on World Mental Health Day at GMHBA stadium.

The Charitable Gifts program launched across our regional locations, with each regional team choosing a local initiative to support with a \$5,000 endowment.

Initiatives supported aimed to boost the mental health and wellbeing of communities, including WAM Ballarat, Cycling Without Age (Bendigo), Friends of the Great South West Walk (Portland) and Standing Tall (Warrnambool).

We acknowledge and appreciate the ongoing contributions of our people across all locations to Lifeblood Australia. Their continued generosity reflects a strong commitment to community wellbeing and aligns with the organisation's values of care and social responsibility.

Our renewed focus on staff-led community action delivered a measurable impact, with employee engagement survey results showing a 7% increase in staff feeling supported to volunteer. GMHBA also saw a 2% lift in its social responsibility score.

Highlights

The Resilience Project

2,078 students, 211 teachers, 5 schools.

Read the Play

- **2,245** young people participated in *Read the Play* programs.
- **50** clubs supported by a Player Wellbeing Officer. Sports with PWO now span football, netball, soccer, hockey, roller hockey, cricket and basketball clubs.

Staff Volunteering Program

573.5 hours contributed, 22% increase in volunteering groups on the previous year.

Donations to LifeBlood Australia

62 donations by GMHBA staff, with the potential to save **186** lives, 30% increase on last year.

Social Procurement

\$51,667 invested.

Workplace Giving

\$20,311 contributed by 86 employees.

Pony Up Donation

- **462kg** technology kept out of landfill.
- **49.1%** technology reused.
- **13,837** fresh meals donated to SecondBite.



Transforming for Tomorrow: Program Jupiter



Last year, GMHBA embarked on the most significant transformation in our history: Program Jupiter is a bold, future-focused journey designed to bring our purpose to life in new and exciting ways through leading edge technology.

At the heart of Program Jupiter is a simple, powerful idea: combine world-class technology with the expertise of our people to deliver seamless, personalised, and impactful experiences for our members and customers. We are not just upgrading systems; we are reimagining how we support every health journey.

Our investment in people, processes and platforms is driving this transformation. With improved tools and simpler processes, our teams are being empowered to work more efficiently and focus more on what truly matters, meaningful connections and better health outcomes for our members.

One of the most pivotal phases of Program Jupiter is Customer 360 (C360), a project that reflects our commitment to creating a complete and cohesive view of the member experience. C360 is enabling us to embrace leading edge, scalable platforms that are adaptable to our evolving needs.

In 2024, we upgraded essential systems across telephony, webchat, email, workforce management and Customer Relationship Management (CRM), laying the groundwork for deeper integration and improved service delivery.

Phase 2 of the project will see an evolution in the way we use CRM that will transform the way our teams engage with members. With platforms in place, team members will spend less time navigating multiple systems and more time having valuable, uninterrupted conversations with members. These upgrades will also reduce manual handling, streamline workflows, and allow faster resolution of inquiries, making every interaction smoother, more personal, and more rewarding for our customers.

Beyond this, GMHBA will also be transforming finance, human resources and workflow systems.

Program Jupiter is more than a technology upgrade, it's a significant advancement in the way we deliver care, build trust and serve our communities. It's about putting members first today, and into the future.

Our People

GMHBA has a strong focus on developing an engaging, inclusive and high performing workforce where every team member feels valued, motivated and empowered to be remarkable. Our Talent and Culture Strategy guides our approach to building culture and capability in order to deliver on our organisational goals. A strong, inclusive workplace culture means GMHBA teams are motivated and skilled to deliver better service and support for members.

A supportive and inclusive workplace

Our Diversity, Equity, and Inclusion (DEI) Strategy is a key component of our Talent and Culture Strategy. At its core, DEI is about bringing together different backgrounds, experiences, perspectives, and values to foster a culture of respect and belonging. Four key areas included in our DEI Strategy are: our Reconciliation, Disability, Neurodiversity and LGBTQIA+ inclusion.

In October 2024 we launched our first Reconciliation Action Plan (RAP), following months of reflection, discussion and consultation with GMHBA Traditional owners of the Wadawurrung Country, staff and stakeholders. Our RAP marks a meaningful commitment by GMHBA to acknowledge and work collaboratively with First Nations Peoples to advance reconciliation.

Our Disability Action Plan was launched in January 2025, with foundational initiatives such as benchmarking and training programs already underway. Our facilities team is conducting accessibility assessments of both our physical workplace and digital platforms to ensure reasonable accommodation and adjustments are provided. We have also established relationships with disability-focused organisations to strengthen diversity in our recruitment efforts.

We partnered with QueerTown to deliver in-person and online training designed to build awareness, promote inclusion, and support a safe, welcoming environment for LGBTQIA+ colleagues, members, and patients.

We continue to foster a culture of inclusion through our neurodiverse safe space group, which includes more than 30 staff members representing a broad range of neurodiverse identities. This peer-led community plays an important role in raising awareness, offering mutual support, and generously sharing lived experiences. Their contribution

supports GMHBA to better understand, embrace, and harness the unique strengths of our people.

We maintain strong gender balance across leadership, with women making up 62.5% of the Executive Team, and equal representation (50% female, 50% male) at both the Senior Leadership Team and Board levels.

Leadership and growth

We continued to deliver our Leadership Development Program to build a culture of continuous learning and development, foster leadership excellence and strengthen organisational performance. Some key highlights this year include:

- 84 hours of training across at least 20 face-to-face workshops
- 85 participants
- Increased leadership confidence and skill application reported across all program cohorts
- Development of leadership pipeline with 52 internal promotions

Fostering future employment pathways

Our award-winning graduate program continued with three participants further deepening their skills and experience through three functional rotations and two gaining permanent positions within the organisation.

We also welcomed four interns from Deakin University into our Information Security, Risk and Compliance, Corporate Communications and People and Culture teams. We awarded a \$3,000 Women in Technology and Finance grant as part of our efforts to encourage more women to seek and grow careers in finance and technology.

As part of our commitment to employee wellbeing, GMHBA delivered a range of health initiatives to support staff physical and mental health throughout the year, including:

- 207 Flu Vaccinations Administered (20% increase on FY24)
- 35 Subsidised Skin Checks
- 98 Health Checks
- 70 Staff completed wellbeing at work training
- 12 Staff completed Mental Health First Aid
- 9 Neurodiverse support packs accessed

Health and Branch Network

This year marked a major milestone in GMHBA's health services progression, with the opening of our state-of-the-art Geelong Hub at 60 Moorabool Street Geelong. Bringing together private health insurance, dental, eye care, physiotherapy and allied health services under one roof, the Hub is a tangible reflection of our commitment to accessible, coordinated care for our community.

Since opening its doors, the Geelong Hub has already had a positive impact on member experience, convenience and integrated service delivery as well as delivering high staff engagement levels reflected in our May engagement survey.

Our health and branch network has achieved significant operational and clinical improvements across the board.

Clinical care and quality remained a top priority. We secured ongoing accreditation under the Standards of the RACGP Guidelines for South Barwon Medical Centre and Belmont Hub, an important assurance for our patients and members about the standard of care they will receive from GMHBA.

We focused on improving efficiencies across the past year, particularly in supplier management. This focus and coordinated approach across multiple locations identified more than \$40,000 in savings, funds now reinvested directly into enhancing member and patient services.

We're continuing to deliver on our strategy, which focuses on creating value for our members while keeping the business financially strong. Our goal is a future where GMHBA members and patients receive high-quality care through an integrated and committed network of health professionals, supporting both great health outcomes and long-term sustainability.

Having piloted a patient experience survey in late 2024 at the Belmont Hub, June represented our first month with a survey available across all locations and modalities, a significant shift from our prior state where this was only available for Eye Care. Having averaged 30 responses across the prior 3 months in Eye Care, the 269 responses significantly exceeded expectations while the 9.5 average Net Promoter Score (out of 10) highlighted the incredible care our health services provide the community.



On the innovation front, we expanded our offering with the introduction of Zoom Whitening at Belmont Hub, increasing access to cosmetic dental care in response to patient demand. We also launched the GLA:D® program (Good Life with osteoArthritis: Denmark) and OA at GMHBA, further strengthening our evidence-based approach to musculoskeletal health management.

Our health services business recorded its highest ever revenue year, led by our best Eye Care sales month ever in December 2024 with a higher than forecast number of patient interactions, clear evidence of rising community engagement with our services.

Together, these achievements reflect GMHBA's ongoing investment in high-quality, community-based care and a stronger health future for our members.



Corporate Information

The Directors of the Company at any time during or since the end of the financial year are:



Claire Higgins

B.Com, FCPA, FAICD

Appointed September 2019

Member Audit & Investment Committee

Member People & Culture Committee

Director - GMHBA Land Co Pty Ltd
Director - Quintessential Equity 042 Pty Ltd (as trustee for QE 042 Trust)

Chair - REI Superannuation Pty Ltd

Director - Ryman Healthcare Ltd

Director - Margin Clear Pty Ltd

Pancare Foundation Advisory Committee



Professor Marie Bismark

MD, LLB, MBHL, MPH, FAFPHM, FAICD, FRANZCP

Appointed March 2013

Member People & Culture Committee

Member Risk & Compliance Committee

Director - Royal Women's Hospital

Director - Summerset Group

Holdings Ltd

Council Member AICD, Victorian Branch

AICD National Legal and Regulatory Committee

Medical Council of New Zealand

Professor, University of Melbourne



Mike Hirst

B.Com, SF Fin, MAICD

Appointed July 2018

Chair Audit & Investment Committee

Chair - AMP Ltd

Director - Adelaide Airport Ltd

Director - AMCIL Ltd

Chair - Villawood Foundation

Honorary Member - Business Council of Australia



Vicky Papachristos

BE, MBA, GAICD

*Appointed November 2011
Retired August 2024*

Member Risk & Compliance Committee

Member People & Culture Committee

Director - Aussie Broadband Ltd

Director - Big River Industries Ltd

Director - Currant Marketing Pty Ltd



Michael Sammells

BBus, FCPA, GAICD

Appointed October 2023

Member Audit & Investment Committee

Director - AMP Ltd

Chair - Sigma Healthcare Ltd



Dee McGrath

GAICD

Appointed February 2025

Member People & Culture Committee

Member Risk & Compliance Committee

Director - Revolut Payments Australia Pty Ltd



Sandy Morrison

BHA, MBA, MAICD

Appointed April 2021

Chair Risk & Compliance Committee

Chair - GMHBA Land Co Pty Ltd

Chair - Quintessential Equity 042 Pty Ltd (as trustee for QE 042 Trust)



Dr Denis Napthine, AO

BV Sc. MVS, MBA, MAICD

Appointed August 2016

Chair People & Culture Committee

Member Audit & Investment Committee

Director - National Disability Insurance Agency

Ambassador - Myeloma Australia

State Premier of Victoria 2013 - 2014



Dr Rachel Swift

DPhil (Oxon), BSc (Mol. Biol), Bsc (Hons), BA, FRSPH, FCHSM, CHE, GAICD

Appointed February 2025

Member People & Culture Committee

Member Risk & Compliance Committee

Director - Akkadian Ltd

Director - ECS Botanics Holdings Ltd

Director - GPEx Ltd

Vice-Chair - Australian Advisory Board on Competitiveness

Melbourne University School of Medicine, Dentistry and Health Science, Innovation and Enterprise

Director - Swift Outcomes Pty Ltd

Chief Executive:

David Greig BSc (Hons), MBA, GAICD, Honorary Associate Professor (Deakin)

Company Secretary:

Elizabeth Melville-Jones LLB, BA, MBA, MAICD

Auditors:

KPMG
Tower Two, Collins Square
727 Collins Street
Docklands Victoria 3008

Bankers:

National Australia Bank Limited

Appointed Actuary:

Andrew Matthews, FIAA

Corporate Governance Statement

For the year ended 30 June 2025

GMHBA's ongoing commitment to strong corporate governance frameworks and practices is fundamental to our culture and consistent with our Values. As well as allowing the Board to fulfil its legal and regulatory obligations, these governance frameworks support our decision making and business performance and gives confidence to members, our community and regulators.

