



**Annual
Report
2023/24**



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Introduction

Latrobe Health Services is an Australian-owned, not-for-profit, registered private health insurer with over 100,000 members across Australia.



Our purpose

We enable our members and the community to take control of their health, now and into the future.

Our values

Our purpose is supported by our corporate values:

- We display trust and respect always
- We focus on shared results
- We engage and empower
- We are accountable
- We create a positive work environment

We pride ourselves on providing quality cover, and exceptional service when our members need us.

Latrobe Health Services was founded in 1950 by power industry workers to provide for the health care needs of residents in the Latrobe Valley, Victoria. Then, the focus was on providing medical services such as hospitals and ambulances. Much has changed since 1950, and Latrobe Health Services now provides hospital and extras coverage for members across Australia. However, the spirit of our founders' purpose remains.

Latrobe Health Services is still a regionally focused, not-for-profit private health insurer that exists to benefit and support its members and the communities in which they live. As part of the Members Health Fund Alliance (MHFA), we are committed to delivering the best possible service and benefits to our members.

We're active in supporting regional communities through our free heart health checks, funding a bulk-billed post-traumatic stress disorder clinic, the redevelopment of Maryvale Private Hospital, and supporting community organisations.

Our purpose

We enable our members and the community to take control of their health, now and into the future.

Completed **33,990 health checks for free**

Branches and hubs in **Warragul, Moe, Traralgon** and at **Maryvale Private Hospital**

Our members say they **rate us 8/10[^] for trust**

\$219.2 million premium revenue received and **\$172.8 million*** paid in extras, hospital and medical benefits back to members

100,000 members trust Latrobe Health with their private health insurance cover

Collected gifts for Quantum at Christmas and Easter

More than 7,800 members served in branches this year

13 years average length of membership

37% of members are in regional areas

Our members made **436,954 extras claims** and we paid them **\$19.4 million** in benefits

The highest individual claim made was **\$143,230** for a member's spinal fusion

We received **four awards for our products** and **one for overall fund flexibility**

For every dollar Latrobe Health received in premiums, we returned **79 cents** back to members in claims'

Our team spent **9,637 hours** talking to members, prospective members and providers across the year. This is the equivalent of **401.5 days**

We paid **\$168.6 million in benefits** for 56,613 hospital episodes (including prosthesis). Excluding prosthesis, we paid **\$139.6 million** in benefits

Members had **40,681 surgically implanted prosthetic devices** we paid benefits of **\$29.19 million**

284 patients referred to the PTSD assessment and treatment clinic and **1,614 appointments** completed as part of the Phoenix Australia partnership

[^]Discovery Research Trust Survey 2022

* net of risk equalisation

From the Chair and CEO

As we reflect on the past year, we are proud to present the 2023-24 Annual Report for Latrobe Health Services. This year has been marked by significant achievements and an unwavering commitment to our members and the communities we serve. Our focus on delivering an exceptional member experience and service, supporting regional communities, and fostering a positive work environment has driven our success.

This report provides a comprehensive overview of our activities and financial performance for the last financial year including some of our achievements, performance highlights and detailed financial statements which provides a testament to the wonderful efforts and work of the team at Latrobe Health. For the first time ever, we have prepared a total impact report. This is a companion report to this annual report and details the impact of our operations and community investments. This report will be published later in 2024 and will be available at www.latrobehealth.com.au.

Performance

Latrobe Health Services has demonstrated robust financial performance this year. We received \$219.2 million in premium revenue and paid \$172.8 million* back to members in benefits. For every dollar Latrobe Health received

in premiums, we returned 79 cents back to members in the form of benefits. Our profit for the consolidated group for the year is \$25 million, which appears to be a large increase on the previous year's \$12.7 million. However, this year we wound down \$7 million in deferred claims liability, and with the implementation of a new accounting standard (AASB17), we encountered a loss component of \$2 million. We have achieved investment returns of \$11.6 million, well above expectations. Removing these results from our profit, we have achieved a \$4 million increase in profit on FY23.

Following the Board's strategic review in February 2024, the Board committed to focusing on three Mission Critical Initiatives for the business:

- Digitise to Disrupt with the development, adoption and commencement of the Enterprise Technology Data and Security Strategy 2024-2027 to enhance our service offering and overall value proposition to our members
- Sustainable growth with growth in market share positioning Latrobe Health Services as the 12th largest fund
- Innovation for health outcomes including a new partnership with AHSA, introduction of Voice of the Patient initiative, and improvement to member services through the Latrobe Health App and online members services portal.



* net of risk equalisation



Commitment to members

This year, we welcomed 5,178 new members to the fund and maintained a strong focus on member experience through regular surveys and feedback. Our 2023-member satisfaction research with IPSOS showed a high satisfaction rate of approximately 89%. We joined the Australian Health Service Alliance (AHSA) to provide better hospital contracting arrangements and access to optical preferred provider networks. Our Supported Discharge Program (SDP) assisted 300 members' post-hospital stay, with a 77% increase in program access since 2019. We also offered hardship suspensions, saving 157 members over \$1,000 each in premiums during financial hardships.

In FY24, our members claimed more, and Latrobe Health paid out \$6.2 million more in hospital and extras claims, compared to the previous financial year.

Community involvement

Our commitment to community involvement is evident through various initiatives. In August 2023, we completed a \$16 million redevelopment of Maryvale Private Hospital, enhancing its capacity and facilities to expand the services available to the Gippsland community. The hospital now boasts two new theatres, an upgraded existing theatre, 19 additional beds, and expanded consulting areas. This investment has not only improved health care access but also created professional growth opportunities for health care specialists.

With our ongoing commitment to improve health outcomes for our members and community, Latrobe Health Services continued to support Phoenix Australia in operating a Trauma Psychiatry Clinic, providing bulk-billed psychiatric assessment and treatment initiation

services to trauma-impacted regional and rural Victorians. Over the last two years, the clinic has seen 284 individuals and provided over 1,614 bulk-billed appointments, saving patients more than \$270,000. The clinic's impact is profound; 73% of those seen experienced significant improvement in PTSD symptoms and 60% lost their PTSD diagnosis.

In November 2023, we began a partnership with Shane Warne Legacy to deliver free health checks at the MCG during the Boxing Day test and at Priceline stores across Australia, on SiSU Health machines. This initiative builds on our ongoing efforts to promote heart health through free checks at workplaces, shopping centres, and community events. We are proud to announce that the partnership and 'Shane Warne Legacy Health Check' program has been extended, nationally, for another two years as part of Latrobe Health Services' annual community investment of \$5 million. You can read more about our community involvement and case study on the Shane Warne Legacy partnership on page 15.

People and Culture

Our people and culture strategy focuses on attracting the best talent, fostering a positive work environment, and providing opportunities for professional development. This year, we onboarded 16 new employees from regional and metropolitan areas, and invested in leadership and development training, providing secondment opportunities, and competitive remuneration and employee benefits. Our Melbourne office received a much-needed renovation, allowing greater productivity and team cohesion.

// Our people and culture strategy focuses on attracting the best talent, fostering a positive work environment, and providing opportunities for professional development."



A highlight of this year has been our leadership programs – Ignite, Evolve and Catalyst. Each program is aimed at different levels of leadership in the organisation – from developing a group of emerging leaders, right through to specialist leaders in the organisation. This year we had 22 staff participate in our leadership programs, growing their skills, capability, self-awareness and understanding of others. You can read more about these leadership programs on page 17 of this report.

Governance and compliance

We uphold the highest standards of corporate governance, supported by a robust framework that promotes ethical decision-making. As a signatory to the Private Health Insurance Code of Conduct, we strive for excellence in regulatory compliance and service standards.

Due to the retirement of Directors Geoff Hocking in July 2024 and Craig Dunstan in September 2024, the Board has recruited three new Directors who commenced in May 2024; Jacqueline Jennings, Simon Grant and Matthew Williamson. We extend a warm welcome to our new Directors and acknowledge the contribution both Geoff and Craig have made to Latrobe Health Services during their term as Directors. Their knowledge, experience and commitment has been a significant factor in the growth and development of Latrobe Health.

Our General Members have continued regular engagement with the Chair and Executive providing a policy holder perspective to the Board and an oversight of Board governance. General Members participate in two business updates each year and attend the AGM. Their involvement is appreciated and valued.

The ongoing success and performance of Latrobe Health Services is something we can all be proud of. The continued growth and development are a credit to every member of the team, your dedication and good work is appreciated. Thank you to our Board Directors and Executive for your leadership and guidance during the year.

The 2023-24 financial year has been a period of growth, resilience, and commitment to our members and communities. We are proud of our achievements and remain dedicated to delivering exceptional health insurance services, supporting regional communities, and fostering a positive work environment.

We look forward to continuing our journey of growth and development, making a positive impact on the lives of those we serve.

Ormond Pearson
Board Chair

Ian Whitehead
Chief Executive Officer

Corporate social responsibility

Latrobe Health Services is proud to demonstrate our commitment to corporate social responsibility through the following commitments outlined below. To measure and articulate the value we create, we have developed a Total Impact Value Model and will share the findings in our Total Impact report, soon available at www.latrobehealth.com.au. This year, Latrobe Health has worked towards establishing our ESG Strategy, and has created goals to make Latrobe Health socially and environmentally sound.

Commitment to our members

Our commitment to members is expressed in our purpose and The Latrobe Way which informs how we work, inspiring us to deliver outstanding service to our members.

Our initiatives focus on continuous engagement, transparent communication, and providing opportunities for professional and personal growth. We strive to create a community that not only meets the needs of our members but also empowers them to achieve their fullest potential.

You can read more about how we serve our members on page 12 of this annual report.

Commitment to our community

Latrobe Health Services has long been a dedicated contributor to its member communities, as evidenced by our support for GP clinics, the operation of Maryvale Private Hospital, and charitable giving to priority areas of community health. We demonstrate good corporate citizenship by behaving ethically and generating value within member economies where there is a direct health-related need.

This year, we extended our Healthy Hearts program through a new partnership with the Shane Warne Legacy, continued our support for Phoenix Australia to deliver bulk-billed PTSD services, and backed grassroots community initiatives. You can read more about our commitment to the community on page 14 of this annual report.

Commitment to our people and culture

The Latrobe Way defines our values and behaviours, and supports our culture of being an inclusive, positive, constructive, safe and respectful work environment where learning and development is actively encouraged. We are focused on attracting the best people to serve our members and providing opportunities for employees to develop their skills and career pathways. We are proud of our efforts to provide employment opportunities for people in regional communities.

Our people and culture strategy has a strong focus on diversity and inclusion, equal employment opportunities, a highly engaged and effective workforce, developing capability, and health, safety and wellbeing initiatives. We continue to support our people by investing in leadership and development training, providing secondment opportunities, and competitive remuneration and employee benefits.

Non-public sector employers with 100 or more employees are required to report to the Workplace Gender Equality Agency (WGEA) each year against six gender equality indicators. These indicators include data and information on gender composition of the workforce and governing bodies, remuneration rates for men and women, employment terms, conditions and practices, consultation with staff, and harassment and discrimination information.

WGEA undertakes research and analysis on a range of issues relevant to workplace gender equality, often in partnership with other organisations. WGEA releases information on the gender pay gap, including the gender pay gap which is calculated from their data. This will be made available by the end of 2024.

Commitment to our environment

Latrobe Health is committed to the sustainable use of resources, and legal and regulatory compliance in all our activities, including obligations under environmental legislation.

We implement sustainable practices across our operations – which this year included our Melbourne office renovation. We aim to reduce our carbon footprint, minimise waste, and promote the use of renewable resources. Our goal is to contribute positively to the planet while maintaining the high standards of member service.

Commitment to our Industry Code of Conduct

Latrobe Health Services is a proud compliant member of the Private Health Insurance Code of Conduct. The code is a commitment we have made to our members with a standard of customer service, accountability and transparency that goes beyond what is required by legislation.

The objective of the code is to maintain and enhance regulatory compliance and service standards across the private health insurance industry.

As a signatory to the code, Latrobe Health Services submitted its annual self-audit to independent auditors who ensure we continue to adhere to the code. Throughout the year, we have continued to strive for excellence in code compliance, in particular ensuring our relationships with consumers are clear and transparent.

Commitment to corporate governance

Fundamental to Latrobe Health Services achieving our strategic objectives and sustainable business performance is the high standard of corporate governance supported by a robust governance framework. The framework sets out clearly defined roles, responsibilities and processes that promote ethical decision making to ensure the ongoing sustainability of the fund. Our ongoing sustainability is a valuable contribution towards the social and economic success of the communities we interact with.

Commitment to compliance with the Modern Slavery Act

Latrobe Health Services values human rights and is committed to ensuring that all business is conducted according to ethical, professional and legal standards in a fair, honest and open manner. Over the year, Latrobe Health has continued to strengthen our approach to modern slavery risks by:

- Expanding employee awareness of modern slavery through training and education
- Implementing and monitoring a new supplier process that enhances our capacity to identify modern slavery risks
- Reviewing and updating our Modern Slavery Policy which outlines our commitment to combating modern slavery within our business and supply chains.

Our members

- ▶ More than 100,000 members
- ▶ Welcomed 5,178 new members this year
- ▶ 69,387 inbound member enquiries and 7,916 outbound member interactions
- ▶ 13,664 inbound provider enquiries
- ▶ 7,890 members served in branches

Latrobe Health Services is a not-for-profit private health fund that exists to support our members. This year, we welcomed 5,178 new members to the fund.

Our strong focus on member experience and understanding our members continues to be embedded in our approach to customer service. Listening to our members' feedback through regular surveys, following engagement with our team, has been invaluable to our understanding of what our members want, our staff training, and improving the overall service we provide.

Our member satisfaction remains high, approximately 89% according to our 2023-member satisfaction research with IPSOS.

We're always on the hunt to deliver more value to members, and as part of this we reviewed our hospital contracting arrangement. We are now a member of the Australian Health Service Alliance (AHSA), the largest health insurance buying group in Australia. On behalf of its member funds, AHSA negotiates competitive, patient-focused contracts with hospitals and healthcare providers. Through these new contracting arrangements, we have given our members access to optical preferred provider networks (read more on page 19) and other medical gap initiatives. You can read more on the next page.

