



Our Impact

2024 Report



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180+ years
Established in 1840, Australian Unity is Australia's first wellbeing company.



Positive impact
We invest to deliver products and services sustainably that matter most to our community.



Wellbeing experts
For more than 20 years we've partnered with Deakin University to measure the wellbeing of Australians.



Australian Unity acknowledges the Traditional Owners of the lands and waters of Australia and recognises the important connection to Country that Aboriginal and Torres Strait Islander peoples have.

Welcome

A message from our Chair and Group Managing Director

We are pleased to present Australian Unity's *Our Impact* report for 2024. Now in its fourth year, this report has evolved, as has the way we are applying our Community & Social Value (CSV) framework across our business areas.

Delivering social impact is linked with our purpose as an organisation to positively impact the wellbeing of millions. In executing our strategy to deliver on this purpose, we aim to ensure our work reaches our members, customers and employees as well as the broader community both now and into the long term.

Since 2021, we have calculated our impact using our CSV framework—a framework we developed with social impact specialists Social Ventures Australia. Through this framework, each year we attribute a dollar value to our impact. We use this approach because we recognise that a monetary figure serves as a universal language, making the reach and impact of our portfolio of health, wealth and care products and services more tangible.

In the last year, we have proudly delivered \$2.012b of social impact value.

The growth that we have seen in our social impact value over the past four years reflects our strengthening approach to community and social value.

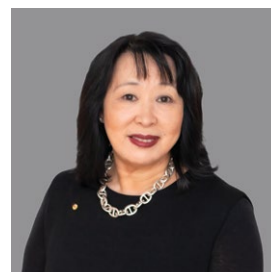
In this report, we show how we are embedding the use of social impact value into different layers

of our decision making processes. For example, our recent acquisition of *myHomecare* and the increased provision of home care services that this combined business will offer, will increase our overall social impact value over time (read more on page 19).

This acquisition was well beyond a solely financial decision—our Home Health customers have told us that their wellbeing is enhanced when they can stay in place and in their homes. We know from research and evidence that this sense of personal connectivity translates to lower demand for other formal and crisis areas of health and aged care services. So, our decision to increase our capabilities to best support our community in this area was an easy one to make. This decision was also reflected in the transformational change our business has undergone during the financial year.

Through the report, we also aim to enhance your understanding of our calculations, data, methodology and assumptions, and how we seek to refine these measurements year-on-year. Alongside these measurements and methodologies, our Westpac Sustainability-Linked Loan (SLL), which is featured on page 14, further demonstrates how we are accessing the wellbeing capital market by broadening our thinking outside traditional financial measures.

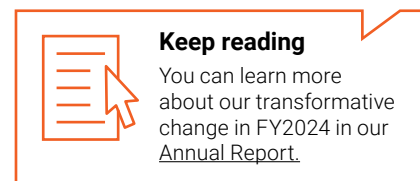
We hope this report provides insight into how our focus on community and social value is taking on an increasingly important role across Australian Unity and the significant efforts that we are making to mature our delivery and reporting on our social impact value.



Lisa Chung
Lisa Chung AM
Chair



Rohan Mead
Rohan Mead
Group Managing Director
& Chief Executive Officer



Our social impact value

\$2.012 billion
in total social impact value for FY2024.