This Statement provides an overview of the main corporate governance structures and practices that were in place throughout the year and details the additional Board oversight required during 2025 in preparation for new regulatory obligations.

Board role and responsibility

The Board is responsible for the overall strategic direction of the organisation and for ensuring its business is undertaken in a way that protects members' interests and has regard to the interests of other stakeholders including employees, the community and regulators. The Board reviews, approves and oversees a range of matters including strategy development and execution, business performance, organisational culture including risk culture, capital structure and planning, investment activities and risk and compliance frameworks. The Company Secretary is accountable to the Board, through the Chair, for all matters relating to the proper functioning of the Board.

Initiatives during 2025

During 2025 the Board particularly engaged with emerging areas requiring its direction and oversight, as well as preparing for regulatory compliance with new APRA Standards coming into effect. These included:

- GMHBA's initial AI Strategy and AI Governance Policy
- Technology governance, risk management and approvals for Program Jupiter
- Future State Strategy development
- Ongoing oversight of information security risks, governance and preparedness
- Preparation and readiness for the commencement of regulatory requirements for FAR, ICAAP and CPS230 (Operational Risk Management) and ongoing remediation work in relation to CPS234 (Information Security)

A review of GMHBA's governance structures, policies and practices was undertaken against the proposals in APRA's Governance Review Discussion Paper. No existing gaps were identified from the review and GMHBA provided a written response to the proposals.

A focus for the People & Culture Committee and Board during 2025 was Board composition, which is discussed in detail later in this Statement.

Focus areas for 2026 are expected to include further evolution of our strategy, market dynamics and product development, technology governance and performance, Program Jupiter, risk and organisational culture and continuing vigilance around cyber security.

Prudential standards and regulatory interaction

The Risk & Compliance Committee held an additional two meetings during 2025 to maintain appropriate oversight of certain identified risks and preparation for the significant operational requirements of CPS230 and CPS234. The CEO and CRO provided assurance to the Board prior to 30 June of compliance with CPS230 in all material respects. Further business continuity and scenario analysis elements of CPS230 are scheduled to be completed by July 2026 as required by the Standard.

The second Tripartite independent assurance review for compliance with CPS234 will be conducted during 2026. After the first Tripartite review, GMHBA adopted a prudent approach by notifying APRA that it was not yet fully compliant with CPS234. Regular progress updates have been provided to APRA as the work continues to achieve compliance.

GMHBA's external auditor KPMG completed a general review and provided assurance to the Board of compliance with all applicable Prudential Standards, with an appropriate qualification for elements of CPS234.

EY also continued to provide support for regulatory compliance through the internal audit function, particularly through readiness reviews. The responsible partner at EY rotated during 2025 to preserve independence and the review of the performance of the internal auditor indicated ongoing effective delivery of the internal audit plan.

Corporate governance framework

GMHBA documents and regularly reviews its Board Governance Framework, which includes the Board Charter and sets out among other things:

- the expectations and roles and responsibilities of the Board, individual directors and the Board Chair
- Board composition and renewal
- The relationship between directors and management

To assist it in carrying out its duties the Board has three Committees which focus on the specific areas described below. The Charter for each Committee is available on GMHBA's website. Additional Committees may be formed from time to time as necessary. Committee Chairs report to the Board after each Committee meeting with a summary of the main items considered. A suite of internal policies further supports the governance framework and compliance with legislative and regulatory obligations.

GMHBA Board		
Audit and Investment Committee	Risk and Compliance Committee	People and Culture Committee
<p>Audit</p> <p>Provide independent review of the integrity of the financial statements and accounts, agree the appropriateness of accounting policies.</p> <p>Maintain a framework of internal control to monitor the effectiveness of the audit and actuarial functions.</p> <p>Oversee the development and execution of an effective annual internal audit plan.</p> <p>Review the performance, independence and remuneration of the external auditor and internal auditor.</p> <p>Review the performance of the Appointed Actuary.</p> <p>Investment</p> <p>Oversee asset allocation within the investment portfolio to achieve investment returns within risk tolerances.</p> <p>Oversee the development of ICAAP and associated capital management activities.</p> <p>Appoint, monitor and evaluate the performance of the Investment Manager.</p>	<p>Risk</p> <p>Oversee GMHBA's enterprise risk management framework and risk profile relative to Board approved risk appetite and tolerance.</p> <p>Promotion of a risk aware culture, particularly around information security risk and clinical risk.</p> <p>Monitor implementation of the Risk Management Strategy, Risk Appetite Statement and oversee management of key operational risk areas.</p> <p>Oversee the Business Continuity and Disaster Recovery Framework.</p> <p>Compliance</p> <p>Monitor the effectiveness of GMHBA's approach to achieving compliance with laws, regulations, industry codes and Group policies.</p> <p>Review any significant changes to legislative or regulatory requirements that impact compliance frameworks or systems.</p>	<p>Oversee the implementation and effectiveness of the People and Culture Strategy.</p> <p>Champion organisational culture, including through review of Alignment and Engagement Survey results and actions. Monitor employee wellbeing.</p> <p>Approve the Remuneration Framework including the Remuneration Policy. Oversight of the Remuneration Framework as it applies to senior executives.</p> <p>CEO performance, remuneration and succession.</p> <p>Review and monitor Board and executive capability, performance and succession, including compensation arrangements for directors.</p> <p>Oversee the Enterprise Bargaining Agreement process.</p> <p>Oversee compliance with FAR.</p>

Corporate Governance Statement

For the year ended 30 June 2025

Committee membership and details of the number of meetings of the Board and each Committee are set out on p.24 of this Annual Report.

Risk management

The Audit & Investment Committee and the Risk & Compliance Committee support the Board in its oversight of risk management. They oversee the status of material risks through the Risk Management Framework which assists the business to identify and assess material business risks and establish controls and mitigations. The risk management model is structured around the Three Lines of Defence which together enable effective risk management across the organisation and support the annual Risk Management Declaration by the Board. The 2025 Declaration contained an appropriate qualification for elements of CPS234.

GMHBA has a fully developed Business Continuity Policy and Plan to be invoked in the case of a significant business disruption event. The Plan was updated during 2025 and will be reviewed again during 2026 for compliance with CPS230. The Board Chair and Risk & Compliance Committee Chair observed and provided feedback on the most recent simulation exercise. Disaster recovery testing is also conducted and reported.

In an ever evolving threat environment, cyber security remains a high focus for the Board and management. Compulsory workforce awareness training is provided and regularly tested through phishing campaigns. A comprehensive program of vulnerability management and control testing is continuously applied using the NIST Framework and internal Information Security Standards. An Information Security Strategy is being developed, including additional investment in a range of initiatives that will further uplift GMHBA's capability maturity.

A comprehensive insurance program provides protection against residual risk exposures.

During 2025 GMHBA continued to integrate and uplift the output from its Integrated Risk Management System (IRMS) including enterprise level reporting and first line control testing. Executives provide remediation, ongoing refinement and testing of controls within this system in order to support optimisation of risk management performance.

Risk culture continues to be an area of active interest for the Board, with regular updates provided and Risk Champions appointed within all business units.

The Risk & Compliance Committee Chair joins in person discussions with the Risk Champions. Results from the Risk Culture survey conducted during 2025 were incorporated into dashboards and associated actions have been developed.

Compliance and audit

GMHBA has a proactive approach to compliance at all levels within the organisation. A comprehensive framework of controls, monitoring and reporting helps to satisfy legislative and regulatory obligations. Compliance management continues to be consolidated within the IRMS.

KPMG as GMHBA's external auditor provide independent review and assurance in relation to GMBA's financial reporting and statements, including the appropriateness of accounting policies and disclosures.

The internal audit service provided by EY provides objective assurance and oversight of the Group's control framework. The Board is responsible for approving the program of internal audits to be conducted each year and for the scope of the work to be performed. Risks or control weaknesses identified through audits are incorporated into the organisational risk management framework. Internal audit reports organisationally to the Company Secretary, and also to the Audit & Investment Committee. The Audit & Investment Committee Chair meets regularly with the internal auditor without management.

Both auditors meet regularly with the Audit & Investment Committee Chair in the absence of management.

GMHBA maintains a Fit and Proper Policy to manage the fitness and propriety of its Responsible Persons as required by APRA Prudential Standard CPS510. All Responsible Persons undertook Fit and Proper checking during 2025 with no concerns raised.

Board and Committee composition and skills

Vicky Papachristos retired from the Board in August 2024. Based on the director skills matrix which was refreshed in 2024, and in preparation for the retirement from the Board in September 2025 of Professor Marie Bismark, two new directors Dee McGrath and Dr Rachel Swift were appointed in February 2025. The Board considers these appointments to be a strong match for the skills gaps identified during 2024.

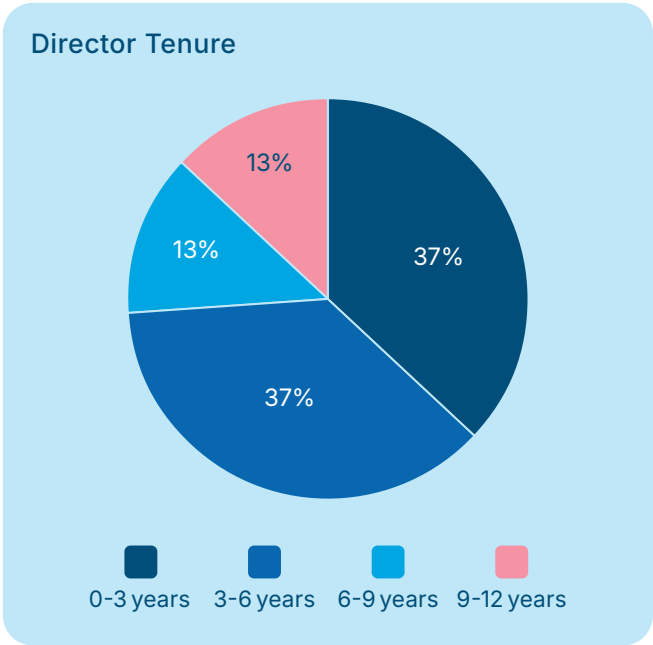
Both new directors joined the Risk & Compliance and People & Culture Committees and Michael Sammells ceased membership of the Risk & Compliance Committee.

The director skills matrix is below.