To expose our great value products and services to more Australians, in late February we launched a new partnership with Compare Club which enabled us to cover additional members. Other new initiatives include joining the Canstar and Finder panel. We continue to explore and support the changing behaviours of health insurance

customers to use different mediums to find health insurance whilst still maintaining a strong focus on enhancing our direct capability to help new members find and join us.

We continued to support our corporate members with discounted health insurance. These employees together saved more than \$1 million in health insurance premiums. We also provided free health checks at several corporate workplaces. Over a 12-month period, 374 employees received a free health check with 79% of participants recording at least one risk factor for cardiovascular disease. 26% (97 people) had two risk factors and 7% (27 people) had three risk factors for cardiovascular disease.

Over 300 of our members were supported by the Supported Discharge Program (SDP) post their hospital stay. The SDP is a funding model that provides a package of interim services and support for a 6-week period post-acute inpatient stay. Read more in the case study on the next page.

Latrobe Health offers hardship suspensions for its members – scaling this program up when most necessary. In recent years this has included expanding the program during the COVID-19 pandemic and when regional members have experienced natural disaster emergencies including bushfires and floods. In the last financial year, 157 members claimed financial hardship support. On average, saving more than \$1,000 in health insurance premiums.

Case study – Supported Discharge Program gets members back on their feet sooner

Latrobe Health Services has consistently demonstrated its commitment to member wellbeing through innovative health programs. One such initiative is the Supported Discharge Program, introduced in 2003, making Latrobe Health Services the first Australian health insurer to offer this service. The program provides patients leaving the hospital with short-term assistance in their own homes, tailored to meet their specific needs. Services include home care, home-based rehabilitation, specialised equipment, and home nursing, ensuring a smooth transition from hospital to home.

Since 2019, there has been a 77% increase in people accessing the program, with a growing number of people in the 74+ age cohort. At the same time, there has been an 80% increase in the inpatient bed days saved, creating greater capacity within the healthcare system to care for people requiring inpatient care. The most common type of service provided through the program is home-based rehabilitation for total knee and hip replacements.

Recovering at home has numerous benefits for patients. It builds confidence as they are empowered to control their own recovery in familiar surroundings, leading to better sleep and reduced anxiety. Regular in-home support allows patients to address any concerns immediately, without the need to visit a GP or contact their surgeon, which further reduces stress. This approach not only accelerates recovery but also minimises the risks of infections and falls associated with prolonged hospital stays.

The Supported Discharge Program is designed to help members get back on their feet sooner by

providing comprehensive care that addresses both immediate and long-term needs. By receiving care in their own homes, patients can maintain their daily routines and regain their independence more quickly. This continuity of care is crucial for building physical strength and mental resilience, which are essential for a full recovery.

One of the key aspects of the program is its focus on personalised care plans. Each patient receives a tailored plan of up to six weeks that includes services such as home-based rehabilitation, which helps them regain mobility and strength through exercises and therapies conducted in the comfort of their own home. Specialised equipment, such as mobility aids and medical devices, are provided to support their recovery process. Home nursing services ensure that patients receive professional medical care and monitoring, which is vital for managing their health conditions and preventing complications.

The program also emphasises the importance of social support. By fostering strong relationships within the community and connecting with social support services, Latrobe Health Services can identify and address the longer-term needs of its members. For those with chronic conditions or increasing needs that may not have been evident before hospitalisation, the program facilitates a seamless transition to ongoing care. This holistic approach ensures that members receive continuous and comprehensive care, enhancing their overall health outcomes.

The Supported Discharge Program uses local providers, meaning members are being cared for by people in their community, from their local physiotherapist to home care services. This helps build connections to the community and can also help with ongoing relationships between the member and the provider after the program ends, if required.

Our community

- ▶ Providing 2,248 free heart health checks
- ▶ Collecting gifts for Quantum's Christmas and Easter appeals
- ▶ Partnering with Phoenix Australia to deliver a free bulk-billed PTSD clinic
- ▶ Sponsoring a scholarship for the Gippsland Community Leadership Program
- ▶ Partnering with Shane Warne Legacy to deliver 31,742 health checks on SiSU Health stations

At Latrobe Health Services, our passion for promoting good health in regional areas is unwavering. Our commitment to the community is demonstrated through various initiatives and investments aimed at improving access to healthcare services and supporting local organisations.

One of our significant contributions to the Gippsland region is our investment in Maryvale Private Hospital. This local facility attracts specialists to deliver essential clinical services, reducing the need for patients and their families to travel long distances for care. In August 2023, we completed a \$16 million redevelopment of the hospital which included the addition of two new theatres, an upgrade to an existing theatre and 19 additional beds, underscoring our dedication to providing the highest level of care for the Gippsland community.

The completed renovation also created a new central sterilising service department, admissions centre, pre-surgical waiting area, and expanded consulting areas.

These upgraded facilities and increased capacity not only enhance the quality of care but also foster professional growth and development among healthcare specialists. In the last financial year, Maryvale Private Hospital recorded 9,087 patient days with 5,120 admissions. The hospital employs 129 permanent staff (79 clinical and 50 non-clinical) and 34 casual employees, providing 14 different healthcare specialties delivered by 56 admitting specialists.

We also supported Phoenix Australia in operating a Trauma Psychiatry Clinic, which offers bulk-billed psychiatric assessment and treatment

initiation services to trauma-impacted regional and rural Victorians. Our support has enabled a psychiatry trainee and part-time supervisor to run the clinic, providing research-backed management plans to local community practitioners.

The Trauma Psychiatry Clinic has made a significant impact, seeing 284 individuals and providing over 1,614 bulk-billed appointments, saving patients more than \$270,000.

The clinic's results are impressive:

- 83% agreed or strongly agreed they could better self-manage their mental health due to the clinic.
- 73% experienced a significant improvement in PTSD symptoms.
- 60% of those seen lost their PTSD diagnosis.

Our community support extends to grassroots initiatives, such as Moe's Show Me Some Art Festival in March which fostered community connection and raised funds for mental health support organisations, Beyond Blue and Lifeline. Additionally, Latrobe Health Services staff participated in the Quantum Christmas and Easter appeal, collecting gifts from staff and the community for those in need.

Supporting businesses and future leaders in Gippsland remains a focus for us. This year, we continued to support the Gippsland Business Awards and provided a scholarship for the Gippsland Community Leadership Program. These efforts are aimed at fostering local talent and encouraging economic growth in the region.

In our ongoing efforts to promote heart health, we began a new partnership with Shane Warne Legacy to leverage the free heart health checks we have been delivering for over two years. These checks are conducted at workplaces, shopping centres, and community events. In November 2023, we expanded this initiative by offering free health checks at the MCG during the Boxing Day test and at Priceline stores, across Australia. More details can be found in the following case study.

Case study – Shane Warne Legacy

According to the Australian Institute of Health and Welfare, cardiovascular disease kills approximately 42,700 people per year and was the underlying cause of 25% of all deaths in Australia in 2021.

In 2022, to improve heart health outcomes, Latrobe Health Services supported the Gippsland Healthy Heart Study, a pilot program that included pop-up screening sites in Gippsland to test the heart health of 500 Gippslanders. The screenings tested key heart health indicators, or risk factors for heart disease including blood pressure, heart rate, body composition, diabetes risk and non-fasting cholesterol levels to support people to take preventative actions to improve their heart health.

The study found 85.8% of the adults tested had one or more untreated cardiovascular risk factors. The results provided valuable insights into the community's poor heart health and lack of resources available to them.

Building on the Gippsland Healthy Hearts Study, in February 2023 Latrobe Health Services supported the launch of a program providing free 15-minute heart health checks by pharmacists across regional Victoria, in partnership with Wesfarmers. These checks give patients instant results and advice on maintaining heart health and providing the information they need to make informed choices.

This program has continued to grow, with the launch of the Shane Warne Legacy Health Check campaign at the Boxing Day Test in 2023.

The Shane Warne Legacy Health Check campaign is a national heart health awareness screening and risk reduction program. The campaign honours Australian cricketer Shane Warne, who passed away in 2022 from a heart attack. Latrobe Health Services is the proud Founding Partner of Shane Warne Legacy,

working alongside Wesfarmers and SiSU Health to deliver the campaign target of 23,000 free four-minute health checks by 31 December 2023. The campaign exceeded this ambitious target with a total of 31,742 tests provided to 28,937 individuals.

The tests found that 22% of participants reported high blood pressure, a leading preventable risk factor for cardiovascular disease, with 106 participants recording severely high blood pressure and advised to consult their GP immediately.

After receiving the results, one of the Boxing Day participants shared later that they 'visited a Dr and am now under two medications for blood pressure and have a medical exercise plan. The Dr indicated I was a walking time bomb with the excessively high blood pressure.'

Another participant shared, 'I did the test with a childhood mate. We've been friends for 40 years and never had a conversation about our health and wellbeing. Doing the test was a catalyst for an open conversation about the positive results and areas of our diets and lifestyle that would lead to stronger health.'

In 2024, the project partners will continue to collaborate to provide 400,000 free health checks to Australians, raise awareness about heart health and reduce health risks, nationwide.



Our people

- ▶ 23 secondments, higher duties or internal recruitment opportunities completed by Latrobe Health Services staff
- ▶ Increased investment in leadership development and employee training
- ▶ Strong and continued focus on culture development
- ▶ Increased focus on building capability and confidence in managing mental health, and creating mentally safe and supportive working environments

This year has seen a significant investment in the development of our people's capability, wellbeing and maintaining a highly constructive culture and mentally safe workplace.

We increased our focus on the training, growth and development of our people and introduced three new leadership programs. The programs focus on different levels of leadership from emerging to thought leaders. You can read more about these leadership programs in the following case study.

Our continued flexible, hybrid and remote working has enabled us to retain and attract key skills and experiences to the business. The ability to provide flexibility across office and home locations is a positive contributor to reducing stress in managing lifestyle demands. Providing a welcoming and productive space for our team to work in when we come into the office is always front of mind for the business. Following the successful Newborough head office renovation last year, we introduced the Newborough Office Ideas, Care and Energy group (NOICE for short). NOICE is a working group with the purpose of continuing the custodianship of the Newborough office space with principles of showing care, bringing energy, and considering new ideas to make the space a 'NOICE' space to be.

We completed our Melbourne office renovation this year, which has improved the office and desk space considerably. There are now 16 dedicated hot desks, meeting rooms and café style seating for staff to work from. With two refreshed spaces to work from, we enjoy holding staff events regularly, including our all-staff forums as well as special events for fundraising efforts and health awareness days.

Each year we raise awareness around mental health in support of RUOK? Day. In September 2023, Mark MacManus, founder of the Restoration Project, shared his harrowing story and path to recovery covering anxiety, self-esteem, depression, alcohol, narcotics, gambling, resilience, determination, and rehabilitation. The Restoration Project aims to help educate people about mental health and the challenges of substance abuse and finding hope through adversity.

Regularly assessing our culture development efforts is part of our commitment to ensuring culture as a critical enabler of our strategic goals. Our regular six monthly 'pulse checks' have reported strong progress across all identified priorities for action and outcomes.



Case study – Empowering leadership through development programs

At Latrobe Health Services, we believe that strong leadership is the cornerstone of organisational success. Our commitment to nurturing leadership talent is exemplified through our comprehensive leadership programs: Ignite, Evolve, and Catalyst. These programs are designed to develop leadership skills at various levels within the organisation, ensuring a robust pipeline of capable leaders ready to drive our mission forward.

The Ignite Program focuses on developing the leadership readiness and potential of emerging leaders. By enhancing self-awareness, building relationships, and understanding the impact of constructive leadership on teams and organisational culture, participants are well-equipped to take on leadership roles with confidence. This program challenges participants to reflect on their leadership style, improve their interpersonal skills, and foster a positive team environment.

Meanwhile, the Evolve Program is aimed at frontline team leaders, focusing on the day-to-day management and leadership skills essential for effective team leadership. Covering a range of topics, including self-management, understanding the preferences and styles of others, talent development, leading change, and forming effective partnerships, the Evolve Program ensures that our frontline leaders are prepared to handle the complexities of team dynamics and drive performance.

The Catalyst Program is designed for specialist leaders who seek to broaden their leadership impact and influence across the organisation. This cohort of leaders draws from a range of personal and professional development opportunities, forming an ongoing community of practice. Participants apply insights from their learnings to both their personal growth and the broader organisational context, leveraging their professional expertise to drive innovation and strategic initiatives.

Since the inception of these leadership programs, Latrobe Health Services has seen significant improvements in leadership effectiveness and employee engagement. Participants of the Ignite, Evolve, and Catalyst programs have reported increased confidence in their leadership abilities, better team cohesion, and a deeper understanding of their role in shaping organisational culture. These programs have not only prepared our leaders for current challenges but have also equipped them with the skills and mindset needed for future growth and success.

By investing in our people through these leadership development programs, Latrobe Health Services continues to build a strong foundation for sustained organisational excellence. Our commitment to leadership development ensures that we remain agile, innovative, and ready to meet the evolving needs of our members and the broader community.

Our products

- ▶ We received \$219.2 million in premium revenue and paid \$172.8 million* back to members in benefits
- ▶ More than 436,000 extras services claims made and \$19.4 million in benefits paid
- ▶ We paid \$168.6 million for 56,613 hospital episodes
- ▶ Five award wins from Finder and WeMoney including the win for most flexible health insurer

Latrobe Health Services is dedicated to supporting our members by offering a diverse range of products, from basic to comprehensive cover options. This year, we focused on understanding market changes and member needs to ensure our products provide value and peace of mind to members. This research and member feedback helped inform our draft product strategy and first ever product strategy day where key stakeholders from across the business reviewed and gave feedback on our products.

Through this process we identified the need to ensure a smooth benefit indexation process on our extras products and work has already been completed to allow for indexation in the next financial year.

Our commitment to meeting members' needs is evident in the positive feedback we receive. According to IPSOS, 81% of our members feel they have the coverage that best meets their needs, 87% feel appropriately covered in the event of a health crisis, and 93% agree that having health insurance gives them peace of mind.

We enhance member value through our optical preferred provider network. This new agreement in FY24 offers up to 20% off lens options and 25% off spectacles from the \$149 range and above at Specsavers. Additionally, Latrobe Health members enjoy discounts at OPSM, including up to 20% off lenses and lens extras, as well as discounts on contact lenses and non-prescription sunglasses. Read more about how these partnerships have delivered member value in the case study that follows.