Lifelong wellness

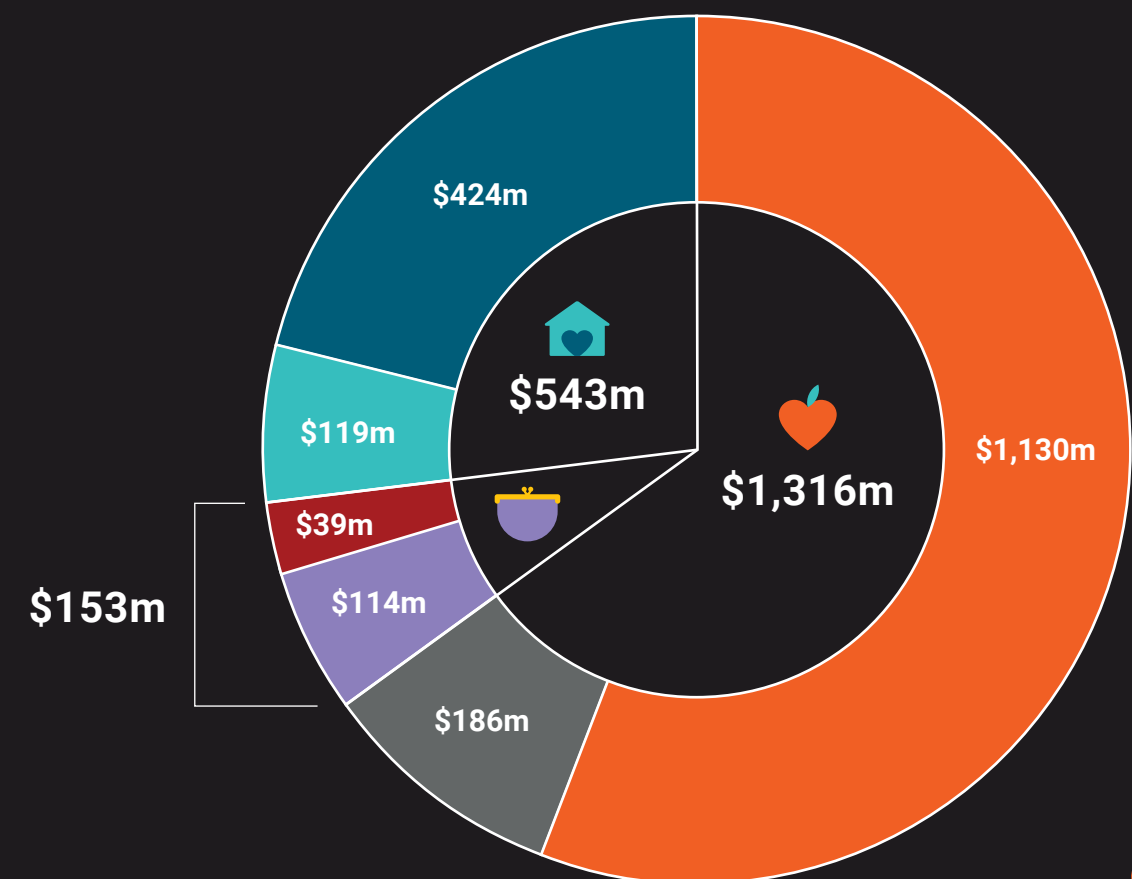
- Better access to healthcare
- Improved health outcomes

Economic empowerment

- Building financial resilience
- Social and economic opportunities through employment

Strong communities

- Leading social innovation
- Supporting living in place





Who are we in 2024?

Established in 1840, we are Australia’s first wellbeing company, founded by a group of ordinary citizens who gathered in a Melbourne pub, driven to create a positive impact on the Real Wellbeing of members and the community. To this day, we remain true to our roots as a social enterprise and have more flexibility to reinvest profits to sustainably deliver products and services across our portfolio of health, wealth and care.

Real Wellbeing is about an individual’s standard of living, personal relationships and being connected to community. It’s about achieving in life while having the security to get out and do what makes you happy.

Since 2000, we’ve measured the Real Wellbeing of Australians with Deakin University through the Australian Unity Wellbeing Index.

The Index is a tool that measures overall life satisfaction across Australia, focusing on seven key areas of wellbeing. It has grown to become one of the most credible and enduring studies of wellbeing in Australia.

Drawing on our work with Deakin University and the Australian Unity Wellbeing Index, we are proud to deliver our Community and Social Value (CSV) framework in partnership with leading social impact specialists Social Ventures Australia (SVA). As the fourth iteration of our report, we continue to work with SVA to enhance and develop our robust methodology to measure and value the impact we create for members, customers, employees and the broader community. You can read more about the updates and changes we have made on the following page.



Our portfolio

We have built a diverse and thematically linked portfolio delivering health, wealth and care services, organised under four customer-focused platforms.