Member focus	Risk and compliance management
Understanding of operating within a member focussed organisation, and experience in establishing strategies that enhance member outcomes.	Experience in assessing the effectiveness of risk and compliance management frameworks, identification and assessment of material risks, oversight of systems and procedures for compliance, and setting and monitoring risk appetite and risk culture.
Leadership	Financial acumen and capital management
Leadership Experience as a director, executive or senior leader of a large and complex business.	Proficiency in: <ul style="list-style-type: none">Accounting and reportingCorporate financeAudit and financial controlsInvestment governance and managementComplex transactions and major projects
People and culture	Governance
<ul style="list-style-type: none">Understanding of the link between well-being, engagement and cultural alignment as drivers of organisational performance.Understanding of remuneration frameworks, senior leadership development and succession planning.Promotion of diversity and inclusion, regional familiarity and awareness.	<ul style="list-style-type: none">Demonstrated commitment to the highest level of governance standards.Understanding of and experience in a regulated environment.Understanding of legal and regulatory frameworks.Expertise in clinical and health service governance.
Strategy and innovation	Marketing, customer focus and brand
Experience in developing and overseeing the implementation of organisational strategy, including involvement in transformation, continuous improvement and innovative projects.	Experience and/or qualifications in retail, marketing, branding, distribution, customer management and retention strategies.
Industry experience	Digital and emerging technologies
<ul style="list-style-type: none">Understanding of the private health insurance, general insurance or financial services industries.Experience in the healthcare industry, a health-related field or health services management.Clinical experience in the health sector, clinical governance. Experience in the use of population health data and information to inform initiatives and strategy.	Proficiency in the areas of technology, data, cyber security and AI and experience in the use of technology including major technology investments to drive innovation and business growth.

Corporate Governance Statement

For the year ended 30 June 2025

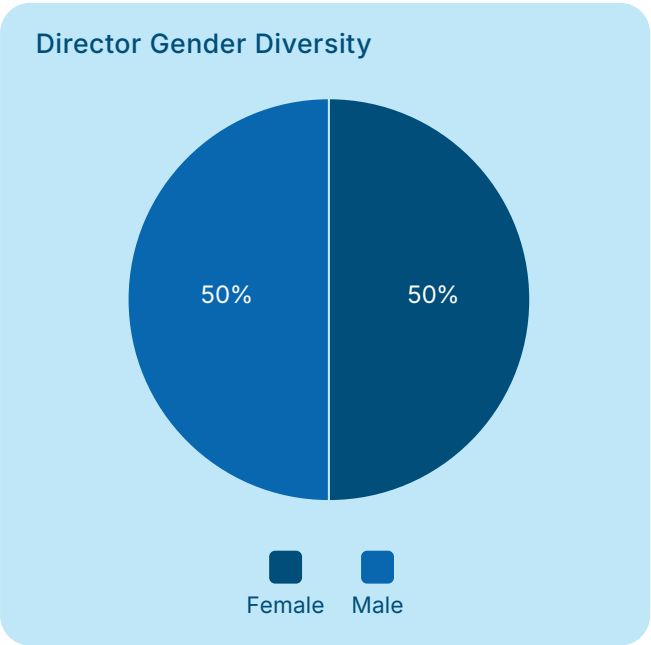


At 30 June 2025 there were eight directors on the Board with an average tenure of six years. Gender diversity is equally split between male and female. Further details of each director are provided on pages 15 to 16 of this Annual Report.

Board performance – external review

During 2024 an external review of Board performance was conducted and improvement opportunities were explored and implemented. The review of the performance of the Board and its Committees is an internal process in FY25 consisting of interviews by the Board Chair with each director, including the new directors appointed in February, and with reference to the 2024 review. The Board is also working with the executive team around strategy alignment.

Directors are encouraged to continue to pursue education and development opportunities to support their individual performance and the performance of the Board as a whole.



During 2025 GMHBA provided opportunities to directors through internal presentations and workshops on relevant issues and reforms and particularly through AICD materials and events. The internal auditor EY also provided and gave access to development materials and events.

Independence and management of conflicts of interest

During 2025 all directors were non-executive and were judged by the Board to be independent and free of relationships or material interests that might influence their ability to act in the best interests of the Group and its members. A Register of Directors’ Interests is maintained and regularly reviewed, and an annual independence assessment is conducted to ensure this position remains current. The Board manages its meetings and proceedings to manage any instances of actual or perceived conflict of interest.

Conduct and ethics

GMHBA’s Employee Code of Conduct sets out the high standard of ethical and professional conduct necessary to meet the expectations of members and other stakeholders. The Code applies to all GMHBA directors, executives and other employees who are all required to observe these standards.

GMHBA is also a signatory to the Private Health Insurance Code of Conduct, a self-regulatory code designed to maintain and enhance high standards of regulatory and compliance behaviour across the private health insurance industry.

GMHBA’s Whistleblower regime is designed to support and encourage the disclosure of any concerns relating to possible fraud, breaches of law or regulations, or inappropriate behaviour. The Group Whistleblower Policy is publicly available and employees can raise concerns with their managers, or any of the eligible recipients listed in the Policy, or through FairCall the external operator of the whistleblower hotline service.

GMHBA publishes a Modern Slavery Statement as required under the Modern Slavery Act, outlining the steps we take to identify, assess and address the risks that modern slavery may be occurring in our operations or supply chains. No material risk was identified in 2025.

Directors' Report

The directors present their report together with the consolidated financial statements of the Group comprising GMHBA Limited (the Company) and its subsidiaries (the Group) for the financial year ended 30 June 2025 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Claire Higgins
Marie Bismark
Mike Hirst
Dee McGrath**
Sandy Morrison
Denis Naphthine
Vicky Papachristos*
Michael Sammells
Rachel Swift**

* Vicky Papachristos retired as a director on 28 August 2024

**Dee McGrath and Rachel Swift appointed as directors in February 2025

The qualifications, expertise and special responsibilities of Directors are set out on pages 15 to 16 of the Annual Report.

Company members

The Members of the Company at the date of this report are the same as the Directors of the Company, as listed above.

Principal activities

The principal activities of the Group during the financial year were the provision of benefits against claims by Fund members relating to hospital, medical and ancillary services.

The Company, being not for profit, does not earn taxable income and is therefore not subject to income taxation, however certain subsidiaries within the Group are taxable entities (Refer Note 2.10). Total comprehensive profit attributable to the members of the company for the year was \$59.742 million (2024: \$11.306 million profit).

Review of operations

A review of the operations and results of the Group during the financial year are set out in the Chair and CEO's report on pages 9 to 10.

Significant changes in the state of affairs

There were no significant changes in the state of affairs for the Group during or since the end of the financial year up until the date of this report.

Events subsequent to the end of the financial year

On 1 September 2025, the Board resolved to commence a sale process of the Armstrong Creek land asset included in Land and buildings disclosed in Note 2.4 to the financial statements. The fair value of this asset at 30 June 2025 was \$4.5m.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected or may significantly affect:

- (a) The group's operations in future financial years;
- (b) The results of those operations in future financial years; or
- (c) The Group's state of affairs in future financial years.

Environmental regulations

The Group is not subject to any significant environmental regulation.

Information on Directors

All Directors are members of the Company. No Director has received any benefit since the end of the previous financial year, by reason of any contract with the Company or with a firm of which he or she is a member or with a company in which the Director has a substantial interest, with the exception of the Director benefits that may be deemed to have arisen in relation to their position as Fund members of the health fund conducted by the Company.

Likely developments

Other than those matters raised in the Chair and CEO reports, further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Directors	Board		Audit and Investment Committee		Risk and Compliance Committee		People and Culture Committee	
	E	A	E	A	E	A	E	A
Claire Higgins	9	9	5	5	-	5G	4	4
Marie Bismark	9	9	-	-	5	4	4	2
Mike Hirst	9	9	5	5	-	-	-	-
Dee McGrath**	5	5	-	-	2	2	1	1
Sandy Morrison	9	9	-	1G	5	5	-	1G
Denis Naphthine	9	9	5	5	-	-	4	4
Vicky Papachristos*	1	1	-	-	1	1	1	1
Michael Sammells	9	9	5	5	5	5	-	-
Rachel Swift**	5	5	-	-	2	2	1	1

E = number of meetings eligible to attend A = number of meetings attended G = guest
*Vicky Papachristos retired as a director on 28 August 2024
**Dee McGrath and Rachel Swift were appointed as directors on 1 February 2025

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors (including meetings of Committees of Directors) held during the year ended 30 June 2025 and the number of meetings attended by each Director.

Insurance of Officers

During the financial year, the Company paid to insure the Directors and Officers of the Company for any liability that may be brought against them while acting in their respective capacities for the Company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance contract, as such disclosure is prohibited under the terms of the contract.

Rounding of amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and amounts have been rounded off in accordance with that

Instrument. All amounts shown in the financial statements are expressed to the nearest thousand dollars, unless otherwise stated.

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

For and on behalf of the Board of Directors,

Claire Higgins



Chair
GMHBA Limited

Mike Hirst




Director
GMHBA Limited
Chair Audit and
Investment Committee

Geelong,
1 September 2025

Lead Auditor's Independence Declaration

Under Section 307C of the *Corporations Act 2001*

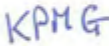



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of GMHBA Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of GMHBA Limited for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.


KPMG


Dean Waters
Partner
Melbourne
2 September 2025

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025 (\$'000)	2024 (\$'000)
Revenue			
Insurance revenue	4.1	649,415	637,339
Insurance services expenses	4.1	(607,293)	(584,928)
Insurance service result		42,122	52,411
Other income	4.2	15,088	14,255
Other expenses	4.4	(32,007)	(87,046)
Net other expenses		(16,919)	(72,791)
Investment income			
Interest income		21,461	19,743
Dividends		2,255	2,446
Unrealised investment gains/(loss)		(1,304)	9,296
Realised investment gains		16,735	5,801
Total investment income		39,147	37,286
Finance and investment expenses	4.3	(3,693)	(4,309)
Net finance and investment income		35,454	32,977
Net operating surplus for the year		60,657	12,597
Net Profit		60,657	12,597
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Revaluation of property, plant and equipment		(901)	(2,338)
<i>Items that may be reclassified subsequently to profit and loss</i>			
Cash flow hedge – effective portion of changes in fair value	2.6	(134)	-
Total comprehensive income for the year		59,622	10,259
Attributable to			
Members of the Company		59,742	11,306
Non-controlling interests		(120)	(1,047)
		59,622	10,259

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 (\$'000)	2024 (\$'000)
Current assets			
Cash and cash equivalents	3.1	29,400	42,530
Receivables	2.1	8,583	6,960
Financial assets	2.2	142,256	186,935
Other assets	2.3	411	456
Total current assets		180,650	236,881
Non-current assets			
Receivables	2.1	595	578
Financial assets	2.2	399,124	342,816
Other assets	2.3	3,132	3,642
Property, plant and equipment	2.4	62,257	51,812
Investment property	2.4	50,876	58,750
Intangible assets	2.4	4,306	5,459
Right of use assets	2.8	4,675	3,670
Total non-current assets		524,965	466,727
Total assets		705,615	703,608
Current liabilities			
Payables	2.5	9,278	72,825
Financial liabilities	2.6	134	45,819
Insurance contract liabilities	2.7	125,360	120,039
Lease liabilities	2.8	735	894
Employee benefits	2.11	5,477	4,814
Total current liabilities		140,984	244,391
Non-current liabilities			
Financial liabilities	2.6	46,000	-
Lease liabilities	2.8	4,667	4,365
Employee benefits	2.11	513	463
Total non-current liabilities		51,180	4,828
Total liabilities		192,164	249,219
Net assets		513,451	454,389
Equity			
Retained earnings		499,595	439,378
Reserves		3,205	4,240
Total equity attributable to members		502,800	443,618
Non-controlling interests		10,651	10,771
Total equity		513,451	454,389