Our benefit bonus program is another way we add value to our members' health insurance experience. In the past year, we paid almost \$320,000 collectively to members through this program. The benefit bonus allows Latrobe Health members to get more from their membership by accruing up to \$200 per year on selected products. These funds can be used on any eligible extras service, simply by tapping the membership card at the HICAPS terminal.

Our members' satisfaction with the flexibility and benefits of our products remains high. The Supported Discharge Program, the ability to pause membership for overseas travel, and fee-free product changes continue to be popular features. This ongoing member satisfaction has been recognised by Finder and WeMoney, resulting in five award wins. These accolades reinforce our dedication to delivering high-quality, member-focused health insurance products.

We remain committed to offering a diverse range of products that cater to the varying needs of our members. Our efforts to understand market changes, provide valuable benefits, and maintain high levels of member satisfaction are central to our mission. We are proud of the positive feedback from our members and the recognition we have received for our products. As we move forward, we will continue to prioritise member value and service excellence, ensuring that our members feel secure, resilient, and well-covered.

** net of risk equalisation*



Case study – optometry preferred provider networks

At Latrobe Health Services, our commitment to providing exceptional value and care for our members is at the forefront of our product design and service delivery. One of the key areas where we have worked to enhance member value this year is through our preferred provider networks, particularly in the optical sector. Optical services are the second most popular reason for members to take out extras insurance, following dental services.

Our preferred provider networks with Specsavers and Luxottica have been instrumental in offering our members more value and choice. These partnerships were established with the goal of providing high-quality optical products at competitive prices, ensuring that our members can access the eyewear they need without financial strain.

Since the implementation of these preferred provider networks, we have observed a 12% increase in members shopping at Specsavers. This increase is a testament to the attractiveness and value of the options available through our partnerships.

Contrary to our initial expectations that members would spend less through these networks, the data revealed an interesting trend. Members chose to purchase an average of \$505.82 worth of frames, spectacles and lens options, with an out-of-pocket expense of \$205.42. This represents an average of \$95.72 more value for only an additional \$6.35 out-of-pocket. This outcome highlights the enhanced value our members perceive and the willingness to invest slightly more for significantly better products and services.

The success of our preferred provider networks with Specsavers and Luxottica underscores our commitment to delivering exceptional value to our members. By strategically partnering with leading optical providers, we have not only increased member satisfaction but also demonstrated that quality and affordability can go hand in hand. As we continue to innovate and refine our product offerings, we remain dedicated to finding new ways to enhance the value and wellbeing of our members. In the next financial year, we will focus on improving our products to include even more value for our members, particularly across our basic extras and core essential extras. We plan to update the podiatry schedule to provide better benefits.

Directors' report

The directors present their report, together with the financial statements, on the consolidated group (referred to hereafter as 'the consolidated group') consisting of Latrobe Health Services Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following people were directors of Latrobe Health Services Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Ormond Pearson
- Nathan Voll (ended 30 November 2023)
- Geoffrey Hocking
- Kelly Humphreys
- Craig Dunstan
- Kelly Johnston
- Jacqui Jennings (commenced 23 May 2024)
- Simon Grant (commenced 23 May 2024)
- Matt Williamson (commenced 23 May 2024)
- Andrea Buckland, Company Secretary

Principal activities

The principal activities of Latrobe Health Services and its controlled entity during the financial year were the provision of private health insurance within Australia and acute hospital services within the Gippsland region. There have been no significant changes in the nature of the group's activities during the year ended 30 June 2024.

Objectives

At Latrobe Health:

- We understand, attract and retain members
- We deliver exceptional products and services for our members
- We build strong relationships and strategic partnerships
- We connect with, and invest in, our community

We do this by:

- Our systems and data support agile and adaptable processes
- Having a highly engaged and adaptable team and culture
- A strong and sustainable core

Performance measures

We measure our performance by:

- Understanding our member base
- Member satisfaction
- Cost in member acquisition
- Various financial and non-financial matrices
- Our internal culture and engagement



Financial results

The profit for the consolidated group for the year is \$25,126,504 (2023: \$12,602,166) and is not subject to income tax.

Review of operations

A review of the operations and results of the consolidated group during the financial year are set out in the Chair and CEO Message which precedes this report.

Significant changes in the state of affairs

During the financial year there was no significant change in the state of affairs of the consolidated group.

Dividend paid

The Constitution expressly prohibits the income and property of Latrobe Health Services to be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise to the Directors or members of Latrobe Health Services. No dividends have been paid, nor are any recommended for payment from funds of Latrobe Health Services for the year ended 30 June 2024.

Matters subsequent to the end of Financial Year

No matter or circumstance has arisen since the end of the previous financial year to the date of this report that has, or may, significantly affect the activities of the consolidated group, the results of those activities or the state of affairs of the consolidated group in the ensuing or any subsequent financial year.

Directors' interests and benefits

Latrobe Health Services is a consolidated group limited by guarantee. As such, none of the directors hold an interest but each, as a member of Latrobe Health Services, is liable to the extent of their undertaking under Latrobe Health Services' company.

During the financial year, Latrobe Health Services paid Directors' and Officers' liability insurance for all its Directors and Officers. 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.

The Constitution allows for the inclusion of indemnities in favour of persons who are or have been a director or officer of Latrobe Health Services. To the extent permitted by law, Latrobe Health Services indemnifies every person who is or has been a director or officer against any liability to any person incurred while acting in that capacity in good faith and against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy. Latrobe Health holds executed Deeds of Indemnity with the directors and executive officers.

No non-executive director has received any benefit since the end of the previous financial year, by reason of any contract with Latrobe Health Services or a related body corporate with a firm of which he or she is a member or with a consolidated group in which the director has a substantial interest, with the exception of health insurance benefits paid to them as a result of them being health insurance policy holders of the health fund which is conducted by Latrobe Health Services in the ordinary course of its business.

Proceedings on behalf of Latrobe Health Services

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.



// We deliver exceptional products and services for our members."

Attendance of Directors' meetings

The number of Board and Committee meetings held, and the number of meetings attended by each Director is as follows:

Directors	Board of Directors		Audit Committee		Risk Committee		Investment Committee		People and Culture Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Ormond Pearson	8	8	3	3	-	-	1	1	3	3
Nathan Voll	6	6	1	1	1	1	1	1	-	-
Kelly Humphreys	8	8	-	-	3	3	4	4	3	3
Geoffrey Hocking	8	6	3	3	3	3	1	1	-	-
Craig Dunstan	8	6	-	-	-	-	4	4	3	2
Kelly Johnston	8	8	3	3	3	3	4	4	-	-
Matthew Williamson	1	1	-	-	1	1	-	-	-	-
Jacqui Jennings	1	1	-	-	-	-	-	-	-	-
Simon Grant	1	1	1	1	-	-	-	-	-	-

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's indemnification

Latrobe Health Services has not, during or since the financial year, in respect of any person who is or has been an auditor of Latrobe Health Services

or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

Auditor's independence declaration

Grant Thornton Australia Limited continues in office in accordance with section 327 of the Corporations Act 2001. The auditor's independence declaration is included in the Annual Report and forms part of the Director's report for the financial year ended 30 June 2024. This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Kelly Johnston
Director

19 September 2024

Board of directors

Ormond Pearson – Board Chair

BHSC (MGT), FAICD, FIML, FIPA, AFCHSM

- Director since 2013 (Chair 2014 – current)
- Member of Audit Committee since 2014
- Member of People and Culture Committee since 2015
- Member of Investment Committee (2020 – 2024)
- Director of Maryvale Private Hospital since 2015
- Trustee Andrews Foundation November 2023
- Over 30 years' experience as CEO of public hospitals and health services, including part-time consultancy

Nathan Voll

BCOM, GRAD CERT BUS MGT, MBA, FCPA, FAICD

- Director from 2011 to November 2023
- Member of Audit Committee since 2011
- Member of Investment Committee since 2020
- With more than 25 years in the public and private sector, his experience includes General Manager Corporate Services with the Department of Justice and Regulation in Gippsland and as a Regional Finance Manager with the Department of Education and Training. He is also a director of Latrobe Community Health Services. Nathan's involvement in the health sector also includes being a director of the Gippsland Primary Health Network and a former director of the West Gippsland Healthcare Group

Craig Dunstan

BCOM, LLB, MBA, Grad Dip Applied Finance, and Investment, FFINSIA, MAICD

- Director since 2016
- Member of Risk Committee (2016 – 2017)
- Member of People and Culture Committee since 2017 (Chair 2017 – 2020)
- Member of Investment Committee since 2020 (Chair since 2020)
- Chair of Futurity Investment Group Limited
- Director of Federated Investors Australia Services Limited

- Independent Director of industry super fund REI Super
- Managing Director of Vasco Trustees Limited
- Over 30 years' experience in the financial services industry, including roles as General Manager Financial Services at Australian Unity Limited and Managing Director of former ASX listed Macarthur Cook Limited

Geoffrey Hocking

Grad Dip Bus Admin (Exec Ops), Grad Cert Bus (MGT), MIWA, MAICD

- Director since 2013
- Member of Risk Committee since 2016 (Chair 2016 – 2024)
- Member of People and Culture Committee (2014 – 2016)
- Member of Audit Committee (2015 – 2024)
- Member of Investment Committee since (2020 – 2024)
- Member of Project Abacus Committee (Chair 2022 – 2023)
- Member of Gippsland Ports Board 2011 – 2020 (Chair 2014 – 2020)
- Deputy Chair of Victorian Environmental Water Holder Commission 2011 – 2020 (Chair of Risk and Audit Committees 2012 – 2016)
- Member of Gunaikurnai Traditional Owner Land Management Board (2012 – 2019)
- 20 years' experience in senior management/CEO roles in the water industry and ASIC
- 15 years' experience in middle management roles in the public sector

Kelly Humphreys

MMGT, GAICD, FAIM, Dip Fin Serv

- Director since July 2017
- Member of Risk Committee since 2017
- Member of People & Culture Committee since 2019 (Chair since 2020 – 2024)
- Member of Investment Committee (2020 – 2024)

- Director of Raiz Invest Ltd (ASX: RZI) since 2020
- Director of the National Stock Exchange (ASX: NSX) since 2020
- An experienced non-executive director and Chair of Audit and Risk Committees with current roles across financial services, ecommerce and health

Kelly Johnston

BCOM, CPA, GAICD

- Director since 2021
- Member Audit Committee since 2021 (Chair 2024)
- Member of Risk Committee since 2021
- Member of Investment Committee since 2021
- 20 years of experience in senior finance and strategy leadership roles across public and private sector including Australia Post, ANZ & AHPRA
- Previously a Director and Chair of the Finance Committee at the Queen Victoria Women's Centre

Matthew Williamson

B.Com, M.AppFin, CPA, GAICD

- Director since 23 May 2024
- Member of People & Culture Committee 2024 (Chair August 2024)
- Member of the Risk Committee
- Matt has 25+ years in risk management across various sectors, holding executive roles in non-financial risk and business resilience. He is a non-executive director at Drouin and District Community Financial Services Pty Ltd, focusing on risk management and governance

Jacqui Jennings

PhD, MMgt, BMet, GAICD

- Director since 23 May 2024
- Member of People & Culture Committee 2024
- Member of the Investment Committee 2024

- Jacqui has been a non-executive director since 2009, focusing on trust, transparency, and risk management. With 23 years at BHP in senior roles, she brings strategic and sustainability insights to her governance positions. She currently serves on several boards, including Futurity Investment Group and Darwin Waterfront Corporation

Simon Grant

B.Com, LLB, GAICD, FGIA, FCIS

- Director since 23 May 2024
- Member of Audit Committee since 2024
- Member of the Investment Committee since 2024
- Director of Collaboration 4 Pty Ltd
- Over 30 years' board and senior executive experience with over 25 years in financial services and health-related industries, including as Strategic Advisor to the Board at ISPT, CEO – Australia & America at MacarthurCook Limited and Group General Manager and Group General Counsel at Australian Unity

Andrea Buckland, Company Secretary

BBUS (INFORMATION SYSTEMS), MACC, CPA, FGIA, GAICD

- Company Secretary since 2014
- Company Secretary, Maryvale Private Hospital
- Independent Member, Audit Risk and Finance Committee, Gippsland Primary Health Network
- Independent Member, Audit and Risk Committee, West Gippsland Catchment Management Authority
- Latrobe Health Services Chief Financial Officer (2011 – 2021)
- Experienced in financial strategy and management, governance, risk management and compliance



Executive team

Ian Whitehead

Chief Executive Officer

BBUS (MARKETING/ECONOMICS), POST GRAD, MASTERS, GAICD

Ian is an experienced Director and CEO having worked across financial services, health, property and technology sectors in not-for-profit and for-profit organisations. He is a director of Maryvale Private Hospital, a director of Australian Health Services Alliance (AHSA) and until recently was the Chair of the Australian Regional Health Group (resigned in 2023). Ian was also appointed to the AICD Victorian council in April 2023.

Ian joined Latrobe Health Services as CEO in November 2018 with expertise in business strategy, change management, finance, and marketing.

Kylie Debono

Chief Operations Officer

BSCI (BIOLOGICAL) HONS (MICROBIOLOGY), GAICD

Kylie is an experienced executive manager with expertise in leading, influencing and driving strategy and transformation programs. Kylie has deep knowledge of Latrobe Health's operating systems and leads with a constructive style ensuring the effective management of day-to-day functions while supporting the delivery of exceptional customer experience. Kylie was appointed to the role of Chief Risk Officer in 2015 and moved to the position of Chief Operations Officer in November 2023.

Hannah Vincent

Chief Financial Officer

BBUS (ACCOUNTING/BANKING & FINANCE), CPA

Hannah is an experienced leader with expertise in financial management, strategic planning, data analytics and reporting. Hannah has developed her expertise working across both public and private sectors. Hannah was appointed to the role of Chief Financial Officer in 2021.

Seona Conway

Head of People and Culture

BCOM (ECONOMICS & COMMERCE), GRAD DIP ED, GRAD DIP HR, GAICD

Seona's experience across leadership development, organisational culture, change and human resources in both public and private sector has enabled her to work with leaders at all levels supporting individual growth and organisational transformation. Seona was appointed to the role of Head of People and Culture in February 2020.

Kate Jarvis

Head of Marketing and Business Development

BA (MEDIA COMMUNICATIONS), ATCL, MBA (Candidate)

Kate is an experienced communications and marketing professional who has built brands, driven growth and customer experiences across health, media, retail, technology, and construction industries. Kate joined Latrobe Health Services in April 2019.