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

Attributable to members of the Company						
(\$'000)	Note	Retained earnings	Asset revaluation reserve	Hedging reserve	Total	Non-controlling interests
Balance at 1 July 2023		425,734	6,578	-	432,312	11,818
Profit for the year		13,644	-	-	13,644	(1,047)
Other comprehensive income		-	(2,338)	-	(2,338)	-
Total comprehensive income for the year		13,644	(2,338)	-	11,306	(1,047)
Balance at 30 June 2024		439,378	4,240	-	443,618	10,771
Balance at 1 July 2024		439,378	4,240	-	443,618	10,771
Profit for the year		60,777	-	-	60,777	(120)
Other comprehensive income		-	(901)	(134)	(1,035)	-
Total comprehensive income for the year		60,777	(901)	(134)	59,742	(120)
Distributions paid	5.5	(560)	-	-	-	-
Balance at 30 June 2025		499,595	3,339	(134)	502,800	10,651

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 (\$'000)	2024 (\$'000)
Cash flows from operating activities			
Insurance premiums received		653,906	637,042
Payments for incurred claims and directly attributable insurance expenses		(606,437)	(487,822)
Payments to other suppliers and employees		(92,342)	(107,968)
Other income received		15,071	12,100
Net cash inflow/(outflow) from operating activities	3.1(a)	(29,802)	53,352
Cash flows from investing activities			
Purchase of financial assets		(305,651)	(240,304)
Purchase of property, plant and equipment		(7,211)	(3,183)
Dividends received		1,060	694
Interest received		21,672	18,837
Proceeds from sale of financial assets (net of investment fees)		309,803	193,181
Proceeds from sale of property, plant and equipment		-	29
Net cash (outflow) from investing activities		19,673	(30,746)
Cash flows from financing activities			
Drawdown of borrowings		46,000	693
Repayment of borrowings		(45,819)	-
Distributions to unitholders		(560)	-
Interest on financial liabilities		(2,622)	(2,797)
Net cash (outflow) from financing activities		(3,001)	(2,104)
Net increase/(decrease) in cash held		(13,130)	20,502
Cash and cash equivalents at beginning of the financial year		42,530	22,028
Cash and cash equivalents at end of the financial year	3.1(b)	29,400	42,530

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

1. About this report

The “About this report” section contains general information about the annual financial report, broken down into the following sub sections:

- 1.1 Company information
- 1.2 Basis of accounting
- 1.3 Basis of measurement
- 1.4 Functional and presentation currency
- 1.5 Use of estimates and judgments
- 1.6 Comparative information

1.1 Company information

GMHBA Limited (the “Company”) is a not-for-profit company, incorporated and domiciled in Australia. Its registered office is Level 3, 60 Moorabool Street Geelong VIC 3220. The consolidated financial statements comprise the Company and its subsidiaries (collectively the “Group” and individually “Group Companies”). The Company is exempt from income tax by virtue of Section 50-30 item 6.3 of the *Income Tax Assessment Act*. Subsidiaries of the parent entity are for profit entities and subject to income tax.

1.2 Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001*.

The financial statements were authorised for issue by the Board of Directors on 1 September 2025.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

The directors have assessed the ability of the Group to continue as a going concern and believe that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Basis of measurement

The accounting policies adopted in the preparation of this financial report have been applied consistently by the Group Companies and are the same as those applied for the previous reporting period unless otherwise noted. The Group’s financial statements were prepared in accordance with the historical cost convention, except for the following:

- (a) Financial instruments are measured at fair value through profit or loss;
- (b) Land and buildings are recorded at fair value with movements in value taken through the asset revaluation reserve; and
- (c) Investment property is recorded at fair value with movements in value taken through the profit and loss.

1.4 Functional and presentation currency

The functional and presentation currency used for the preparation of these financial statements is Australian dollars.

The Group is an entity to which ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 applies and amounts have been rounded off in accordance with that Instrument. All amounts shown in the financial statements are expressed to the nearest thousand dollars, unless otherwise stated.

1.5 Use of estimates and judgements

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

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

- Valuation of Land and buildings, Investment property, and Intangible assets, see note 2.4
- Insurance contracts assets and liabilities and Reward benefit provisions, see note 2.7

It is possible that outcomes within the next financial year that are different from the assumptions above could require a material adjustment to the carrying amount of the assets or liabilities affected.

1.6 Comparative information

New and amended standards adopted by the Group.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted. As a result there are no new or amended standards applicable to the Group in the current financial year and there have been no material changes to the financial statements due to adoption of new or amended standards.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. Member assets

This section contains important information about the composition and use of our members' assets:

- 2.1 Receivables
- 2.2 Financial assets
- 2.3 Other assets
- 2.4 Property, plant and equipment, and intangible assets
- 2.5 Payables
- 2.6 Financial liabilities
- 2.7 Insurance contract assets and liabilities
- 2.8 Right of use assets and lease liabilities
- 2.9 Fair value measurement
- 2.10 Taxes
- 2.11 Employee benefits provisions

2.1 Receivables

The carrying amounts of receivables approximate their fair value due to the short-term maturities of these assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost less any allowance for impairment.

Financial disclosure	2025 (\$'000)	2024 (\$'000)
Current		
Accrued investment income	2,223	2,333
Prepayments	4,609	2,631
Other debtors	1,751	1,996
	8,583	6,960
Non-current		
Prepayments	595	578
Total receivables	9,178	7,538

2.2 Financial assets

Financial assets are investments held to back insurance contract liabilities. All investments are managed and monitored on a fair value basis for both external and internal reporting purposes in accordance with GMHBA's investment management strategy.

Financial assets are recorded at the cost of acquisition and are subsequently remeasured to fair value at each reporting date, with the exception of term deposits from 1 December 2024. Changes in the fair value are recognised as investment gains or losses in profit or loss. Purchases and sales of investments are recognised on a trade date basis, being the date on which a commitment is made to purchase or sell the asset.

Transaction costs are expensed through profit or loss and other comprehensive income as investment expenses on assets backing insurance liabilities. Investments are derecognised when the rights to receive future cash flows from the assets have expired, or have been transferred, and substantially all the risks and rewards of ownership have transferred.

Investment revenues, comprising interest and dividends are brought to account on an accrual basis when the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Term Deposits purchased after 1 December 2024 are recorded at amortised cost. Fair value of Term deposits purchased before this date is still calculated and recorded, and these term deposits will mature by 19 November 2025.

Financial disclosure	2025 (\$'000)	2024 (\$'000)
Current		
Term deposits	101,574	140,886
Bonds	40,682	46,049
	142,256	186,935
Non-current		
Equity securities	118,342	116,956
Bonds	242,695	192,486
Unlisted funds	38,087	33,374
Total financial assets	399,124	342,816

Exposure to interest rate risk and a sensitivity analysis for financial assets are disclosed in note 3.2. Further detail regarding fair value measurement is disclosed in note 2.9.

2.3 Other assets

Financial disclosure	2025 (\$'000)	2024 (\$'000)
Current		
Inventory	411	456
Non-current		
Lease incentive asset	3,132	3,642
Total Other assets	3,543	4,098

2.4 Property, plant and equipment, and intangible assets

Property, plant and equipment

Land and buildings are recorded at fair value (buildings are subsequently subject to depreciation) through other comprehensive income.

Plant and equipment are recorded in the financial statements at cost less accumulated depreciation and accumulated impairment losses.

The portion of the fair value of land and buildings at 60 Moorabool Street used for administrative purposes is classified as property, plant & equipment.

Land held at Armstrong Creek is recorded at fair value.

Investment property

Investment property is recorded at fair value through profit or loss.

The portion of the fair value of land and buildings at 60 Moorabool Street held for capital appreciation and rental income are classified as Investment property.

During the year, the ground floor tenancies were taken up by the Group for the Geelong Health Hub. This change resulted in a reassessment of the portion of the asset used for administrative purposes. The assessed percentage at 30 June 2025 is 44.7% (2024: 37.5%).

Recoverable amount of non-current assets

Non-current assets, except for investments in land and buildings are recorded in the financial statements at cost less accumulated depreciation. The carrying values of all non-current assets are reviewed by management at regular intervals to ensure that they are not stated at amounts in excess of their recoverable amounts.

Depreciation

Property, plant and equipment, other than land, is depreciated using the straight-line method over the period during which benefits are expected to be derived from the asset. Profits and losses on disposal of property, plant and equipment are considered in determining the profit for the year and recorded in other revenue/other expenses in the statement of profit or loss and other comprehensive income. The financial disclosure section outlines the depreciation rates applied to each asset class.

Intangible assets – health.com.au customer list

Upon acquisition, an intangible asset was recognised for the customer list of health.com.au. This asset, representing the then present value of the expected future incremental cash flows from the acquired book of members is subsequently measured at cost less accumulated amortisation. Amortisation is calculated on a straight line basis over the useful life of the asset and recognised through profit or loss.

Other intangible assets

Other intangible assets acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over their estimated useful lives, between 3 and 10 years.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

2.4 Property, plant and equipment, and intangible assets (continued)

Financial disclosure

Reconciliation of carrying amount – Property, plant and equipment

	Investment property (\$'000)	Land & buildings (\$'000)	Furniture & fittings (\$'000)	Office equipment (\$'000)	Motor vehicles (\$'000)	Capital WIP & development costs ¹ (\$'000)	Total (\$'000)
Depreciation rate	0.0%	0.0 – 1.5%	5–10.0%	15.0–40.0%	22.5%	0.0%	
Cost (or valuation as applicable)	62,500	41,293	9,654	6,667	24	2,817	122,955
Accumulated depreciation	-	-	(2,847)	(4,197)	(2)	-	(7,046)
Carrying amount at 1 July 2023	62,500	41,293	6,807	2,470	22	2,817	115,909
Additions ²	146	88	346	674	-	1,743	2,997
Disposals ³	-	-	-	(27)	-	-	(27)
Depreciation	-	-	(773)	(1,284)	(3)	-	(2,060)
Revaluation	(3,896)	(2,338)	-	-	-	-	(6,234)
Transfers	-	-	1,177	754	-	(1,954)	(23)
Cost	58,750	39,043	11,177	7,807	24	2,606	119,407
Accumulated depreciation	-	-	(3,620)	(5,220)	(5)	-	(8,845)
Carrying amount at 30 June 2024	58,750	39,043	7,557	2,587	19	2,606	110,562
Additions ⁴	-	15	6,287	726	-	54	7,082
Disposals ³	-	-	(4)	(28)	-	-	(32)
Depreciation	-	-	(1,107)	(1,127)	(3)	-	(2,237)
Revaluation	(1,114)	(901)	-	-	-	-	(2,015)
Transfers ³	(6,760)	6,760	1,223	488	-	(1,938)	(227)
Cost	50,876	44,917	17,923	8,761	24	722	123,223
Accumulated depreciation	-	-	(3,967)	(6,115)	(8)	-	(10,090)
Carrying amount at 30 June 2025	50,876	44,917	13,956	2,646	16	722	113,133

1. Balances shown net of accumulated depreciation.
2. 2024 Development costs include capitalised costs for Geelong Health Hub fitout and other Health sites uplift in progress.
3. 2025 Transfers includes reclassification from investment property to Land & Buildings resulting from a change in administrative percentage.
4. 2025 Furniture and fittings additions include fitout of level 1 tenancy of 60 Moorabool Street.

Reconciliation of carrying amount – intangible assets

	Goodwill (\$'000)	health.com.au customer list (\$'000)	License fee (\$'000)	Software (\$'000)	Domain names (\$'000)	Total (\$'000)
Amortisation rate	0.0%	7.7%	5.0%	10.0 – 30.0%	0.0%	
Cost (or valuation as applicable)	14,570	13,882	312	5,934	271	34,969
Accumulated amortisation	-	(8,838)	(260)	(4,660)	-	(13,758)
Carrying amount at 30 June 2023	14,570	5,044	52	1,274	271	21,211
Additions	-	-	-	186	-	186
Amortisation	-	(722)	(16)	(653)	-	(1,391)
Transfers	-	-	-	23	-	23
Impairments	(14,570)	-	-	-	-	(14,570)
Cost	-	13,882	312	6,143	271	20,608
Accumulated Amortisation	-	(9,560)	(276)	(5,313)	-	(15,149)
Carrying amount at 30 June 2024	-	4,322	36	830	271	5,459
Additions	-	-	-	129	-	129
Amortisation ¹	-	(1,081)	(15)	(413)	-	(1,509)
Transfers	-	-	-	227	-	227
Cost	-	13,882	312	6,484	271	20,949
Accumulated Amortisation	-	(10,641)	(291)	(5,711)	-	(16,643)
Carrying amount at 30 June 2025	-	3,241	21	773	271	4,306

2.5 Payables

Liabilities are recognised for amounts payable in the future for goods and services received at balance date, whether or not billed to the Group. The Group's payables are all considered short term.

Return to Members provision

During 2024, the Group returned surpluses made during the COVID-19 pandemic as direct result of the lower claims experience to its members. The Group settled the obligation during the year. No further obligation exists at 30 June 2025.

Financial disclosure	2025 (\$'000)	2024 (\$'000)
Creditors and accruals	9,278	5,126
Return to member provision	-	67,699
	9,278	72,825

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

2.6 Financial liabilities

Bank loan

The Group has a floating rate investment loan secured against 60 Moorabool Street with a facility expiry in November 2027 and a variable interest rate. The loan had a facility limit of \$46.25m, drawn to \$46.0m at balance date. The loan was refinanced in 2025 triggering a representation from current to non-current on the face of the Statement of Financial Position. There have been no breaches of covenant ratios.

Interest rate hedge

The loan interest rate is hedged with an interest rate swap for a fixed rate.

The swap is designated as a cash flow hedge, with the effective portion of changes in fair value recognised through other comprehensive income. Should there be an ineffective portion this will be recognised immediately in profit or loss. For the 2025 year the hedge is fully effective. Interest rate hedge is valued at market value with market values provided by ANZ Derivative OTC team. The resulting fair value movement is recognised in the balance sheet as a derivative asset or liability. Maturity is April 2027.

Financial disclosure	2025 (\$'000)	2024 (\$'000)
Current		
Secured bank loan	-	45,819
Fair value of interest rate hedge	134	-
	134	45,819
Non-current		
Secured bank loan	46,000	-
Total financial liabilities	46,134	45,819

2.7 Insurance contract assets and liabilities

Insurance contracts

The Group has applied Premium Allocation Approach (PAA) to all insurance contracts. For presentation in the statement of financial position, the Group presents separately insurance contract portfolios that are in an asset position and portfolios that are in a liability position.

As the Group essentially sells one 'health insurance' product line, where cash flows are generally expected to respond similarly in direction and timing to changes in assumptions, and the Group manages the insurance business as one, the Group has determined the health insurance book forms one portfolio.

Insurance contracts are defined as those containing material insurance risk at the inception of the contract or those where at the inception of the contract there is a scenario with commercial substance where the level of insurance risk may be material over time. The materiality of insurance risk is dependent on both the probability of an insurance event and the magnitude of its potential effect.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces materially during this period. The Company has determined that all current contracts with policyholders are insurance contracts.

Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group that it expects to collect from premiums and pay out for claims, benefits and expenses. After consideration, the Group has set the contract boundary at 90 days.

Underwriting insurance contracts expose the Company to liquidity risk through payment obligations of unknown amounts on unknown dates. Liquidity risk is the risk of having insufficient cash resources to meet payment obligations. The assets held to back insurance liabilities consist largely of money market securities, fixed interest investments and other highly liquid assets. Asset management is designed to provide consistency between forecasted claims payment obligation and asset maturity profiles.

Management of liquidity risk is incorporated into GMHBA's risk management strategy, liquidity management plan and investment framework.

Onerous contract testing

Despite the Group recognising a single portfolio, further segmentation is required into groups of contracts for the identification of onerous contracts, including annual cohorts of contracts that are either onerous, no material possibility of being onerous and other. There is a presumption under the PAA that no contracts are onerous unless there are clear facts and circumstances that indicate otherwise. In contemplating the facts and circumstances, the Group has considered information reported to the Board of Directors. Where facts and circumstances are identified that may indicate an onerous contract exists, detailed testing is performed, and any loss component is valued using the estimated fulfilment cashflows for the group of insurance contracts, using the building blocks approach from the General Measurement Model (GMM), including allowing for the risk adjustment adopted for the liability for remaining coverage.

Insurance Risk Management

The risk management framework offers a level of assurance that the Group's risks are administered thoroughly and astutely. The risk management plan addresses the operational risks of the Group.

The framework is inclusive of a risk management plan, which is the process of planning, organising, directing, and controlling the resources and activities of an organisation in order to minimise the adverse effects of accidental losses to the organisation. It is recognised as an integral part of good management practice, which involves a process consisting of steps which when undertaken in sequence, enable continual improvement in decision-making. Risk management is as much about identifying opportunities as avoiding or mitigating losses.

The risk management plan defines management responsibilities and the processes involved in mitigating identified qualitative and quantitative risks through a set of developed guidelines. The risk management plan is subject to a formal review process to ensure continued effectiveness.

Liability for remaining coverage

The liability for remaining coverage (LRC) under the PAA is valued at initial recognition based on premium received, less any directly attributable acquisition costs deferred, plus the rewards liability (2024). Subsequent to initial recognition, the LRC is amortised to recognise the revenue and insurance expenses (insurance acquisition cash flows) on a passage of time basis over the coverage period. For the contracts that apply the simplified approach and have a coverage period of one year or less, the Group has the option to expense directly attributable acquisition costs as incurred, as opposed to deferring and amortising directly attributable acquisition costs over the coverage period of the insurance contract. The Group has elected to expense directly attributable acquisition costs as incurred.

Insurance contract liabilities are not discounted as the effect of accounting for the time value of money on amounts expected to be paid or received one year or less from the date of claims being incurred is considered immaterial.

The risk adjustment on the LRC has been set consistent with the target net margin set out in the Group's Pricing Philosophy

The premium receivable as at 30 June 2025 consists of:

- (i) Unclosed premium earned – this represents premiums in arrears measured up to 30 June 2025; and
- (ii) Unclosed premium unearned – forecast premiums receivable from policyholders at 30 June 2025.

Federal government rebate receivable represents premiums receivable from the Federal Government at the end of the period, relating to the Health Insurance Rebate portion of member contributions.

Insurance revenue

Insurance revenue for the period comprises the amount of expected premium receipts (excluding any investment component) allocated over the coverage period of the group of insurance contracts on the basis of the passage of time. Insurance revenue is recognised in the consolidated statement of profit or loss and other comprehensive income from the date of attachment of insurance risk, as soon as there is a basis on which it can be reliably measured. Revenue is recognised in accordance with the pattern of the incidence of risk expected over the term of the contract.

The proportion of premium received, or receivable not earned in the consolidated statement of profit or loss and other comprehensive income at the reporting date is recognised in the consolidated statement of financial position as unearned premium liability. Forecast premiums receivable from policyholders at 30 June 2025 are recognised as unclosed business premiums.

Liability for incurred claims

The liability for incurred claims (LIC) is made up of the best estimate outstanding claims provision, expenses already incurred but not yet paid in relation to claims, the RESA Levy, and the cost of handling incurred claims at the reporting date.

The risk adjustment in the LIC is an estimate of the compensation required for bearing the uncertainty about the amount and timing of the insurance contract cash flows arising from non-financial risk. The Group estimates the risk adjustment using a confidence level approach (i.e. a probability of adequacy of at least 75%). The level is set based on the historic accuracy of initial estimation to ultimate claims, in order to mitigate the degree of uncertainty attached to the underlying liability to an appropriate degree of confidence. The risk adjustment adopted is 5.5%, (2024: 5.5%).

Outstanding claims

The liability for outstanding claims provides for claims received but not assessed and claims incurred but not received. The liability is based on an actuarial assessment considering historical patterns of claim incidence and processing (chain ladder method). Changes in claims estimates are recognised in profit or loss in the reporting period in which the estimates are changed. Outstanding claims are not discounted as they are usually settled within six months of the reporting date. The liability also allows for an estimate of claims handling costs which include internal and external costs incurred in connection with the negotiation and settlement of the claims and any part of the general administrative costs directly attributable to the claims function. The allowance for the claims handling cost at 30 June 2025 is 1.4% (2024: 1.7%) of the claim's liability.

Risk Equalisation Special Account

Under the provisions of the *Private Health Insurance Act 2007*, all eligible registered health insurers must participate in the RESA. The quarterly risk equalisation scheme transfers risk between private health insurers within each Risk Equalisation jurisdiction (State or Territory). Private health insurers that have paid 'eligible benefits' at a rate per single equivalent unit (SEU) less than average, pay into the RESA for that jurisdiction, while private health insurers that have paid 'eligible benefits' at a rate per SEU more than the average paid in the Risk Equalisation jurisdiction receive from the RESA.