John Rochstad-Lim

Interim Chief Financial Officer

BBus, MBus (Accountancy), MIPA

John is our Interim Chief Financial Officer, appointed 9th November 2023. He is a qualified accountant with experience in Financial Management. John has developed his expertise working in both private and public sectors.

Simon Tulloch

Chief Risk Officer

BCOM (Finance and Accounting)

Simon has extensive experience working with organisations across the private and public sectors in a consulting capacity to help develop, refine and evolve their approach to risk management and assurance. Simon joined Latrobe Health Services in October 2024 and was appointed to the role of Chief Risk Officer in March 2024.

Kamran Channa

Chief Information Officer

MASTERS (INFORMATION TECHNOLOGY), BSC (COMPUTER SCIENCES)

Kam has significant experience leading purposeful change across the strategic IT landscape, with a wide breadth of knowledge within enterprise technology operations. Kam has driven the design and deployment of risk-based technology strategies and solutions that streamline processes, foster innovation and support business strategy. Kam was appointed to the role of Chief Information Officer in March 2019.





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Auditor's Independence Declaration

To the Directors of Latrobe Health Services Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Latrobe Health Services Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

D M Scammell
Partner – Audit & Assurance

Melbourne, 19 September 2024

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Financial statements

Latrobe Health Services Limited Contents – 30 June 2024

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General Information

The financial statements cover Latrobe Health Services Limited as a consolidated entity consisting of Latrobe Health Services Limited and its entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is Latrobe Health Services Limited's functional and presentational currency.

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

Registered office

32 - 34 Darlimurla Avenue Newborough VIC 3825

Principal place of business

32 - 34 Darlimurla Avenue Newborough VIC 3825

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 September 2023. The directors have the power to amend and reissue the financial statements.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024**

		Consolidated Entity		Parent Entity	
		2024	Restated 2023	2024	Restated 2023
Notes	\$	\$	\$	\$	
Insurance Service Result					
Insurance Revenue	2	219,207,484	207,829,235	219,207,484	207,829,235
Insurance Service Expenses	2	(205,604,388)	(193,397,154)	(205,604,388)	(193,397,154)
Insurance Service Result		13,603,096	14,432,081	13,603,096	14,432,081
Investment Income					
Investment Income from Financial Assets	3a	10,376,975	8,914,081	10,376,975	8,914,081
Net Fair Value Gain on Financial Assets	3a	1,247,388	1,629,798	1,247,388	1,629,798
Investment Income		11,624,363	10,543,879	11,624,363	10,543,879
Other Income	3b	29,652,368	21,458,532	5,475,316	1,653,299
Other Expenses	3c	(29,680,909)	(24,983,240)	(3,942,827)	(3,788,930)
Impairment of Land & Buildings	8	(152,578)	(8,792,943)	(152,578)	(8,792,943)
Profit before income tax		25,046,340	12,658,309	26,607,370	14,047,386
Income tax expense	1 (d)	-	-	-	-
Profit from operations		25,046,340	12,658,309	26,607,370	14,047,386
Other comprehensive income <i>Items that will not be reclassified to profit or loss</i>					
Revaluation of land and buildings	16	80,164	508,972	80,164	508,972
Other comprehensive income for the year		80,164	508,972	80,164	508,972
Total comprehensive income for the year		25,126,504	13,167,281	26,687,534	14,556,358
Total comprehensive income attributable to the members of Latrobe Health Services		25,126,504	13,167,281	26,687,534	14,556,358

The accompanying notes form part of these financial statements.

The Entity has adopted AASB17 *Insurance Contracts* and has restated the comparative periods.

The impacts of adoption are detailed in Note 1.

**Statement of Financial Position
As at 30 June 2024**

		Consolidated Entity		Parent Entity	
		2024	Restated 2023	2024	Restated 2023
Notes	\$	\$	\$	\$	Restated 1-Jul-22
Current assets					
Cash and cash equivalents	4	64,451,947	50,131,126	46,185,864	61,410,667
Trade and other receivables	6	3,560,758	3,943,642	5,743,485	1,214,159
Assets held for sale		-	-	814,833	-
Other current assets	7	1,976,965	2,265,144	1,579,583	2,384,950
Total current assets		69,989,670	56,339,912	54,323,765	65,009,776
Non-current assets					
Financial assets	5	175,973,123	164,125,404	162,944,495	175,973,123
Property, plant and equipment	8	14,731,524	12,956,280	10,869,832	11,769,131
Investment in subsidiary	9	-	-	-	4,500,000
Total non-current assets		190,704,647	177,081,684	173,814,327	192,242,254
Total assets		260,694,317	233,421,596	228,138,092	257,252,030
Current liabilities					
Trade and other payables	10	6,632,961	7,416,138	12,922,630	4,668,996
Provisions	11	1,650,000	7,022,000	8,562,000	1,650,000
Employee Benefits	12	4,351,718	3,460,100	3,423,019	2,067,655
Insurance Contract Liabilities	13	41,487,918	34,837,032	37,134,195	41,487,918
Borrowings	14	455,293	257,820	-	-
Total current liabilities		54,577,890	52,993,090	62,041,844	49,874,569
Non-current liabilities					
Trade and other payables	10	37,261	33,688	47,763	37,261
Employee Benefits	12	345,603	286,027	300,884	112,420
Borrowings	14	1,692,177	1,193,909	-	-
Total non-current liabilities		2,075,041	1,513,624	348,647	149,681
Total liabilities		56,652,931	54,506,714	62,390,491	50,024,250
Net assets		204,041,386	178,914,882	165,747,601	207,227,780
Equity					
Retained earnings	15	202,631,014	177,584,674	164,926,365	205,817,408
Asset revaluation reserve	16	1,410,372	1,330,208	821,236	1,410,372
Total equity		204,041,386	178,914,882	165,747,601	207,227,780

The accompanying notes form part of these financial statements.

The Entity has adopted AASB17 *Insurance Contracts* and has restated the comparative periods.

The impacts of adoption are detailed in Note 1.

**Consolidated Statement of Changes in Equity
for the year ended 30 June 2024**

	Asset Revaluation Reserve	Retained Earnings	Total Equity
	\$	\$	\$
Parent entity			
Balance at 1 July 2022, as previously reported	821,236	167,498,764	168,320,000
Adjustment on initial application of AASB17 (note 1)	-	(2,336,112)	(2,336,112)
Balance at 1 July 2022 (restated)	821,236	165,162,652	165,983,888
Profit attributable to members	-	14,047,386	14,047,386
Other comprehensive income for the year	508,972	-	508,972
Balance at 30 June 2023 (restated)	1,330,208	179,210,038	180,540,246
Balance at 1 July 2023 (restated)	1,330,208	179,210,038	180,540,246
Profit attributable to members	-	26,607,370	26,607,370
Other comprehensive income for the year	80,164	-	80,164
Balance at 30 June 2024	1,410,372	205,817,408	207,227,780
Consolidated Entity			
Balance at 1 July 2022, as previously reported	821,236	167,262,477	168,083,713
Adjustment on initial application of AASB17 (note 1)	-	(2,336,112)	(2,336,112)
Balance at 1 July 2022 (restated)	821,236	164,926,365	165,747,601
Profit attributable to members	-	12,658,309	12,658,309
Other comprehensive income for the year	508,972	-	508,972
Balance at 30 June 2023 (restated)	1,330,208	177,584,674	178,914,882
Balance at 1 July 2023 (restated)	1,330,208	177,584,674	178,914,882
Profit attributable to members	-	25,046,340	25,046,340
Other comprehensive income for the year	80,164	-	80,164
Balance at 30 June 2024	1,410,372	202,631,014	204,041,386

The accompanying notes form part of these financial statements.

The Entity has adopted AASB17 *Insurance Contracts* and has restated the comparative periods.

The impacts of adoption are detailed in Note 1.

**Consolidated Statement of Cash Flows
for the year ended 30 June 2024**

		Consolidated Entity		Parent Entity	
	Notes	2024	2023	2024	2023
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from operating activities		254,873,385	228,854,988	230,969,438	209,798,293
Payments to suppliers/employees		(238,955,453)	(225,852,351)	(214,216,421)	(204,986,664)
Interest received		2,371,832	1,351,025	2,264,421	1,291,029
Other income		1,213,228	1,542,565	103,316	113,299
Net cash provided by operating activities	17	19,502,992	5,896,227	19,120,754	6,215,957
Cash flows from investing activities					
Fixed asset purchases		(3,377,912)	(11,402,694)	(2,174,689)	(9,408,394)
Investment purchases		(2,500,000)	(2,000,000)	(2,500,000)	(2,000,000)
Payment for investment in subsidiary		-	-	(1,000,000)	(1,000,000)
Investment redemptions		-	10,000,000	-	10,000,000
Net cash used in investing activities		(5,877,912)	(3,402,694)	(5,674,689)	(2,408,394)
Cash flows from financing activities					
Proceeds from borrowings		1,013,466	1,493,410	-	-
Repayment of borrowings		(317,725)	(41,681)	-	-
Net cash provided by financing activities		695,741	1,451,729	-	-
Net increase in cash held		14,320,821	3,945,262	13,446,065	3,807,563
Cash at beginning of year		50,131,126	46,185,864	47,964,602	44,157,039
Cash at end of year	17	64,451,947	50,131,126	61,410,667	47,964,602

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2024

1. Summary of material accounting policies

Basis of preparation

The financial statements cover Latrobe Health Services Limited and the controlled entity being Maryvale Private Hospital as the consolidated group.

The consolidated group is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. A description of the nature of the consolidated group's operations and its principal activities is included in the directors' report, which is not part of the financial statements.

These general-purpose financial statements of the consolidated group have been prepared in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board ('AASB'), the requirements of the Corporations Act 2001, and other authoritative pronouncements of the Australian Accounting Standards Board.

These consolidated financial statements were authorised for issue in accordance with a resolution of Directors on 19 September 2024.

Reporting Basis

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial assets for which the fair value basis of accounting has been applied.

New Accounting Standards and Interpretations adopted

The consolidated group has adopted all new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and mandatory for the current reporting period.

New Standards and Interpretations effective for the current reporting period that are relevant to the consolidated group are:

New Accounting Standards for application

AASB17 Insurance Contracts

AASB 17 Insurance Contracts was issued in May 2017 as a replacement for AASB 1023 General Insurance Contracts, with amendments to AASB 17 issued in June 2020 and December 2021. The final standard is effective for annual periods beginning on or after 1 January 2023.

In these financial statements, Latrobe Health Services has applied AASB 17 for the first time using the full retrospective approach. As a result, Latrobe Health has restated comparative information for 2023.

The nature and effects of the key changes in Latrobe's accounting policies resulting from the adoption of AASB 17 are summarised below.

(a) (i) Classification, recognition and measurement of insurance contracts

Measurement models

AASB 17 requires a current measurement model where estimates are remeasured each reporting period. Under the general measurement model (GMM), contracts are measured using discounted probability-weighted fulfilment cash flows (best estimates) including an explicit risk adjustment, and a contractual service margin (CSM) representing the unearned profit of the contract. An optional, simplified premium allocation approach (PAA), similar in nature to Latrobe Health's measurement basis under the previous accounting standard, is permitted for eligible contracts.

In applying the standard, Latrobe Health has reviewed its insurance contracts and considered the contract boundary for its complying health insurance policies (CHIPS) and determined these policies have a coverage period of one year or less. As a result, Latrobe Health has chosen to apply the PAA to these contracts, leading to simplified measurement and presentation relative to the GMM.

Premium Revenue

Premium revenue comprises premiums from private health insurance contracts held by policyholders. Premium revenue is recognised from the attachment date 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.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Acquisition Costs

Under the PAA, Latrobe Health Services may choose to recognise any insurance acquisition cash flows as expenses when it incurs those costs, provided that the coverage period of each contract in Latrobe at initial recognition is no more than one year. Latrobe expense acquisition costs as its policies meet the required conditions available under the PAA.

Aggregation of insurance contracts for measurement

AASB 17 defines a portfolio of insurance contracts as 'insurance contracts subject to similar risks managed together'. As Latrobe 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 Latrobe Health Services manages the insurance business as one, Latrobe Health has determined all health insurance contracts are a single portfolio.

As all policies have a coverage period of 12-months or less, at the reporting date all contracts were written within the current year and are within a single cohort.

For measurement further segmentation is required into groups of contracts for the identification of onerous contracts. There is a presumption under the PAA that no contracts are onerous unless facts and circumstances indicate otherwise. However, the requirement to identify onerous contracts means that business is generally accounted for at a level lower than portfolios, being product level groupings.

To identify potentially onerous contracts, Latrobe Health Services has considered information from its most recent projections of fund experience. Where products are assessed as expected to be onerous detailed testing is performed and any Loss Component is valued. As a result of onerous contracts testing occurring at a more granular level than the Liability Adequacy Test, there may be more loss components recognised under AASB 17 than unexpired risk provisions recognised under AASB 1023.

Measurement of the Insurance Liabilities

The liability for incurred claims (LIC) is the insurance liabilities for all commitments in respect of incurred claims. The primary components are the best estimate of the outstanding claims provision, a risk adjustment, risk equalisation receivables for incurred periods, and expenses associated with incurred claims but not yet paid. Due to the accounting policy choices made by Latrobe, the LIC is materially unchanged from the sum of the equivalent AASB 1023 items.

The liability for remaining coverage (LRC) under the PAA is valued at initial recognition based on premium received when acquisition costs are expensed. In subsequent periods, the LRC is amortised to recognise the insurance revenue in the period. Insurance revenue is recognised based on the passage of time which is consistent with AASB 1023. The statement of financial position presentation differs as unearned premium liability and insurance premium receivables are no longer shown as separate items but are included within the LRC.

Under the PAA, a risk adjustment is recognised on all LIC balances and LRC balances for onerous contracts issued. Latrobe Health Services' required compensation for risk is lower than the AASB 1023 risk margin, reducing the margin applied in some areas.

Latrobe Health's measurement of insurance contracts under AASB 17 and accounting policies are detailed in Note 15 Insurance contracts.

Outstanding claims

The provision for outstanding claims provides for claims that have been incurred by policyholders, but not yet presented to the consolidated group for reimbursement. The provision is based on an actuarial assessment taking into account historical patterns of claim incidence and processing, where the central estimate of the present value of expected future payments arising from claims incurred at the end of each reporting period under insurance cover issued by the fund, plus a risk margin reflecting the inherent uncertainty in the central estimate.