The amounts payable to and receivable from the RESA are determined by APRA after the end of each quarter. Estimated provisions for amounts payable and income receivable are recognised on an accruals basis. Historically, the Company has paid eligible benefits below the average and therefore had a RESA liability for an amount payable.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

2.7 Insurance contract assets and liabilities (continued)

a) Insurance contracts balance sheet composition

Insurance contracts issued	2025 \$m	2024 \$m
Total Insurance contracts liabilities	125,360	120,039
Net Insurance contracts liabilities	125,360	120,039
Made up of:		
Insurance contracts liabilities		
-liability for remaining coverage (LRC)		
- unearned premium cashflows	45,933	41,754
- private health insurance premium reduction scheme receivable	4,679	4,040
- rewards liabilities	-	327
	50,612	46,121
-liability for incurred claims (LIC)		
- outstanding claims	68,045	65,886
- claims processed not yet paid and RESA payable	6,617	7,609
- ambulance levies payable	86	423
	74,748	73,918

b) Insurance contract reconciliation of the liability for remaining coverage and the liability for incurred claims

\$m	Liabilities for remaining coverage	Liability for incurred claims	Total
	Excluding loss component	Estimate of PV of future cash flows	
Insurance contract liabilities at 1 July 2024	46.1	73.9	120.0
Insurance revenue	(649.4)	-	(649.4)
Incurred claims and other expenses	-	612.7	612.7
Changes that relate to past service	-	(5.4)	(5.4)
Insurance service result	(649.4)	607.3	(42.1)
Total amounts recognised in statement of P&L and OCI	(649.4)	607.3	(42.1)
Cash flows			
Premiums received	653.9		653.9
Claims and other expenses	-	(606.4)	(606.4)
Total cash flows	653.9	(606.4)	47.5
Insurance contract liabilities at 30 June 2025	50.6	74.8	125.4

\$m	Liabilities for remaining coverage	Liability for incurred claims	Total
	Excluding loss component	Estimate of PV of future cash flows	
Insurance contract liabilities at 1 July 2023	46.4	74.2	120.6
Insurance revenue	(637.3)	-	(637.3)
Incurred claims and other expenses	-	586.1	586.1
Changes that relate to past service	-	(1.2)	(1.2)
Insurance service result	(637.3)	584.9	(52.4)
Total amounts recognised in statement of P&L and OCI	(637.3)	584.9	(52.4)
Cash flows			
Premiums received	637.0		637.0
Claims and other expenses	-	(585.2)	(585.2)
Total cash flows	637.0	(585.2)	51.8
Insurance contract liabilities at 30 June 2024	46.1	73.9	120.0

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

2.8 Right of use assets and lease liabilities

The Group recognises right of use assets representing its right to use leased premises and lease liabilities representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. The Group recognises assets and liabilities for its operating leases of retail and office premises. The Group has recognised a depreciation charge for right-of-use assets and interest expense on lease liabilities. No onerous leases were identified at balance date.

In measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at the date of lease commencement or modification. The weighted average rate applied is 6.09% (2024: 5.46%).

Financial disclosure	2025 (\$'000)	2024 (\$'000)
The following is a schedule by years of future minimum rental payments required under lease agreements that have non-cancellable lease terms in excess of one year as at 30 June 2025.		
Due		
Not later than one year	735	894
Later than one year but not later than five years	4,667	4,365
	5,402	5,259
Right of use asset		
Right of use asset balance at 1 July	3,670	5,679
Additions to right of use asset	1,896	-
Derecognition of right of use asset	(62)	(1,006)
Depreciation of ROU asset	(829)	(1,003)
Balance at 30 June 2025	4,675	3,670
Amounts recognised in the profit of loss		
Depreciation of ROU asset	829	1,003
Interest on lease liability	277	312
Total expense	1,106	1,315
Amounts recognised in the statement of cash flows		
Lease payments made	1,024	1,385
Variable lease payments not included in the above calculation of lease liability	89	313
Total cash outflow	1,113	1,698

2.9 Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods disclosed in the notes specific to that asset or liability.

Term deposits

The fair value of term deposits purchased prior to 1 December 2024 is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a market interest rate (FVTPL). These investments are held for a set term and rolled over at maturity. During the year, the Group has assessed under AASB9 that this approach does not provide more relevant information to stakeholders than holding term deposits at amortised cost. This is based on a number of factors including the Group's history of holding term deposits to maturity and the nature of term deposits being simple principal and interest. Consequently the Group has chosen to record any term deposits purchased after the date of assessment, being 1 December 2024, at amortised cost, which is a more relevant measure. Fair value of term deposits purchased before this date is still calculated and recorded, and these term deposits will mature by 19 November 2025.

Equity securities and unlisted funds

The fair value of listed equity securities and unlisted funds is determined by reference to their quoted closing price at the reporting date. International equity securities are valued based on their quoted closing prices, translated using the prevailing foreign exchange rates at the reporting date

Bonds

The fair value of bonds is evaluated using market accepted formulae such as those set out in the Prospectuses for Australian Government Bonds, Indexed Bonds, and Treasury Bills. Valuation is derived via any one of 3 methods; direct sourcing from market participants, average spread over benchmark bonds or swap curve, or matrix yield curves, and are quoted to 3 decimal places.

Land and buildings and Investment property

The Group uses accredited independent valuers to determine the fair value of its land and buildings. Fair value is determined directly by reference to market-based evidence, which is the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. A full valuation of land and buildings is performed at intervals not greater than three years, with valuations on the land at Armstrong Creek having been performed in 2023, and the building at 60 Moorabool Street having been performed during 2025. The next valuations are expected to be performed no later than 30 June 2026 for Armstrong Creek land and 30 June 2028 for 60 Moorabool Street. Increments/decrements from the revaluation of the Group's land and buildings are reflected in the asset revaluation reserve. Increments/decrements from the revaluation of the Group's Investment Property are reflected in investment income within profit and loss.

Fair Value Hierarchy

Fair values are based on a hierarchy that reflects the significance of the inputs used in the determination of fair value, as follows: The fair value hierarchy has the following levels:

Level 1 - quoted prices

Quoted prices (unadjusted) in active markets for identical assets and liabilities are used.

Level 2 - other observable inputs

Inputs that are observable (other than Level 1 quoted prices) for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) are used.

Level 3 - unobservable inputs

Inputs for the asset or liability that are not based on observable market data (unobservable inputs) are used.

No transfers between fair value hierarchy levels have occurred during the period. Where the determination of fair value for an instrument involves inputs from more than one category, the level within which the instrument is categorised in its entirety is determined on the basis of the highest-level input that is material to the fair value measurement in its entirety. This table does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

2.9 Fair value measurement (continued)

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
30 June 2025				
Cash and cash equivalents	29,400	-	-	29,400
Term deposits	101,574	-	-	101,574
Equity securities	118,342	-	-	118,342
Unlisted funds	-	38,087	-	38,087
Bonds	-	283,377	-	283,377
Land and buildings	-	-	44,917	44,917
Investment property	-	-	50,876	50,876
Total	249,316	321,464	95,793	666,573
30 June 2024				
Cash and cash equivalents	42,530	-	-	42,530
Term deposits	140,886	-	-	140,886
Equity securities	116,956	-	-	116,956
Unlisted funds	-	33,374	-	33,374
Bonds	-	238,535	-	238,535
Land and buildings	-	-	39,043	39,043
Investment property	-	-	58,750	58,750
Total	300,372	271,909	97,793	670,074

Valuation technique and unobservable inputs for level 3

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Land and buildings and investment property (Level 3)	<i>Income capitalisation method and market approach:</i> The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The income approach uses the assessed net face market income as at the date of the valuation, which is capitalised at an appropriate market yield to establish the property's market value fully leased. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property. Based on requirements in accordance with the International Valuations Standards 2011	<ul style="list-style-type: none">Recent sales of comparable land in a comparable geographical regionGeneral market and economic conditions	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none">expected market rental growth were higher/(lower);void periods were shorter/(longer);the occupancy rate were higher/(lower);the rent-free periods were shorter/(longer); orthe capitalisation rate were lower/(higher).

2.10 Taxes

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. No deferred tax assets have been recognised at 30 June 2025.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Reconciliation of effective tax rate	2025 (\$'000)	2024 (\$'000)
Profit for the year attributable to the Company	59,622	10,259
Total tax expense	-	-
Profit/(loss) excluding tax	59,622	10,259
Tax using the Company's domestic tax rate of 30%	17,887	3,078
Tax effect of tax exempt profits of GMHBA Limited ¹	(18,022)	(4,320)
Tax effect of Profits of QE 042 Trust, taxable in the hands of beneficiaries	190	1,654
Tax effect of intra group lease adjustments arising on consolidation	(787)	(426)
Tax effect of intra-group distributions arising on consolidation	717	-
Current year losses for which no deferred tax asset was recognised	15	14
	-	-

1. GMHBA Limited is an income tax exempt entity and tax is payable only by taxable entities within the GMHBA Limited Group.

2.11 Employee benefits provisions

Annual leave

Liabilities for annual leave is recognised and are measured as the amount unpaid at the reporting date based on remuneration rates expected to apply when the obligation is settled, including on-costs, in respect of employees' services up to that date.

Long service leave

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Financial disclosure	2025 (\$'000)	2024 (\$'000)
Current		
Employee annual leave	2,794	2,567
Employee long service leave	2,683	2,247
	5,477	4,814
Non-current		
Employee long service leave	513	463
Total employee benefits provisions	5,990	5,277

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

3 Capital management

This section outlines the ways in which the Company manages financial risks and cash flow requirements associated with operating in the insurance industry. It is split into the following sub sections:

- 3.1 Cash flows
- 3.2 Management of financial risks
- 3.3 Management of insurance risks

Capital Management

The capital structure of the Group consists of cash reserves, investments, and other assets. The Group’s investments at reporting date are composed of term deposits, bonds, unlisted trusts, property, and investments in the equity market. Management and the Audit and Investment Committee along with the Board continue to monitor market conditions.

The Group’s objectives when managing capital are to safeguard its ability to continue as a going concern and continue to provide benefits for stakeholders by protecting members’ funds.

The Group’s health benefits fund will maintain sufficient capital to meet minimum capital requirements under stressed conditions with a low probability of having insufficient capital to act as a buffer against the financial impacts of a severe but plausible stress event. Capital is monitored against minimum capital requirements to comply with APRA’s capital adequacy standards. The standard requires private health insurers to have, and comply with, a Board approved Internal Capital Adequacy Assessment Process (ICAAP).

Health benefits funds are required to comply with the standard on a continuous basis and report results to APRA quarterly. The Group’s health benefits fund has been in compliance with the standard throughout the year.

The ICAAP establishes a target for capital held in excess of the regulatory requirement. The aim is to keep a sufficient buffer in line with the Board’s attitude to and tolerance for risk. The internal capital target ensures GMHBA has a minimum level of capital given certain stressed capital scenarios.

The Liquidity Management Plan sets minimum liquidity requirements of the health benefits fund and describes the actions the fund will perform in order to maintain liquidity.

The parent entity of the Group, and registered private health insurer, is compliant with APRA’s capital framework for private health insurers. The surplus over prescribed capital amount for the APRA regulated parent entity based on current APRA capital standards at 30 June 2025 are as follows:

Currency: AUD ‘000	2025
Capital Base	
Accounting Net Assets (Note 5.6)	490,132
Regulatory adjustments applied in the calculation of Common Equity Tier 1 Capital	(377)
Common Equity Tier 1 Capital	489,755
Additional Tier 1 Capital	-
Regulatory adjustments applied in calculation of Add. Tier 1 Capital	-
Tier 2 Capital	-
Regulatory adjustments applied in calculation of Add. Tier 2 Capital	-
Total Capital Base	489,755
Prescribed Capital Amount	
Insurance Risk Charge	99,141
Asset Risk Charge	100,631
Asset Concentration Risk Charge	-
Operational Risk Charge	12,985
Less: Aggregation Benefit	(45,026)
Tax benefits	-
Total Prescribed Capital Amount	167,731
Capital Surplus (Total Capital Base minus Total Prescribed Capital Amount)	322,024
<i>Capital Adequacy Multiple (Total Capital Base divided by Total Prescribed Capital Amount)</i>	2.92

3.1 Cash flows

Cash and cash equivalents are carried at cost which, due to their short-term nature, approximates fair value.

(a) Reconciliation of net cash provided by operating activities to profit:	2025 (\$'000)	2024 (\$'000)
Profit for the year	59,622	10,259
Realised investment gains	(16,735)	(5,801)
Depreciation and amortisation	3,746	3,451
Impairments and loss on disposal of PPE and intangibles	-	14,541
Unrealised investment (gain)/loss	1,304	(9,296)
Interest and dividends received net of fees	(21,938)	(18,332)
Interest on loans and borrowings	2,622	2,797
Revaluation of Investment Property/PPE	2,015	2,338
(Increase)/decrease in operating assets		
Receivables	(1,640)	508
Financial and other assets	(423)	(852)
Right of use assets	(1,005)	2,009
Increase/(decrease) in operating liabilities		
Other payables	(63,547)	53,480
Insurance contract liabilities	5,321	(538)
Employee benefits	713	506
Lease liabilities	143	(1,718)
Net cash inflow/(outflow) from operating activities	(29,802)	53,352

(b) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and bank deposits at call within 90 days, net of any outstanding bank overdraft. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the Balance Sheet:

Financial disclosure	2025 (\$'000)	2024 (\$'000)
Cash on hand	2	2
Cash at bank	29,398	42,528
	29,400	42,530

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

3.2 Management of financial risks

The Group is exposed to the following financial risks in the normal course of business; (a) Market Risk, (b) Credit Risk, and (c) Liquidity Risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: currency risk (due to fluctuations in foreign exchange rates), interest rate risk (due to fluctuations in market interest rates) and price risk (due to fluctuations in market prices). The following policies and procedures are in place to mitigate the Group's exposure to market risk.

- A risk management plan and investment policy setting out the assessment and determination of what constitutes market risk for the Group.
- The Audit and Investment Committee is responsible for compliance with the investment policy which it monitors for any exposures or breaches. It is also the role of the Audit and Investment Committee to determine action plans in mitigation of market risk.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to currency risk via its investments in international equities that are denominated in a currency other than the respective functional currency of the Group, the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are Euro, Japanese Yen (JPY), US Dollar (USD), and Great British Pound (GBP) with the investment carried at fair value with gains and losses through profit or loss. The Group carries a small amount of cash in foreign currency for the purpose of settling trades of international equities.

3.2 Management of financial risks (continued)

(a) Market risk (continued)

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk is as follows.

	2025					2024			
(\$'000 AUD)	USD	Euro	GBP	JPY	Other	USD	Euro	GBP	Other
Equities	43,867	6,971	1,962	2,344	-	67,324	8,246	3,267	-
Cash	395	179	42	-	6	146	310	331	9
Net statement of financial position exposure	44,262	7,150	2,004	2,344	6	67,470	8,556	3,598	9

As at 30 June 2025, had the Australian dollar moved, as illustrated in the table below, with all other variables held constant, other comprehensive income would have (increased)/decreased as follows:

	2025 (\$'000)		2024 (\$'000)	
	+10%	-10%	+10%	-10%
USD to AUD	(4,024)	4,918	(6,134)	7,497
Euro to AUD	(650)	794	(778)	951
GBP to AUD	(182)	223	(327)	400
JPY to AUD	(213)	260	-	-
Other to AUD	(1)	1	(1)	1

(ii) Interest Rate Risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group invests primarily in financial instruments with fixed and floating interest rates which expose the Group to fair value interest rate risk.

The Group is exposed to interest rate risk as it places funds in term deposits and bonds. The Group has adopted an investment strategy that delivers a diversified portfolio with a greater weighting to defensive assets versus growth assets. The Group achieves a balance mitigating the exposure to interest rate risk while optimising the return by allowing some flexibility to the external investment advisor. Interest rate risk on borrowings is mitigated by hedging the interest rate on the borrowing secured over 60 Moorabool Street. See note 2.6 for details of the cash flow hedge.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

3.2 Management of financial risks (continued)

The Group’s exposure to interest rate risk is set out below:

			Fixed interest maturing in:				
2025	Note	Variable interest rate (\$'000)	1 year or less (\$'000)	Over 1-5 years (\$'000)	Over 5 years (\$'000)	Non-interest bearing (\$'000)	Total (\$'000)
Financial assets							
Cash	3.1	28,090	-	-	-	1,310	29,400
Receivables	2.1	-	-	-	-	9,178	9,178
Term deposits	2.2	-	101,574	-	-	-	101,574
Equity securities	2.2	-	-	-	-	118,342	118,342
Bonds	2.2	264,696	3,511	7,173	7,997	-	283,377
Unlisted funds	2.2	-	-	-	-	38,087	38,087
		292,786	105,085	7,173	7,997	166,917	579,958
Weighted average interest rate %		5.44%	4.50%				
Financial liabilities							
Other payables	2.5	-	-	-	-	9,278	9,278
Interest rate hedge	2.6	-	-	134	-	-	134
Loans and borrowings	2.6	46,000	-	-	-	-	46,000
		46,000	-	134	-	9,278	55,412
Net financial assets		246,786	105,085	7,039	7,997	157,639	524,546

			Fixed interest maturing in:				
2024	Note	Variable interest rate (\$'000)	1 year or less (\$'000)	Over 1-5 years (\$'000)	Over 5 years (\$'000)	Non-interest bearing (\$'000)	Total (\$'000)
Financial assets							
Cash	3.1	41,426	-	-	-	1,104	42,530
Receivables	2.1					7,538	7,538
Term deposits	2.2	-	140,886	-	-	-	140,886
Equity securities	2.2	-	-	-	-	116,956	116,956
Bonds	2.2	220,978	-	9,197	8,360	-	238,535
Unlisted funds	2.2	-	-	-	-	33,374	33,374
		262,404	140,886	9,197	8,360	158,972	579,819
Weighted average interest rate %		4.79%	4.92%				
Financial liabilities							
Other payables	2.5	-	-	-	-	72,825	72,825
Loans and borrowings	2.6	45,819	-	-	-	-	45,819
		45,819	-	-	-	72,825	118,644
Net financial assets		216,585	140,886	9,197	8,360	86,147	461,175

(a) Market risk (continued)

(ii) Interest rate risk

The following table illustrates the sensitivity on net profit for the year ended 30 June 2025 to a reasonably possible change in interest rates of +/-2% (2024: +/- 2%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on the Group’s financial instruments held at balance sheet date, with all other variables held constant.

	2025 (\$'000)		2024 (\$'000)	
Net result	+2%	-2%	+2%	+2%
Fair value risk				
<i>Fixed rate instruments</i>				
Term deposits	(817)	841	(1,010)	1,041
Bonds	(1,185)	1,185	(1,399)	1,399
Interest rate hedge	1,356	(1,783)	-	-
Cash flow risk				
<i>Variable rate instruments</i>				
Cash	5,668	(5,668)	4,771	(4,771)
Bonds	5,267	(5,267)	4,373	(4,373)
Bank loan	-	-	(916)	916

The Group actively manages its investments in high quality liquid fixed interest securities and cash for the duration of the fixed interest period. This should be taken into consideration when considering the impact of the above movement.

(iii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded on the market. At 30 June 2025 the Group’s investments are composed of term deposits, bonds, equities and unlisted real estate trusts. The Group holds its term deposits to maturity and does not trade these investments.

The Group is exposed to listed and unlisted equity securities price risk due to equity investments that are classified as fair value through profit and loss. The Group is indirectly exposed to commodity risk through its investments in listed equities. The Group manages the price risk arising from investments in equity securities, through the diversification of its investment portfolios. Diversification of the portfolios is performed by the Group’s investment advisor in accordance with the mandates set by the Group.

A 10% decrease in the price of listed and unlisted equities within the equity portfolio would result in a loss of \$15.6m (2024: 15.0m). A 10% increase in the price of listed and unlisted equities within the equity portfolio would result in a gain of \$15.6m (2024: 15.0m). The unrealised gain or loss would be recognised as a fair value movement and disclosed in the statement of profit or loss and other comprehensive income.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to meet its contracting obligations and arises principally from the Group’s receivables and investments. The carrying amount of financial assets represents the maximum exposure.

Credit risk in relation to receivables is considered extremely low with the balance largely comprising prepayments and accrued interest on investment-grade assets and with premiums earned having a history of low credit risk. Measurement is based on unbiased support and considering past experience. The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers/contributors. The Group is not materially exposed to any individual customer, however, is exposed to credit risk through insurance, risk equalisation and investments.

Credit risk in respect of insurance and risk equalisation receivables is actively monitored through the risk management policy which includes analysis of claiming patterns. The Group developed and adopted an investment policy to manage the return of the investment portfolio within defined risk categories. The Group minimises concentrations of investment risk by undertaking direct investment transactions with a wide variety of suitably rated financial institutions, and through the appointment of a reputable and appropriate investment advisor.

The *Standard & Poor’s (S&P’s)* credit rating as at 30 June 2025 for the term deposits of \$101.6m, bonds of \$283.4m and cash of \$29.4m, which represents its maximum credit exposure on these assets, is as follows:

Term deposits		Bonds		Cash	
S&P credit rating	% of portfolio	S&P credit rating	% of portfolio	S&P credit rating	% of portfolio
A-1+	74%	AA	2%	A-1+	100%
A-2	26%	AA-	22%		
		A+	8%		
		A	13%		
		A-	23%		
		BBB+	22%		
		BBB	9%		
		Unrated	1%		

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

The table on the previous page details the percentage of the Group’s term deposits, bonds and cash investment portfolio, based on the number of deposits held and the S&P credit rating as at 30 June 2025.

The fair value of the equity securities has been determined by reference to quoted stock exchanges. The Group has assessed whether any of the financial assets are impaired. Based on the risk management measures undertaken by the Group, there is no objective evidence that any financial assets are impaired below the fair market value as stated.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as required by the Liquidity Management Plan, without incurring unacceptable losses or risking damage to the Group’s reputation. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and holds a strategic investment allocation to highly liquid exchange-traded securities.

Financial liabilities comprise other payables, an interest rate hedge and a loan facility at the reporting date. The balance of other payables of \$9.3m (2024: \$72.8m) is gross and undiscounted and has committed cash flows of 6 months or less and exclude the impact of netting agreements. Detail about the loan balance of \$46.0m (2024: \$45.8m) and the interest rate hedge balance of \$0.1m (2024: \$-) are outlined in note 2.6. Details about the lease liability of \$5.4m (2024: \$5.3m) is outlined in note 2.8.

3.3 Management of Insurance risks

Health insurance activities

The Group is predominantly involved in the underwriting of private health insurance risks and the management of related claims.

Concentration of health insurance risk

The Group writes individual health insurance contracts for two classes of health insurance businesses, hospital and ancillary. Whilst the Group has a higher concentration of policies in the Geelong region, the types of business written are not expected to create significant exposure or concentrations of risk because contracts written cover a large volume of policyholders across a number of states.

Risk management objectives and policies for mitigating insurance risk

The Group has an objective to manage insurance risk while ensuring that products are offered at an affordable price to its members and maintaining capital at appropriate levels. In addition to the inherent uncertainty of insurance risk, which can lead to significant variability in the loss experience, underwriting profits from a private health insurance business are significantly impacted by industry factors, in particular, the regulatory environment in which it operates.