This provision also allows for an estimate of claims handling costs, which include internal and external costs incurred in connection with the negotiation and settlement of claims.

The provision is calculated in accordance with the principals of the chain ladder method which can be used under the prudential regulations of the private health insurance industry.

The liability for outstanding claims is based on an actuarial assessment taking into account historical patterns of claims incidence and processing. 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 by the claims department and any part of the general administrative costs directly attributable to the claims function.

A risk margin is applied to allow for the inherent uncertainty in the central estimate. The risk margin has been based on an analysis of the past experience of the consolidated group by the Appointed Actuary on the adequacy of the provision over the prior 3 years. 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 taking into account historical patterns of claim incidence and processing.

Insurance contracts accounting policy

Classification of insurance contracts

Insurance contracts are defined as those containing significant 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 significant over time. The significance 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 significantly during this period.

Latrobe Health Services assesses whether its complying health insurance products contain components that should be separated and accounted for under an accounting standard other than AASB 17. AASB 17 requires cash flows relating to embedded derivatives, cash flows relating to distinct investment components and promises to transfer distinct goods or distinct non-insurance services to be accounted for separately. Latrobe Health's complying health insurance products do not include any distinct components that require separation.

All insurance contracts issued by Latrobe Health Services do not allow prepayment for more than 12 months.

Key judgement – contract boundary

Private health insurance contracts do not have any specified end-date and new and existing eligible members have the right to purchase the coverage under Australian law. Latrobe Health Services has applied AASB 17 in determining the contract boundary of existing contracts, which reflects the paid period and Latrobe Health's substantive obligation to the policyholder. Latrobe Health Services has determined that the contract boundary is the greater of 90 days and the point the contract is prepaid to. The 90 days reflects the shortest period before Latrobe Health can legally and practically terminate a product.

Level of aggregation

The level of aggregation for applying the recognition and measurement requirements of AASB 17 is determined firstly by dividing the business written into portfolios. A portfolio comprises contracts that are subject to similar risks and are managed together. Latrobe Health Services has determined that it has only one portfolio as it essentially sells one health insurance product line, where cash flows are generally expected to respond similarly in direction and timing to changes in assumptions.

As all policies have a coverage period of 12-months or less, at the reporting date all contracts were written within the current year and are within a single annual cohort.

Each portfolio is then disaggregated into groups of contracts based on profitability at inception:

- Contracts that are onerous at initial recognition;
- Contracts that have no significant possibility of becoming onerous subsequently (resilient contracts); and
- All remaining contracts.

Due to community rating requirements within the Private Health Insurance Act 2007 and Private Health Insurance (Health Benefit Fund Policy) Rules 2015, private health insurers are unable to discriminate, through pricing, for policyholders with different characteristics. Therefore, Latrobe Health has elected to group together those contracts that would fall into different groups only because this regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

These profitability groups represent the level of aggregation at which insurance contracts are initially recognised and measured and contracts stay within the same group until they are derecognised. Latrobe does not have any contracts that require further separation or combination of insurance contracts.

As Latrobe applies the PAA to measure insurance contracts, it assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Latrobe Health assesses whether contracts that are not onerous at initial recognition have no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

Key judgement - facts and circumstances

Facts and circumstances has been determined by Latrobe Health considering the level management generally assesses performance at and the granularity of information provided to the Board. Latrobe Health has chosen to assess facts and circumstances at the product level grouping.

Recognition

Groups of insurance contracts issued are initially recognised from the earliest of:

- The beginning of the coverage period
- The date when the first payment from a policyholder in Latrobe Health becomes due or when the payment is received if there is no contractual due date; and
- When contracts becomes onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

Cashflows outside the contract boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria. Cash flows relating to costs that cannot be directly attributed to the portfolio of insurance contracts that contain the contract, such as some product development and training costs, are recognised in profit and loss when incurred.

Key judgement – assessment of facts and circumstances

To identify potentially onerous contracts, Latrobe Health has considered information from its most recent projections of fund experience. Where products are assessed as expected to be onerous detailed testing is performed and any Loss Component is valued. As a result of onerous contracts testing occurring at a more granular level than the Liability Adequacy Test, there may be more loss components recognised under AASB 17 than unexpired risk provisions recognised under AASB 1023.

Modification and derecognition

A contract that qualifies as an insurance contract remains so until all rights and obligations are extinguished, or the contract is derecognised because of a contract modification. If the terms are modified, Latrobe Health derecognises the original insurance contract and recognise a new insurance contract if any of the below conditions are satisfied:

- The modified contract would have been excluded from the scope of AASB 17.
- An entity would have separated different components from the host insurance contract resulting in a different insurance contract to which AASB 17 would have been applied.
- The modified contract would have had a substantially different contract boundary.
- The modified contract would have been included in a different group of contracts at initial recognition.
- The contract was treated under the PAA, but the modifications have rendered the contract ineligible for continued application of that approach.

When a contract within a group measured under the PAA meets any of the derecognition criteria, the difference in fulfilment cash flows is recognised in profit or loss. If a contract modification does not meet any of the derecognition criteria, Latrobe Health recognises amounts paid or received for the modification as an adjustment to the relevant liability for remaining coverage.

Risk adjustment for non-financial risk (risk adjustment)

The risk adjustment is the compensation Latrobe Health requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk as Latrobe Health fulfils groups of insurance contracts. The risk adjustment reflects the risks, positive and negative, that are captured within the LIC and the LRC.

Latrobe Health Services has aligned the LRC risk adjustment with Latrobe Health's on a target net margin range set out in the board policies. This equated to a confidence level of 63% (2023: 63%).

The LIC has different types of risks to the LRC due to less upside risks and only claims already incurred. Latrobe Health set a higher compensation for risk level to the LRC, setting the LIC risk adjustment as the margin that achieves a 75% confidence level. The margin is calculated based on 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. Latrobe Health has estimated the probability weighted distribution of the future cash flows (best estimates), and the additional amount above the expected present value of future cash flows required to meet the target percentiles. The methods used and estimates made are reviewed at least annually.

Changes in the risk adjustment for non-financial risk are presented in the insurance service result and not disaggregated into an insurance service component and an insurance finance component.

Initial measurement

Latrobe Health applies the PAA for the measurement of all complying health insurance product contracts that it issues. Latrobe Health's complying health insurance product contracts automatically qualify for the PAA as the coverage period of each contract is one year or less. On initial recognition, the carrying amount of the LRC is measured as the premiums, if any, received.

Subsequent measurement

At each of the subsequent reporting dates, the LRC is:

- Increased for premiums received in the period
- Decreased for amounts of expected premiums received recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims
- Increased or decreased for any movement in the liabilities for onerous contracts recognised as loss components within the LRC.

Latrobe Health releases revenue over the coverage period based on the passage of time and has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk, as Latrobe Health expects on initial recognition of its complying health insurance product contracts that the time between providing each part of the services and the related premium due date is no more than one year.

If facts and circumstances indicate that a group of contracts is onerous, Latrobe Health recognises a loss in the profit and loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to the remaining coverage exceed the carrying amount of the LRC. Subsequently, Latrobe Health amortises the loss component within the LRC based on the passage of time over the remaining coverage period by decreasing insurance services expenses.

Key judgements

Fulfilment cash flows:

The measurement of Latrobe Health complying health insurance contracts within the scope of AASB 17 includes all future cash flows within the contract boundary. The estimates of these future cash flows are based on probability weighted expected future cash flows. Fulfilment cash flows are only required for the LRC if facts and circumstances indicate Latrobe Health's contracts is onerous.

The LIC represents the estimated liability arising from claims episodes in current and preceding financial years which have not yet given rise to claims paid. A claims episode is an insured medical service that Latrobe has an obligation to fund which could be consultation fees, diagnostic investigations, hospitalisation or treatment costs. The liability includes an allowance for claims management and handling expenses, cashflows to and from the risk equalisation system and third-party recoveries. Outstanding cashflows subject to uncertainty have a risk adjustment applied. The LIC is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events. It is a best estimate reflecting the probability weighted estimate of the full distribution of possible outcomes. Adjustments to the claims estimates for prior years are included in the Consolidated Income Statement in the financial year in which the change is made.

Key inputs used in the calculation of the liability for incurred claims include claims development, risk adjustment for non-financial risk, estimates of net cashflows for risk equalisation, claims cost inflation, medical trends and seasonality. Latrobe Health performs regular assessments of expenses and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issues or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which Latrobe Health belongs. It includes external and internal costs and incremental direct and indirect costs. Latrobe Health's Policy is to expense acquisition costs.

Discounting

Under the PAA, discounting is optional for LRC carrying amount if the time between providing each part of the coverage and the related premium is within 12 months and is optional for the LIC if the settlement of the claims is expected within 12 months from the date the claims are incurred. Latrobe Health has exercised the option not to apply discounting as its policies meet the required conditions available under the PAA.

Private health insurance rebate

The Australian Government provides a rebate in respect of the premiums for private health insurance. The rebate is based on a sliding scale dependent on policyholders' age and income. Policyholders can choose to either pay a reduced premium and have the private health fund collect the rebate from the Government, or pay the full amount and receive the rebate as part of their tax return. Where premiums received from policyholders are net of the rebate, registered health insurers receive the rebate directly from the Government. The rebate is recognised in profit or loss as premium revenue. Rebates due from the Government but not received at balance date are recognised as expected cash flows within the LRC.

(ii) Presentation and disclosure of insurance contracts

For presentation in the statement of financial position, Latrobe Health will report the financial position of the insurance contract portfolio as either an insurance contract liability or insurance contract asset.

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.

(iii) Transition

On transition, AASB 17 is required to be applied to contracts, with all contracts measured using the PAA, Latrobe Health has applied the fully retrospective approach.

On 1 July 2022, the date of transitioning to AASB 17, Latrobe Health's net assets reduced by \$2.3 million due to the recognition of a Loss Component and the derecognition of Unexpired Risk Liability as presented in the table below.

Financial Impact on transition to AASB17 at 1 July 2022

Statement of Financial Position

	Consolidated Entity Previously Reported		Measurement Adjustments	Reclassification Adjustments	Consolidated Entity Restated	
	2022	2022			2022	2022
	\$	\$	\$	\$		
Current assets						
Cash and cash equivalents	46,185,864	44,157,039	-	-	46,185,864	44,157,039
Trade and other receivables	23,334,858	19,648,172	-	(17,591,373)	5,743,485	2,056,799
Assets held for sale	814,833	814,833	-	-	814,833	814,833
Other current assets	1,579,583	1,642,712	-	-	1,579,583	1,642,712
Total current assets	71,915,138	66,262,756	-	(17,591,373)	54,323,765	48,671,383
Non-current assets						
Financial assets	162,944,495	162,944,495	-	-	162,944,495	162,944,495
Property, plant and equipment	10,869,832	10,254,834	-	-	10,869,832	10,254,834
Investment in subsidiary	-	2,500,000	-	-	-	2,500,000
Total non-current assets	173,814,327	175,699,329	-	-	173,814,327	175,699,329
Total assets	245,729,465	241,962,085	-	(17,591,373)	228,138,092	224,370,712
Current liabilities						
Trade and other payables	14,143,825	12,334,476	-	(1,221,195)	12,922,630	11,113,281
Provisions	28,079,873	28,079,873	-	(19,517,873)	8,562,000	8,562,000
Employee Benefits	3,423,019	1,484,314	-	-	3,423,019	1,484,314
Insurance Contract Liabilities	-	-	2,336,112	34,798,083	37,134,195	37,134,195
Other liabilities	31,650,388	31,650,388	-	(31,650,388)	-	-
Total current liabilities	77,297,105	73,549,051	2,336,112	(17,591,373)	62,041,844	58,293,790
Non-current liabilities						
Trade and other payables	47,763	47,763	-	-	47,763	47,763
Employee Benefits	300,884	45,271	-	-	300,884	45,271
Total non-current liabilities	348,647	93,034	-	-	348,647	93,034
Total liabilities	77,645,752	73,642,085	2,336,112	(17,591,373)	62,390,491	58,386,824
Net assets	168,083,713	168,320,000	2,336,112	-	165,747,601	165,983,888
Equity						
Retained earnings	167,262,477	167,498,764	(2,336,112)	-	164,926,365	165,162,652
Asset Revaluation Reserve	821,236	821,236	-	-	821,236	821,236
Total equity	168,083,713	168,320,000	(2,336,112)	-	165,747,601	165,983,888

Under AASB 1023, Receivables included Australian Government Private Health Insurance Rebate, Contributions In Arrears and Health Benefits Risk Equalisation Trust totaling \$17,591,373, which have been reclassified to Insurance Contracts Liabilities.

Under AASB 1023, Payables included Unearned Premium Liability and Members Clearing Accounts totalling \$1,221,195 and Provisions included Claims Payables of \$19,517,873 which have been reclassified to Insurance Contracts Liabilities.

The 30 June 2023 comparative financial information has also been restated for the impact of applying AASB17. The impact on net assets and profit are set out in the tables below.