Key aspects of the processes established to mitigate risks include:

- Monitoring monthly financial and operational results, including portfolio profitability and prudential capital requirements;
- Claims management, to ensure correct payment of claims in accordance with policy conditions and provider contracts;
- Actuarial models, using past experience and statistical methods to monitor claims patterns and to determine appropriate pricing for premiums; and
- Hospital claim cost management through commercial negotiations with hospital service providers, and claims cost management through monitoring and amending benefit structures.

Terms and conditions of insurance business

The *Private Health Insurance (Prudential Supervision) Act 2015* (Cth) governs the regulations of private health insurance operations in Australia. The Act imposes many requirements which effectively limit the range of products that may be offered, define categories of membership and insurance coverage, waiting periods, price controls and ensure that all contracts issued by private health insurers are subject to the principles of community rating whereby health insurers must charge the same premium for everyone regardless of individual risk associated with age, gender, health status or claims history.

Insurance risk impact of changes in key variables

The key variables in the measurement of the liability for incurred claims include the claims central estimate (including risk equalisation), claims handling expenses and risk adjustment. A 10% increase/decrease in the claims central estimate would result in a \$6.6 million decrease/increase to profit and equity (2024: \$6.4 million). A 1% increase/decrease in the risk adjustment would result in a \$0.4 million decrease/increase to profit and equity (2024: \$0.4 million). A 1% movement in other key variables would result in an insignificant change to profit and equity.

4 Profit and Loss analysis

This section analyses the profit and loss statement and provides specific disclosures relevant to users of the financial information.

- 4.1 Insurance service result
- 4.2 Other income
- 4.3 Finance and investment expenses
- 4.4 Expenses by nature
- 4.5 Key management personnel remuneration

The insurance service result under AASB 17 comprises insurance revenue and insurance service expenses. The insurance service result comprises all revenue and expenses that can be directly attributed to a group of insurance contracts. Investment components are no longer included in insurance revenue and insurance service expenses. Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses.

The Group leases office space at 60 Moorabool Street Geelong, both to external tenants and entities within the group. All intercompany transactions are eliminated on consolidation to the extent of ownership interest, while gross lease income from external tenants is recorded as lease income under AASB16 in 4.2. The lessor manages risks in relation to its ownership interest in 60 Moorabool Street via commercial lease agreements which include make-good provisions and bond deposits, financial due diligence on lessees prior to signing agreements, rent abatements and landlord and business insurances.

	Note	2025 \$'000	2024 \$'000
Insurance revenue		649,415	637,339
Insurance service expenses			
Incurred claims		530,932	513,380
Other insurance service expenses	4.4	76,361	71,548
Total insurance service expenses		607,293	584,928
Total insurance service result		42,122	52,411

4.2 Other income

Commission on sale of insurance products	-	35
Health business operations	12,613	11,919
Net leasing income (60 Moorabool Street)	2,475	2,301
Total other income	15,088	14,255

4.2(i) Future non-cancellable lease payments receivable

Year 1	3,339	3,271
Year 2	3,211	3,339
Year 3	2,771	3,211
Year 4	1,575	2,771
Year 5	1,537	1,575
Total (including future payments after year 5)	18,387	21,658

4.3 Finance and investment expenses

Lease liability interest expense	277	312
Loan interest and other borrowing costs	2,622	2,797
Investment management fees	794	1,200
Total finance and investment expenses	3,693	4,309

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

4.4 Expenses by nature

30 June 2025	(\$'000)	(\$'000)	(\$'000)
Nature of expense	Directly attributable insurance expenses	Non-insurance operating expenses	Total
Cost of sales	-	6,418	6,418
Employee benefits ¹	36,675	12,188	48,863
Depreciation	1,188	1,049	2,237
Amortisation	1,501	8	1,509
Property ¹	-	1,713	1,713
Marketing	13,007	561	13,568
Professional fees ²	3,624	8,651	12,275
IT and communications ²	9,025	815	9,840
Commissions	5,587	-	5,587
Other expenses	5,754	604	6,358
Total expenses	76,361	32,007	108,368

1. Includes \$1.6m of direct operating expenses for investment properties that generated rent during the period (60 Moorabool Street) and \$51k of direct operating expenses for land and buildings that did not generate rent during the period (Armstrong Creek Unit Trust).
2. Includes Program Jupiter transformational costs: \$3.8m of employee benefits, \$8.0m of Professional fees and \$0.7m of IT and communications.

30 June 2024	(\$'000)	(\$'000)	(\$'000)
Nature of expense	Directly attributable insurance expenses	Non-insurance operating expenses	Total
Cost of sales	-	5,790	5,790
Employee benefits ¹	34,941	8,459	43,400
Depreciation	1,482	578	2,060
Amortisation	1,387	4	1,391
Impairment/Goodwill write-off	-	14,570	14,570
Property ¹	-	1,708	1,708
Marketing	10,505	390	10,895
Professional fees ¹	4,690	901	5,591
IT and communications	8,723	108	8,831
Commissions	4,729	-	4,729
Other expenses ²	5,091	54,538	59,629
Total expenses	71,548	87,046	158,594

1. Includes \$1.7m of direct operating expenses for investment properties that generated rent during the period (60 Moorabool Street) and \$51k of direct operating expenses for land and buildings that did not generate rent during the period (Armstrong Creek Unit Trust).
2. Includes \$52,812k expense for member give-back.
3. Includes Program Jupiter transformational costs: \$0.5m of employee benefits and \$0.6m of Professional fees.

4.5 Key management personnel remuneration

Under AASB 124 "Related Party Disclosures" financial disclosures are required for the key management personnel. Under the standard Key Management Personnel are defined as:

"Those people having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director whether (executive or otherwise) of that entity."

Directors

The names of persons who were Directors of the Company at any time during the financial year are as follows:

Claire Higgins
Marie Bismark
Mike Hirst
Dee McGrath
Sandy Morrison
Denis Napthine
Vicky Papachristos*
Michael Sammells
Rachel Swift

* Vicky Papachristos retired as a director on 28 August 2024

Compensation of key management personnel - Directors

	2025 (\$)	2024 (\$)
Short term benefits	825,091	793,015

No long-term benefits or termination benefits were paid to Directors during the year.

Compensation of key management personnel - Management

	2025 (\$)	2024 (\$)
Short term benefits	3,017,509	2,893,127

Management includes the Chief Executive Officer and seven other Executive Managers. No long-term benefits or termination benefits were paid to Management during the year.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025 (continued)

5 Other important information

This section contains other important information relevant to the financial report, as required by accounting standards. Disclosures are broken up into the following sections:

- 5.1 Auditor’s remuneration
- 5.2 New accounting standards
- 5.3 Company information
- 5.4 Controlled entities
- 5.5 Related parties
- 5.6 Parent entity disclosures
- 5.7 Subsequent events

5.1 Auditor’s remuneration

Financial disclosure	2025 (\$)	2024 (\$)
Audit and review of financial reports and other regulatory returns	305,717	320,821
	305,717	320,821

5.2 New accounting standards

There are no new or amended standards or interpretations that have been identified which may impact the Group in the period of initial application but have not been applied in preparing this financial report.

5.3 Company information

GMHBA Limited is a public company limited by guarantee. The constitution states that if the Company is wound up each Company member or any person who has been a Company member within 12 months before winding up commenced is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the Company. At 30 June 2025 the number of Company members was 8.

5.4 Controlled entities

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group’s subsidiaries are outlined in the Consolidated Entities Disclosure Statement.

The Group’s subsidiaries are outlined in the following table.

Name	Principal place of business	Ownership interest	
		2025	2024
GMHBA Armstrong Creek Unit Trust	Victoria, Australia	100%	100%
GMHBA Land Co Pty Ltd	Victoria Australia	100%	100%
QE042 Trust	Victoria, Australia	81%	81%

5.5 Related parties

The Group has dealings with a related party of the QE 042 Trust. Payments made to this entity for the year ended 30 June 2025 were:

- Trust management fees were \$616k, with the amount included in Other expenses within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.
- Other property expenses were \$169k with the amount included in Other expenses within the Consolidated Statement of Profit or Loss and Other Comprehensive Income.
- Other property expenses remain outstanding of \$4k and are included in Other Payables in the consolidated Statement of Financial Position.
- Distributions to unitholders during the year of \$2,950k, of which \$560k went to unitholders outside the controlled Group.

There were no other transactions with related parties of the Group during the year.

5.6 Parent entity disclosures

As at and throughout the financial year ended 30 June 2025, the parent entity of the Group was GMHBA Limited. Parent entity financial results are as follows.

	2025 (\$'000)	2024 (\$'000)
Result of parent entity		
Net profit for the year	60,073	14,401
Total comprehensive income for the year	60,073	14,401

Financial position of parent entity at year end

Current assets	184,698	240,770
Total assets	691,726	688,639
Current liabilities	141,522	198,961
Total liabilities	201,594	258,580

Total equity of parent entity comprising of:

Retained earnings	473,141	413,068
Reserves	16,991	16,991
Total equity	490,132	430,059

5.7 Subsequent events

On 1 September 2025, the Board resolved to commence a sale process of the Armstrong Creek land asset included in Land and buildings disclosed in Note 2.4 to the financial statements. The fair value of this asset at 30 June 2025 was \$4.5m.

No other matter or circumstance has occurred since the end of the reporting period that may materially affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

Consolidated Entities Disclosure Statement

For the year ended 30 June 2025

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001* (s.295(3A)(a)).

Entity Name	Entity type	Body corporate country of incorporation	Ownership interest		Country of tax residence
			2025	2024	
GMHBA Limited*	Body corporate	Australia			Australia
GMHBA Armstrong Creek Unit Trust	Trust	Australia	100%	100%	Australia
GMHBA Land Co Pty Ltd	Body corporate	Australia	100%	100%	Australia
Quintessential Equity 042 Pty Ltd	Body corporate	Australia	81%	81%	Australia
QE042 Trust	Trust	Australia	81%	81%	Australia

*Parent entity

Key assumptions and judgments

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, “Australian resident” has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependant and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in *Tax Ruling TR 2018/5*.

- **Foreign tax residency**

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary the consolidated entity has used independent tax advisors in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residency test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors’ Declaration

For the year ended 30 June 2025 (continued)

In accordance with a resolution of the Directors of GMHBA Limited, the Directors declare:

That the financial statements and notes set out on pages 26 to 55:

- (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (b) give a true and fair view of the Group’s financial position as at 30 June 2025 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Directors’ opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (c) The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act* is true and correct.

This declaration is made in accordance with a resolution of the Directors.

Signed for and on behalf of the Board.

Claire Higgins	Mike Hirst
	
Chair GMHBA Limited	Director GMHBA Limited

Geelong, 1 September 2025



Independent Auditor's Report

To the members of GMHBA Limited

Opinion

We have audited the **Financial Report** of GMHBA Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards and the Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of financial position as at 30 June 2025
- Consolidated Statement of profit or loss and other comprehensive income, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for Opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other Information

Other Information is the financial and non-financial information in GMHBA Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibility of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of the Financial Report in accordance with the *Corporation Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatement can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of the Financial Report.



A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standard Board website at:

https://www.aasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Dean Waters

Partner

Melbourne

2 September 2025

GMHBA is a registered
not-for-profit private health insurer

ABN 98 004 417 092

GMHBA Limited is a public
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and incorporated in Australia

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