Financial Impact on transition to AASB17 at 1 July 2023

Statement of Financial Position

	Consolidated Entity		Measurement Adjustments	Reclassification Adjustments	Consolidated Entity	
	Previously Reported	Parent Entity			Restated	Parent Entity
	2023	2023			2023	2023
Current assets						
Cash and cash equivalents	50,131,126	47,964,602	-	-	50,131,126	47,964,602
Trade and other receivables	22,757,148	19,958,751	-	(18,813,509)	3,943,639	1,145,242
Assets held for sale	-	-	-	-	-	-
Other current assets	2,265,144	2,180,709	-	-	2,265,144	2,180,709
Total current assets	75,153,418	70,104,062	-	(18,813,509)	56,339,909	51,290,553
Non-current assets						
Financial assets	164,125,404	164,125,404	-	-	164,125,404	164,125,404
Property, plant and equipment	12,956,280	10,626,452	-	-	12,956,280	10,626,452
Investment in subsidiary	-	3,500,000	-	-	-	3,500,000
Total non-current assets	177,081,684	178,251,856	-	-	177,081,684	178,251,856
Total assets	252,235,102	248,355,918	-	(18,813,509)	233,421,593	229,542,409
Current liabilities						
Trade and other payables	8,998,122	7,222,963	-	(1,581,984)	7,416,138	5,640,979
Provisions	23,738,309	23,738,309	-	(16,716,309)	7,022,000	7,022,000
Employee Benefits	3,460,100	1,387,906	-	-	3,460,100	1,387,906
Borrowings	257,820	-	-	-	257,820	-
Insurance Contract Liabilities	-	-	1,771,000	33,066,032	34,837,032	34,837,032
Other liabilities	33,581,248	33,581,248	-	(33,581,248)	-	-
Total current liabilities	70,035,599	65,930,426	1,771,000	(18,813,509)	52,993,090	48,887,917
Non-current liabilities						
Trade and other payables	33,688	33,688	-	-	33,688	33,688
Employee Benefits	286,027	80,561	-	-	286,027	80,561
Borrowings	1,193,909	-	-	-	1,193,909	-
Total non-current liabilities	1,513,624	114,249	-	-	1,513,624	114,249
Total liabilities	71,549,223	66,044,675	1,771,000	(18,813,509)	54,506,714	49,002,166
Net assets	180,685,879	182,311,243	1,771,000	-	178,914,879	180,540,243
Equity						
Retained earnings	179,355,671	180,981,035	(1,771,000)	-	177,584,671	179,210,035
Asset Revaluation Reserve	1,330,208	1,330,208	-	-	1,330,208	1,330,208
Total equity	180,685,879	182,311,243	(1,771,000)	-	178,914,879	180,540,243

Under AASB 1023, Receivables included Australian Government Private Health Insurance Rebate, Contributions In Arrears and Health Benefits Risk Equalisation Trust totalling \$18,813,509 which have been reclassified to Insurance Contracts Liabilities.

Under AASB 1023, Payables included Unearned Premium Liability and Members Clearing Accounts totalling \$1,581,984 and Provisions included Claims Payables of \$16,716,309 which have been reclassified to Insurance Contracts Liabilities.

For the year ended 30 June 2023, the implementation of AASB 17 decreased the Profit from operations by \$565,115 as presented below.

	Consolidated Entity	
	2023	2023
Profit from operations as previously reported	\$ 12,093,194	\$ 13,482,271
Reversal of movement in Unexpired Risk Liability	(87,000)	(87,000)
Inclusion of movement in Loss Component	652,115	652,115
Profit from operations- Restated	12,658,309	14,047,386

Accounting policies

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

b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Latrobe Health Services Limited at the end of the reporting period. Latrobe Health Services Limited controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and it has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Latrobe Health Services Limited. They are de-consolidated from the date that control ceases.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

c) Revenue recognition

The consolidated group recognises revenue as follows:

Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Hospital revenue

Revenue from a contract to provide services, is recognised over time as the services are rendered based on a fixed price in line with the customer's health fund provider's agreement in place with the hospital.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Other hospital income

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

Dividend income

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from Latrobe Health Services and controlled entities' investments in financial assets.

d) Income tax

The Consolidated Group is exempt from income tax by virtue of Section 50-30 item 6.3 of the Income Tax Assessment Act.

e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the

reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

g) Inventories

Inventories are measured at the lower of cost and net realisable value.

h) Trade and other receivables

The group continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The consolidated group's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 90 days. The credit terms for customers, as negotiated with customers, are subject to an internal approval process which considers the credit rating scorecard. Credit risk is assessed and re-evaluated through regular reviews of ageing analysis, together with reviewing credit limits per customer. Contractual receivables are subsequently measured at amortised cost, using the effective interest method, less an allowance for expected credit losses.

i) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on triennial valuations by external independent valuers.

Land and buildings are treated as two separate classes of assets. An increase is credited directly to the revaluation reserve, except where it reverses a revaluation decrement previously recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, in which case it is credited to that Statement. A decrease is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except where a credit balance exists in the revaluation reserve, in which case it is debited to that reserve.

Plant and equipment

Plant and equipment are measured on a cost basis. The carrying value of all plant and equipment are reviewed annually by management to ensure that they are not stated at amounts in excess of their recoverable amounts. Management have reviewed the assets and are of the opinion that there has been no impairment of the assets' current values within the asset classes.

Depreciation

The depreciable amount of all property, plant and equipment, excluding land, is depreciated on a straight-line basis over the assets' useful life to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	2024 %	2023 %
Freehold buildings	2	2
Office furniture and equipment	10-15	10-15
Fixtures and fittings	10-15	10-15
Computers	20	20
Motor Vehicles	22.5	22.5

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

j) Impairment of non-financial assets

At the end of each reporting period, the consolidated group assesses whether there is any indication that a non-financial asset may be impaired. The assessment will include consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value, less costs of disposals and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

m) Provisions

Provisions are recognised when the consolidated group has a legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n) Financial Instruments

Financial assets and financial liabilities are recognised when the consolidated group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated group commits itself to either purchase or sell the asset.

Other financial assets (managed investments) are initially designated as 'at fair value through profit or loss'.

Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss.

o) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated group. The judgements estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of useful lives of assets

The consolidated group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefit provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised, and measured, at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Deferred Claims Liability

In accordance with AASB 137, Latrobe Health has written off the Deferred Claims Liability (DCL) for the year ended 2024. The DCL was initially recognised during the COVID-19 pandemic to account for deferred treatments resulting from lockdowns. As at 2024, the majority of claims associated with this liability have been settled, and no further significant liabilities are expected. Given that the criteria for recognising a provision under AASB 137—namely, the existence of a present obligation, probable outflow of resources, and a reliable estimate—are no longer met, the DCL has been fully written off.

2. Insurance Revenue

	Consolidated Entity 2024	Restated 2023	Parent Entity 2024	Restated 2023
Insurance revenue from contracts	219,207,484	207,829,235	219,207,484	207,829,235
Total insurance revenue	219,207,484	207,829,235	219,207,484	207,829,235
Insurance Service Expenses				
Claims Incurred	(204,636,901)	(197,108,416)	(204,636,901)	(197,108,416)
Changes relating to past service	(5,688,870)	(3,556,275)	(5,688,870)	(3,556,275)
Movement on onerous contracts	1,292,575	565,112	1,292,575	565,112
Net Risk Equalisation received	36,816,589	35,428,525	36,816,589	35,428,525
State Levies	(616,443)	(524,581)	(616,443)	(524,581)
Claims Handling Costs	(2,400,869)	(1,950,767)	(2,400,869)	(1,950,767)
Other Insurance Service Expenses	(30,370,469)	(26,250,752)	(30,370,469)	(26,250,752)
Total Insurance Service Expenses	(205,604,388)	(193,397,154)	(205,604,388)	(193,397,154)
Insurance Service Result	13,603,096	14,432,081	13,603,096	14,432,081

3. Investment Income, Other Income and Other Expenses

	Consolidated Entity 2024	Restated 2023	Parent Entity 2024	Restated 2023
3a Investment Income				
Interest Income from Financial Assets	2,276,644	1,362,969	2,276,644	1,362,969
Distribution Income from Financial Assets	8,100,331	7,551,112	8,100,331	7,551,112
Net Fair Value Gain on Financial Assets	1,247,388	1,629,798	1,247,388	1,629,798
Total Investment Income	11,624,363	10,543,879	11,624,363	10,543,879
3b Other Income				
Other income				
Theatre and accommodation charges	18,183,847	13,997,803	-	-
Prosthesis revenue	4,887,488	4,320,435	-	-
Net writedown of provisions	5,372,000	1,540,000	5,372,000	1,540,000
Supplier loyalty program	117,655	134,921	-	-
Rental income	247,199	222,737	-	-
Loss on sale of asset	(1,034)	(2,267)	-	-
Government grants	57,921	775,355	-	-
Other income	787,292	469,548	103,316	113,299
Total other income	29,652,368	21,458,532	5,475,316	1,653,299
Disaggregation of revenue				
The disaggregation of revenue from contracts with customers is as follows:				
Timing of revenue recognition				
Goods transferred at a point in time	-	-	-	-
Services transferred over time	23,071,335	18,318,238	-	-
Total	23,071,335	18,318,238	-	-
3c Other Expenses				
Employee benefits expense	13,560,723	11,227,010	2,087,690	1,154,373
Depreciation and amortisation	646,044	279,471	75,385	-
Administrative expenses	2,096,551	2,141,649	679,154	912,365
Computer and software expenses	948,700	1,696,818	948,700	1,696,818
Infrastructure Expenses (Cleaning/Utilities/Maint)	1,396,389	1,054,209	92,060	-
Prosthesis	4,899,637	4,320,435	-	-
Medical supplies	3,431,540	2,884,105	-	-
Patient expenses	2,520,978	1,323,579	-	-
Financial charges and taxes	130,586	55,964	10,077	25,374
Loss on disposal of asset	49,761	-	49,761	-
Total management expenses	29,680,909	24,983,240	3,942,827	3,788,930

4. Cash and cash equivalents

	Consolidated Entity 2024	Parent Entity 2023	2024	2023
Bank - Trading Account	35,450,685	22,265,463	32,409,405	20,098,939
Deposits with banks	29,001,262	27,865,663	29,001,262	27,865,663
Total Cash and cash equivalents	64,451,947	50,131,126	61,410,667	47,964,602

5. Financial assets

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Managed Investments at fair value through profit or loss				
Australian Inflation Plus Fund	32,173,418	38,386,824	32,173,418	38,386,824
Australian Shares Fund	18,683,456	14,830,559	18,683,456	14,830,559
Australian Sovereign Bond Fund	26,804,696	19,623,020	26,804,696	19,623,020
Term Deposit Funds	48,606,211	45,461,552	48,606,211	45,461,552
Global Credit Fund	13,397,916	16,357,036	13,397,916	16,357,036
Hedged International Shares Fund	8,311,785	8,743,810	8,311,785	8,743,810
International Shares Fund	10,653,060	10,693,567	10,653,060	10,693,567
Infrastructure Fund	8,718,923	8,029,036	8,718,923	8,029,036
Short Term Bond Fund	6,753,334	-	6,753,334	-
Australian Unity Healthcare Property Trust	1,870,324	2,000,000	1,870,324	2,000,000
Total Non-Current Financial Assets	175,973,123	164,125,404	175,973,123	164,125,404

6. Trade and Other Receivables

The carrying amounts of trade and other receivables approximate their fair value due to the short-term maturities of these assets. An allowance for expected credit losses is not maintained as any uncollectible amounts are considered immaterial.

	Consolidated Entity		Restated Parent Entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accrued revenue	1,158,356	2,024,237	123,425	84,675
Trade debtors	2,402,402	1,919,405	1,090,734	1,060,570
Total current receivables	3,560,758	3,943,642	1,214,159	1,145,245

7. Other Current Assets

	Consolidated Entity		Restated Parent Entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Prepayments	1,185,371	868,496	862,998	658,754
Loan to Maryvale Private Hospital *	-	-	1,521,955	1,521,955
Inventory	791,597	727,227	-	-
Other	-	669,421	-	-
Total other current assets	1,976,968	2,265,144	2,384,953	2,180,709

*As at 30 June 2024, \$1,521,955 (2023: \$1,521,955) has been loaned to Maryvale Private Hospital. The short-term loan represents an interest-free funding agreement between Latrobe Health Services and the Hospital, for the payment of deposits on furniture, fixtures and equipment.

8. Property, plant, and equipment

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Freehold land				
At valuation	2,110,000	1,890,000	2,110,000	1,890,000
	2,110,000	1,890,000	2,110,000	1,890,000
Freehold buildings				
At valuation	8,754,245	7,330,983	8,754,245	7,330,983
Less accumulated depreciation	1,575,129	1,416,164	1,575,129	1,416,164
	7,179,116	5,914,819	7,179,116	5,914,819
Motor vehicles				
At cost	45,683	45,683	-	-
Less accumulated depreciation	45,683	45,683	-	-
	-	-	-	-
Office furniture and equipment				
At cost	6,031,036	5,586,864	142,844	73,552
Less accumulated depreciation	3,905,736	3,514,828	49,928	36,977
	2,125,300	2,072,036	92,916	36,575
Fixtures and fittings				
At cost	2,112,317	1,400,699	1,322,431	993,280
Less accumulated depreciation	728,040	573,390	311,665	193,387
	1,384,277	827,309	1,010,766	799,893
Computer equipment				
At cost	4,206,449	3,535,628	2,926,422	2,699,800
Less accumulated depreciation	2,368,410	1,829,890	1,644,881	1,261,013
	1,838,039	1,705,738	1,281,541	1,438,787
Works in progress	-	461,686	-	461,686
Right of Use Assets				
At cost	225,723	154,049	225,723	154,049
Less accumulated amortisation	130,931	69,357	130,931	69,357
	94,792	84,692	94,792	84,692
Total property, plant and equipment	14,731,524	12,956,280	11,769,131	10,626,452

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the 2024 financial year by an external assessor:

	Consolidated Entity 2024						
	WDV at Beginning of Period	Additions	Disposals	Net Revaluation Increase/(Decrease)	Depn/Amort	Transfers *	WDV at End of Period
Freehold land	1,890,000	-	-	220,000	-	-	2,110,000
Freehold buildings	5,914,819	1,078,374	-	(292,414)	(158,966)	637,303	7,179,116
Office furniture and equipment	2,072,036	444,173	-	-	(390,909)	-	2,125,300
Fixtures and fittings	827,309	711,618	-	-	(154,650)	-	1,384,277
Computer equipment	1,705,738	895,877	(50,908)	-	(712,668)	-	1,838,039
Works In Progress	461,686	175,617	-	-	-	(637,303)	-
Right of Use Assets	84,692	71,674	-	-	(61,574)	-	94,792
Total fixed assets	12,956,280	3,377,333	(50,908)	(72,414)	(1,478,767)	-	14,731,524

	Parent Entity 2024						
	WDV at Beginning of Period	Additions	Disposals	Net Revaluation Increase/(Decrease)	Depn/Amort	Transfers *	WDV at End of Period
Freehold land	1,890,000	-	-	220,000	-	-	2,110,000
Freehold buildings	5,914,819	1,078,374	-	(292,414)	(158,966)	637,303	7,179,116
Office furniture and equipment	36,575	69,293	-	-	(12,952)	-	92,916
Fixtures and fittings	799,893	329,151	-	-	(118,278)	-	1,010,766
Computer equipment	1,438,787	448,852	(49,760)	-	(556,338)	-	1,281,541
Works In Progress	461,686	175,617	-	-	-	(637,303)	-
Right of Use Assets	84,692	71,674	-	-	(61,574)	-	94,792
Total fixed assets	10,626,452	2,172,961	(49,760)	(72,414)	(908,108)	-	11,769,131

	Consolidated Entity 2023						
	WDV at Beginning of Period	Additions	Disposals	Revaluation Increase/(Decrease) *	Depn/Amort	Transfers	WDV at End of Period
Freehold land	1,715,000	-	-	175,000	-	-	1,890,000
Freehold buildings	4,867,124	842,733	-	333,972	(129,010)	-	5,914,819
Office furniture and equipment	359,231	1,918,237	(1,416)	-	(204,016)	-	2,072,036
Fixtures and fittings	502,967	401,831	-	-	(77,489)	-	827,309
Computer equipment	1,554,895	720,883	(2,267)	-	(567,773)	-	1,705,738
Works In Progress	1,767,685	7,586,244	-	(8,892,243)	-	-	461,686
Right of Use Assets	102,930	35,750	-	-	(53,988)	-	84,692
Total fixed assets	10,869,832	11,505,678	(3,683)	(8,383,271)	(1,032,276)	-	12,956,280

	Parent Entity 2023						
	WDV at Beginning of Period	Additions	Disposals	Net Revaluation Increase/(Decrease) *	Depn/Amort	Transfers	WDV at End of Period
Freehold land	1,715,000	-	-	175,000	-	-	1,890,000
Freehold buildings	4,867,124	842,733	-	333,972	(129,010)	-	5,914,819
Office furniture and equipment	47,930	3,352	(1,416)	-	(13,291)	-	36,575
Fixtures and fittings	497,252	378,760	-	-	(76,119)	-	799,893
Computer equipment	1,256,913	662,271	-	-	(480,397)	-	1,438,787
Works In Progress	1,767,685	7,586,244	-	(8,892,243)	-	-	461,686
Right of Use Assets	102,930	35,750	-	-	(53,988)	-	84,692
Total fixed assets	10,254,834	9,509,110	(1,416)	(8,383,271)	(752,805)	-	10,626,452

* The devaluation of works in progress of \$8,892,243 relates to the write down of the hospital redevelopment in line with the previous valuation assessment taking current market conditions into consideration.

Revaluations

The revaluation of freehold land and buildings are treated as other comprehensive income. The revaluation of freehold land and buildings are based on the assessment of their current market value. The revaluations are made in accordance with a policy of revaluing land and buildings every 3 years on a rolling basis.

The Consolidated Group engaged Lee Property Valuers & Advisors to perform the revaluation for the following properties:

- 9/80 Main Street, Bairnsdale, valued at a fair value of \$275,000 at 30 June 2024.
- 34-40 Darlimurla Ave, Newborough, valued at a fair value of \$1,800,000 at 30 June 2024.
- Lot 1 Maryvale Rd, Morwell, land valued at a fair value of \$550,000 at 30 June 2024.

The revaluations and impairments are reconciled to the Consolidated Statement of Profit or Loss and Other Comprehensive Income as below:

	Consolidated Group 2024			
	WDV prior to adjustment	Revaluation- Other Comprehensive Income	Impairment Expense	Closing Balance
9/80 Main Street, Bairnsdale	269,836	5,164	0	275,000
34-40 Darlimurla Ave, Newborough	1,952,578	0	(152,578)	1,800,000
Lot 1 Maryvale Rd, Morwell	475,000	75,000	0	550,000
Total movements		80,164	(152,578)	

	Parent Entity 2024			
	WDV prior to adjustment	Revaluation- Other Comprehensive Income	Impairment Expense	Closing Balance
9/80 Main Street, Bairnsdale	269,836	5,164	0	275,000
34-40 Darlimurla Ave, Newborough	1,952,578	0	(152,578)	1,800,000
Lot 1 Maryvale Rd, Morwell	475,000	75,000	0	550,000
Total movements		80,164	(152,578)	

The impairment relates to the reduction in value of the Newborough buildings as per the revaluation performed at 20 June 2024.

The land at Lot 1 Maryvale Rd, Morwell is the location of Maryvale Private Hospital and the appreciation in value was per the revaluation performed at 30 June 2024.

9. Investment in Subsidiary

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
Investment in MPH	\$ -	\$ -	\$ 4,500,000	\$ 3,500,000
Total Investment in MPH	-	-	4,500,000	3,500,000

There was an investment of 1,000,000 shares in Maryvale Private Hospital during the year ended 30 June 2024 (30 June 2023: \$1,000,000)

10. Trade and other payables

	Consolidated Entity		Parent Entity	
	2024	Restated 2023	2024	Restated 2023
	\$	\$	\$	\$
Current				
Trade creditors	6,581,258	7,368,829	4,617,293	5,593,670
Lease liability	51,703	47,309	51,703	47,309
Total current payables	6,632,961	7,416,138	4,668,996	5,640,979
Non Current				
Lease liability	37,261	33,688	37,261	33,688
Total non current payables	37,261	33,688	37,261	33,688

11. Provisions

	Consolidated Entity		Parent Entity	
	2024	Restated 2023	2024	Restated 2023
	\$	\$	\$	\$
Current				
Deferred claims- hospital	-	7,022,000	-	7,022,000
Community Support	1,650,000	-	1,650,000	-
Total provisions	1,650,000	7,022,000	1,650,000	7,022,000

Movements in provisions

Movements in each class of provision during the current financial year, are set out below:

	Consolidated Group		Parent Entity	
	2024	2024	2024	2024
Provisions- Deferred claims- hospital				
Carrying amount at start of year	7,022,000	7,022,000		
Additional provisions recognised	-	-		
Amounts incurred during the year	(7,022,000)	(7,022,000)		
Carrying amount at end of year	-	-		

In accordance with AASB 137, Latrobe Health has written off the provision- deferred claims- hospital liability (DCL) for the year ended 2024. The DCL was initially recognised during the COVID-19 pandemic to account for deferred treatments resulting from lockdowns. As at 2024, the majority of claims associated with this liability have been settled, and no further significant liabilities are expected. Given that the criteria for recognising a provision under AASB 137—namely, the existence of a present obligation, probable outflow of resources, and a reliable estimate—are no longer met, the DCL has been fully written off.

Movement in provisions

Movements in each class of provision during the current financial year, are set out below:

	Consolidated Group		Parent Entity	
	2024	2024	2024	2024
Provisions- Community Support				
Carrying amount at start of year	-	-		
Additional provisions recognised	1,650,000	1,650,000		
Amounts incurred during the year	-	-		
Carrying amount at end of year	1,650,000	1,650,000		

The community support provision will be utilised for the Healthy Hearts programme and Shane Warne Legacy health checks. This initiative builds on our ongoing efforts to promote heart health through free checks at workplaces, shopping centres, and community events.

12. Employee Benefits

	Consolidated Entity		Parent Entity	
	2024	Restated 2023	2024	Restated 2023
	\$	\$	\$	\$
Annual leave	1,996,657	1,735,379	953,665	799,131
Long service leave	1,973,742	1,679,659	732,671	543,713
Employee Benefits	353,873	3,873	353,873	3,873
Paid Parental Leave	27,446	41,189	27,446	41,189
Total employee benefits	4,351,718	3,460,100	2,067,655	1,387,906
Non-current				
Long service leave	345,603	286,027	112,420	80,561
Total non-current provisions	345,603	286,027	112,420	80,561

Movement in employee benefits

Movements in employee benefits during the current financial year, are set out below:

	Consolidated Group		Parent Entity	
	2024	2024	2024	2024
Employee Benefits				
Carrying amount at start of year	3,746,127	1,468,467		
Additional provisions recognised	2,290,740	1,570,192		
Amounts incurred during the year	1,339,546	858,584		
Carrying amount at end of year	4,697,321	2,180,075		

Comprised of:

Current Liability	4,351,718	2,067,655
Non Current Liability	345,603	112,420
Total Employee Benefits	4,697,321	2,180,075

13. Insurance Contract Liabilities

	Consolidated Entity 2024			
	Liability for Remaining Coverage	Present value of future cash flow	Risk Adjustment	Total
Insurance Contract Liabilities				
Balance at 1 July 2023- net insurance liabilities	30,862,931	2,946,101	1,028,000	34,837,032
Insurance Service Result				
Insurance Revenue	219,207,484			219,207,484
Insurance Service Expenses				
Incurred Claims and other expenses		(205,604,388)		(205,604,388)
Insurance Service Result	219,207,484	(205,604,388)		13,603,096
Cash Flows				
Premiums received	(220,003,523)			(220,003,523)
Claims and other expenses paid		205,604,388		205,604,388
Total Cash Flows	(220,003,523)	205,604,388		(14,399,135)
Changes that relate to future service: losses on onerous contracts and reversals of those losses	1,292,575			1,292,575
Changes that relate to past service: changes to liabilities for incurred claims		7,424,422	(277,000)	7,147,422
				0
Balance at 30 June 2024	30,366,395	10,370,523	751,000	41,487,918

	Consolidated Entity 2023			
	Liability for Remaining Coverage	Present value of future cash flow	Risk Adjustment	Total
Insurance Contract Liabilities				
Balance at 1 July 2022- net insurance liabilities	29,763,012	6,195,183	1,176,000	37,134,195
Insurance Service Result:				
Insurance Revenue	207,829,235			207,829,235
Insurance Service Expenses:				
Incurred Claims and other expenses		(193,397,154)		(193,397,154)
Insurance Service Result	207,829,235	(193,397,154)		14,432,081
Cash Flows				
Premiums received	(209,581,266)			(209,581,266)
Claims and other expenses paid		193,397,154		193,397,154
Total Cash Flows	(209,581,266)	193,397,154		(16,184,112)
Changes that relate to future service: losses on onerous contracts and reversals of those losses	652,112			652,112
Changes that relate to past service: changes to liabilities for incurred claims		(3,249,082)	(148,000)	(3,249,082)
Balance at 30 June 2023	30,862,931	2,946,101	1,028,000	34,837,032

14. Borrowings

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
14 Borrowings	\$	\$	\$	\$
Current Borrowings	455,293	257,820	-	-
Non-Current Borrowings	1,692,177	1,193,909	-	-
Total Borrowings	2,147,470	1,451,729	-	-

During the prior financial year, funding of \$3.0m from the National Australia Bank ('NAB') was approved to fund the purchase of furniture, fixtures and equipment in relation to the hospital redevelopment. In 2024 an additional \$1.025m (2023: \$1.493m) was drawn down. The borrowings are principal and interest payment loans, repayable in monthly instalments of \$20,574 (2023: \$29,678) and due to mature in 2029 (2023: 2028). The variable interest rate is 7.5706% (2023: 7.1506%). Current borrowings consist of 12 month principal repayments, with the remaining balance to be repaid within 5 years from the date of draw down. The unused facility at 30 June 2024 was \$482,000 (2023: \$1.507m).

15. Retained Earnings

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2024	2023	2024	2023
Retained Earnings	\$ 202,631,014	\$ 177,584,674	\$ 205,817,408	\$ 179,210,038
Balance at beginning of period	177,584,674	164,926,365	179,210,038	165,162,652
Profit attributable to members	25,046,340	12,658,309	26,607,370	14,047,386
Balance at end of period	202,631,014	177,584,674	205,817,408	179,210,038

16. Reserves

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2024	2023	2024	2023
Asset Revaluation Reserve	\$ 1,410,372	\$ 1,330,208	\$ 1,410,372	\$ 1,330,208
Balance at beginning of period	1,330,208	821,236	1,330,208	821,236
Revaluation of land & buildings	80,164	508,972	80,164	508,972
Balance at end of period	1,410,372	1,330,208	1,410,372	1,330,208

The land and buildings have been revalued as per Note 1.

17. Cash flow information

	Consolidated 2024	Restated 2023	Parent Entity 2024	Restated 2023
	\$	\$	\$	\$
(a) Reconciliation of cash and cash equivalents				
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	35,450,685	22,265,463	32,409,405	20,098,939
Deposits with banks	29,001,262	27,865,663	29,001,262	27,865,663
Cash at end of year	64,451,947	50,131,126	61,410,667	47,964,602
(b) Reconciliation of cash flows from operations with surplus				
Net Profit	25,046,340	12,658,309	26,607,370	14,047,386
Non-Cash Flows in Profit				
Depreciation & Amortisation	1,478,767	1,032,276	908,108	752,805
Loss on disposal of assets	49,761	-	49,761	-
Net gains on financial assets at FVPL	(9,345,993)	(9,180,910)	(9,345,992)	(9,180,910)
Impairment of assets	152,578	8,792,943	152,578	8,792,943
Changes in assets and liabilities				
(Increase)/decrease in receivables	735,433	761,185	(273,155)	(33,742)
Decrease in inventories	(64,370)	(54,203)	-	-
Decrease in payables	(779,604)	(5,724,893)	(968,410)	(5,690,703)
Decrease in provisions	(4,420,806)	(4,319,340)	(4,660,392)	(4,402,682)
Increase in other liabilities	6,650,886	1,930,860	6,650,886	1,930,860
Cash Flows from operations	19,502,992	5,896,227	19,120,754	6,215,957

18. Controlled entities

Controlled entities consolidated

Subsidiary of the Consolidated Group:	Maryvale Private Hospital Pty Ltd
Country of incorporation	Australia
Percentage owned (%)	100%

19. Related party transactions

Parent entity

Latrobe Health Services Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 15.

Key management personnel

Disclosures relating to key management personnel are set out in note 16(b) below.

Transactions with related parties

Throughout the year, Latrobe Health Services recharged certain costs to Maryvale Private Hospital for providing operational and administrative support to the Hospital. Total recharges were immaterial to the Group result and were at cost with no mark-up applied.

The related party transactions for the Consolidated Group comprise of the following:

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Company Secretary Oncharge	45,000	45,000	45,000	45,000
Properties and facilities charges	20,000	20,000	20,000	20,000

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans to with related parties:

Current receivables:

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Loan to Maryvale Private Hospital	-	-	1,521,955	1,521,955

The short-term loan represents an interest-free funding agreement between Latrobe Health Services and the Hospital, for the payment of deposits on furniture, fixtures and equipment.

20. Remuneration of key management personnel

Any person(s) 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 is considered key management personnel.

The totals of remuneration paid to key management personnel of the Consolidated Group during the year are as follows:

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Short term benefits	3,386,653	3,265,719	2,704,364	2,599,613
Post-employment benefits	234,697	227,180	234,697	227,180
Long term benefits	136,240	97,438	136,240	97,438
Total key management personnel compensation	3,757,590	3,590,337	3,075,301	2,924,231

21. Capital management

The capital structure of the Consolidated Group consists of cash reserves and investments representing policy holder funds. Operating cash flows are used to maintain and increase the Consolidated Group's investments. The Consolidated Group's investments at reporting date mainly consist of term deposits, and managed funds overseen by the investment committee.

The Consolidated Group manages its capital according to its Capital Management Policy to ensure it will be able to continue as a going concern and protect policy holder funds.

The Consolidated Group is subject to externally imposed capital requirements under the Private Health Insurance Act 2007 and aims to maintain capital reserves at a sufficient level to sustain the fund in the long term from the adverse effect of the risks that it is exposed to.

22. Financial Instruments

	Consolidated Entity 2024	Restated 2023	Parent Entity 2024	Restated 2023
	\$	\$	\$	\$
The following outlines the categories of financial assets and liabilities:				
(a) Categories of financial assets and liabilities				
Financial assets at amortised cost				
Trade and other receivables	3,560,758	3,943,642	1,214,159	1,145,245
Cash and cash equivalents	64,451,947	50,131,126	61,410,667	47,964,602
	68,012,705	54,074,768	62,624,826	49,109,847
Financial assets fair value through profit or loss				
Managed Investments	175,973,123	164,125,404	175,973,123	164,125,404
	175,973,123	164,125,404	175,973,123	164,125,404
Financial liabilities at amortised cost				
Trade and other payables	6,670,222	7,449,826	4,706,257	5,674,667
Borrowings	2,147,470	1,451,729	-	-

a) Financial risk management

The entity's financial instruments consist of deposits with bank, short term and long term investments, accounts receivables, accounts payable and bank borrowings.

The main risks the entity is exposed to through its financial instruments are market risk, credit risk and liquidity risk.

(i) Market risk

Interest rate risk

The entity's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets. The entity manages this risk by adopting a defensive investment strategy.

At the balance date, the entity had the following financial assets exposed to Australian interest rate risk:

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
Financial assets				
Cash and cash equivalents	35,450,685	22,265,463	32,409,405	20,098,939
Fixed Interest Investments- Term Deposits with banks	29,001,262	27,865,663	29,001,262	27,865,663
	64,451,947	50,131,126	61,410,667	47,964,602
Financial liabilities				
Borrowings	2,147,470	1,451,729	-	-
	2,147,470	1,451,729	-	-

If interest rates had differed for the entire reporting period by 100 basis points, with all other variables remaining constant, the operating profit and equity would have been affected as follows:

Judgements of reasonably possible movements	2024	2023	2024	2023
	\$	\$	\$	\$
Cash and cash equivalents, term deposits and fixed interest investments				
+100 bps (2023: +100 bps)	644,519	501,311	614,107	479,646
-100 bps (2023: +100 bps)	-644,519	-501,311	-614,107	-479,646

Other market price risk

The entity is indirectly exposed to equity securities price risk. This arises from investments held by the company in managed funds classified on the statement of financial position as financial assets at fair value through profit and loss. It is managed by setting and monitoring objectives and constraints on investments, diversification plans and limits on investments in each country, sector, and market.

The Company's indirect exposure to equity securities through its investment in Australian share funds, hedged international shares fund and international shares fund was \$46,367,224 at 30 June (2023 \$42,296,972).

The following sensitivity analysis is based on the equity price risk exposures in existence at balance date. Had the market prices moved, as illustrated in the table below, with all other variables held constant, the operating profit and equity would have been affected as follows:

Judgements of reasonably possible movements	2024	2023	2024	2023
	\$	\$	\$	\$
Investments in equities				
+100 bps (2023: +100 bps)	376,483	342,679	376,483	342,679
-100 bps (2023: +100 bps)	-376,483	-342,679	-376,483	-342,679

(ii) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any loss allowance, as disclosed in the financial statements. Due to the nature of the industry and value of individual policies, the Consolidated Group does not request any collateral nor is it the policy to secure its premiums in arrears and trade and other receivables. The Consolidated Group regularly monitors its premiums in arrears, with the result that exposure to bad debts is not significant. The credit risk in respect to premiums in arrears, incurred on non-payment of premiums, will only persist during the grace period of 90 days as specified in the Fund Rules when the policy may be terminated.

The Consolidated Group is not exposed to claims whilst a membership is in arrears. Trade and other receivables are monitored regularly and escalated when they fall outside of terms. There are no significant concentrations of premium credit risk within the entity.

The Consolidated Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into.

Debtors consist predominately of government bodies in relation to premium reductions, and banking institutions in relation to accrued interest receivables.

The Consolidated Group does not have any material credit risk exposure to any one party to financial instruments. The company has assessed the maximum amount of exposure and determined the credit quality of the financial instruments held at 30 June 2024 is sound.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

(iii) Strategic Asset Allocation

The investment policy only applies to the investment reserve managed by Latrobe Health.

The target allocation limit is:

Asset Classes	Interim SAA	Allowable Range	Actual SAA
Growth Assets	22%	10%-35%	20%
Australian Equities	8.00%	0%-15%	7.90%
Global Equities- Unhedged	5.50%	0%-8%	4.50%
Global Equities- Hedged	3.50%	0%-8%	3.50%
Global Unlisted Infrastructure- Hedged	4.00%	0%-8%	3.70%
Australian Direct Property	1.00%	0%-8%	0.80%
Growth/Defensive Assets			
Private Debt	0%	0%-8%	0.00%
Defensive Assets	78%	65%-90%	80%
Australian Government Bonds	10%	0%-20%	11.30%
Short Duration Fixed Income (Inflation Plus)	17%	0%-25%	13.60%
Global Credit (Hedged)	6%	0%-15%	5.60%
Short Term Bonds	3%	0%-10%	2.80%
Cash	42%	30%-60%	46.40%

(iv) Liquidity risk

The Consolidated Group manages liquidity risk by monitoring forecast cash flows and ensuring adequate cash is available.

The table below reflects all contractually fixed pay-offs for settlement and interest resulting from recognised financial liabilities as at 30 June 2024, as well as the respective undiscounted cash flows for the respective upcoming fiscal years. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 30 June 2024. The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows.

Trade payables and other financial liabilities mainly originate from the financing of assets used in ongoing operations such as property, plant and equipment and investments in working capital. These assets are considered by the entity in the overall liquidity risk. To monitor existing financial liabilities as well as to enable an effective overall controlling of future risks, the Consolidated Group has established comprehensive risk reporting that reflects expectations of management of expected settlement of financial liabilities. The remaining contractual maturities of the entity's financial liabilities and estimated timing of net cash outflows from claims liabilities are:

2024 \$	Under 6 months	6-12 months	Over 12 months	Total contractual cash flows	Carrying amount
Trade and other payables	6,632,961	37,261	0	6,670,222	6,670,222
Borrowings	123,444	331,849	1,692,177	2,147,470	2,147,470
	6,756,405	369,110	1,692,177	8,817,692	8,817,692
2023 \$ Restated	Under 6 months	6-12 months	Over 12 months	Total contractual cash flows	Carrying amount
Trade and other payables	7,416,138	33,688	0	7,449,826	7,449,826
Borrowings	178,065	79,755	1,193,909	1,451,729	1,451,729
	7,594,203	113,443	1,193,909	8,901,555	8,901,555

(iv) Insurance risk management

The Consolidated Group provides private health insurance across a range of services, including: hospital insurance for private patients, ancillary or extras cover. These services are written as two types of contracts: hospital and/or general treatment cover.

The table below provides an overview of the key variables upon which the cash flows of the insurance contracts are dependent.

Type of contract: Hospital cover	
Details of contract workings	Defined benefits paid for hospital treatment, including accommodation, medical and prostheses costs.
Nature of claims	Hospital benefits defined by the insurance contract or relevant deed.
Key variables that affect the timing and uncertainty of future cash flows	Claims incidence and claims inflation.
Type of contract: Ancillary cover	
Details of contract workings	Defined benefits paid for ancillary treatment, such as dental, optical and physiotherapy services.
Nature of claims	Ancillary benefits defined by the insurance contract or relevant deed.
Key variables that affect the timing and uncertainty of future cash flows	Claims incidence and claims inflation.

Insurance risks are managed through the use of claims management procedures, close monitoring of experience, the holding of capital in excess of prudential requirements, the ability to vary premium rates, and risk equalisation.

Claims management

Strict claims management ensures the timely and correct payment of claims in accordance with policy conditions and provider contracts. Claims are monitored on a monthly basis to track the experience of the products.

Experience monitoring

Monthly financial and operational results, including portfolio profitability and prudential capital requirements, are reported to management committees and the Board. Insurance risks and experience for the industry are also monitored by the regulator, APRA.

Prudential capital requirements

All private health insurers are required to comply with prudential capital requirements providing a buffer against certain levels of adverse experience. The Board has a target level of capital which exceeds the regulatory requirement.

Ability to vary premium rates

The Consolidated Group has the ability to vary future premium rates subject to the approval of the Federal Minister for Health.

Risk equalisation

The Private Health Insurance Act requires resident private health insurance contracts to meet community rating requirements, prohibiting health insurers from discriminating between people on the basis of their health status, gender, race, sexual orientation, religious belief, age (except as allowed under Lifetime Health Cover provisions), increased need for treatment or claims history. To support these restrictions, all private health insurers must participate in the Risk Equalisation Trust Fund under which all private health insurers share the cost of proportions of the eligible claims of all persons aged 55 years and over, and claims meeting the high cost claim criteria.

Concentration of health risk

The consolidated group has health insurance contracts covering several classes of health insurance business, including: hospital insurance for private patients, general treatment cover. This business does not result in significant exposure to concentrations of risk because contracts written cover a large volume of persons across all regional Victoria.

b) Capital management

Latrobe Health's health benefits fund is required to maintain sufficient capital to comply with APRA's solvency and capital adequacy standards. The solvency standard aims to ensure that the fund has enough cash or liquid assets to meet all its liabilities as they become due, even if the cash flow is 'stressed'. The standard consists of a requirement to hold a prescribed level of cash and mandates a liquidity management plan. The capital adequacy standard aims to ensure that there is sufficient capital within a health benefits fund to enable the ongoing conduct of the business of the fund.

The standard consists of a requirement to hold a prescribed level of assets to be able to withstand adverse experience and mandates a capital management policy. The capital management policy includes target capital levels, capital trigger points and corrective action plans. The health benefits fund is required to comply with these standards on a continuous basis and report results to APRA on a quarterly basis. The fund has been in compliance with these standards throughout the year. The Board has in place a capital management policy for the health benefits fund. Capital is managed against this policy and performance is reported to the Board on a monthly basis.

c) Net Fair Values

The net fair value of assets and liabilities approximates their carrying value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the financial statements.

23. Fair value hierarchy

The entity classifies the fair value measurement of its investments by level of the following fair value measurement hierarchy:

Level 1: Quote prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the entity's assets measured and recognised at fair value at 30 June 2024 on a recurring basis.

Consolidated Entity					
	2024	Level 1	Level 2	Level 3	Total
	\$				
Financial Assets					
- Managed Investments		-	175,973,123	-	175,973,123
Land and Buildings		-	-	9,289,116	9,289,116
Total		-	175,973,123	9,289,116	185,262,239

Consolidated Entity					
	2023	Level 1	Level 2	Level 3	Total
	\$				
Financial Assets					
- Managed Investments		-	164,125,404	-	164,125,404
Land and Buildings		-	-	7,804,819	7,804,819
Total		-	164,125,404	7,804,819	171,930,223

Parent Entity					
	2024	Level 1	Level 2	Level 3	Total
	\$				
Financial Assets					
- Managed Investments		-	175,973,123	-	175,973,123
Land and Buildings		-	-	9,289,116	9,289,116
Total		-	175,973,123	9,289,116	185,262,239

Parent Entity					
	2023	Level 1	Level 2	Level 3	Total
	\$				
Financial Assets					
- Managed Investments		-	164,125,404	-	164,125,404
Land and Buildings		-	-	7,804,819	7,804,819
Total		-	164,125,404	7,804,819	171,930,223

Valuation techniques

Level 2 The fair value of financial instruments that are not traded in an active market is determined using the unit prices of the unit trusts. These valuations are performed by Mercer Investments (Australia) Limited.

Land and buildings are valued in accordance with the methodology outlined in Note 1. There were no changes made during the financial year to the valuation techniques applied as at 30 June 2024.

There were no significant transfers between the levels during the current or prior financial year.

24. Auditor's remuneration

	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
Audit of financial statements and regulatory compliance	\$ 172,065	\$ 134,300	\$ 150,950	\$ 115,200

Grant Thornton Audit Pty Ltd has been engaged to express an opinion of the financial statements and compliance with regulatory reporting, and the attached notes, as a whole.

25. Contingent Liabilities

There are no contingent liabilities as at 30 June 2024 (2023: Nil).

26. Subsequent Events

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated Group's operations, the results of those operations, or the consolidated group's state of affairs in future financial years.

27. Consolidated group information

Consolidated Group Structure

The consolidated group is limited by guarantee. If the consolidated group is wound up, the Constitution states that each consolidated group member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the consolidated group. As at 30 June 2024, the number of consolidated group members was 14 (2023: 9).

Principal Registered Office

Latrobe Health Services Limited

32 Darlimurla Ave
Newborough Victoria 3825

Telephone: 1300 362 144

Email: info@lhs.com.au

Website: latrobehealth.com.au

Consolidated Entity Disclosure Statement As at 30 June 2024

Entity Name	Entity Type	Place formed/ Country of incorporation	Ownership	Tax Residency
Maryvale Private Hospital Pty Limited	Australian Private Company	Australia	100%	Australia

Directors' declaration

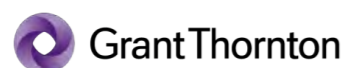
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



Kelly Johnston
Director
19 September 2024



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Independent Auditor's Report

To the Members of Latrobe Health Services Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Latrobe Health Services Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the 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, and notes to the consolidated financial statements, including material accounting policy information, and the Directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

D M Scammell
Partner – Audit & Assurance

Melbourne, 19 September 2024



Award winning health insurance