Platform	Business unit	Description
Home Health	Home Care Services	Home Care Services is the largest part of our Home Health business, an integrated healthcare business created to support Australians to age well, with solutions designed for delivery in home and community care settings. These services are delivered across a range of modalities, from domestic assistance to clinical care, in person as well as virtually. Across all these modalities, the business also designs and delivers culturally appropriate care to Aboriginal and Torres Strait Islander customers.
	Virtual Health	Our Remedy healthcare services aim to assist customers to live a healthy, full life. This is what drives our nurses, health coaches and allied health professionals as they support people on their journey to better health through programs such as Rehab and Hospital in the Home and health coaching.
	Mental Health	Our mental health support programs enable customers to manage depression and anxiety on their own terms and in the privacy of their own homes. Our programs aim to improve post-hospital care and to help empower patients, giving them the tools for ongoing self-management and to help improve their quality of life.
Residential Aged Care		We own and operate 12 aged care facilities, co-located with our retirement villages across New South Wales, Victoria and Queensland.
Wealth & Capital Markets	Social Infrastructure	Sourcing and managing capital, our property investment strategies provide much needed healthcare facilities, retirement villages, infrastructure for business, community amenities and homes to support and improve the quality of life for those needing additional care or assistance to live independently.
	Australian Unity Life	Our Australian Unity Life is related to businesses that are Friendly Societies, it offers a range of investment bonds, funeral bonds and education savings plans.
	Funds Management	We provide investment solutions through high-quality, differentiated and relevant investment management capabilities in asset classes including venture and private capital, equities, property, fixed interest and cash.
	Trustees	We provide traditional trustee services, including financial administration and estate and trust administration as well as estate planning and taxation services.
Retail	Private Health Insurance	Our policyholders are insured against a range of costs that (depending on the cover held) includes hospital accommodation, theatre fees, prostheses and more—with extras cover extending to treatments such as dental, optical and physio.
	Banking	Australian Unity Bank offers a wide range of personal banking services, such as owner-occupied and investor home loans, personal loans, credit cards, everyday transaction accounts, savings accounts and term deposits. Our bank also offers general insurance distribution services to individuals.

The Australian Unity portfolio has undergone significant change throughout the year. You can read more about these changes and their impact on our CSV on page 19.

Changes to our report

Our Impact and the Australian Unity Community & Social Value (CSV) framework enters its fourth year of reporting, reflecting our commitment to improving and applying the CSV framework across our business.

Every year we endeavour to mature, refine, improve and implement feedback gathered following the previous iteration of our report and CSV model.

The framework is being increasingly embedded as a tool to inform strategic decision making, seeking to direct investment into addressing functional and societal needs and to help us measure the positive impact we have on our customers, members and the community.

Strategic impact of our CSV framework

This year's report highlights how the CSV framework has guided the shaping of our portfolio and how our business decisions have delivered community and social value. For example, identifying the social impact value that will be delivered through our acquisitions of *myHomecare* and IOOF Ltd—Insignia Financial group's investment bond business (see page 19).

Securing a Sustainability-Linked Loan for growth

In September 2023, Australian Unity used our CSV framework to secure a Sustainability-Linked Loan (SLL) with Westpac Banking Corporation, aimed at driving growth in our social impact value. This financing further underpins our desire to create better outcomes for our members and the community. More information can be found on the SLL on page 14.

“

Australian Unity has taken an innovative approach to measuring our social impact value through the development of our CSV framework. We always held the ambition to become truly accountable to the CSV framework, and through the SLL we're aligning our financial performance with social responsibility.”

Darren Mann
Group Executive—Finance & Strategy and Chief Financial Officer



Our commitment to measuring and improving impact

Passionate about how we measure impact, we share greater detail about the CSV framework's data, methodology and assumptions, including how we continue to refine our measurement. Each year we strive to increase the quality of our data, for example, by completing more quality stakeholder surveys to gain greater insights as to how we directly impact their wellbeing. While spread through this report, you can see this data in the Basis of Preparation on page 41.



The role of our partners

A key principle that underpins our CSV framework is ensuring we recognise the contribution of our partners and don't take credit for this ourselves. On page 31 you will find a new section detailing a breakdown of where our framework attributes value to Australian Unity's investors and operators and the family and friends who surround our customers and members.



Detailed analysis of key areas and programs

We have delved into our most material areas of impact or change for the year and looked at Home Health's in-home care service, Private Health Insurance, Australian Unity Life and the activity of the Healthcare Property Trust. We detail the activities of these businesses and how they have translated to greater social impact value. We also examine specific programs of work throughout the business that have experienced a material change in social impact value for the year and look at what has driven this development. You can read about these from page 20.



Updated reporting on Governance

Previously, we have reported on Governance-related activity and initiatives in *Our Impact*. This can now be found online on our [Corporate Governance](#) page or refer to our Annual Report.



Enhancing focus on sustainability and environmental initiatives

At Australian Unity, we are also focused on progressing sustainability and environment-related activity. While we've previously reported on Environmental, Social and Governance (ESG) initiatives in *Our Impact*, from 2024, information on our environment-related activity will be found within our Annual Report. This is in line with the [Commonwealth Treasury's](#) upcoming mandate for climate-related financial disclosures to be reported in a company's Annual Report.



Our new assurance partner

In line with changes made to Australian Unity's financial audit partner, in 2024 we have engaged KPMG to provide limited assurance over the social impact value we created during this financial year.



Keep reading

[Climate-Related Financial Disclosures Bill](#)
[Our Governance](#)



CSV framework updates in 2024

What’s new in our CSV framework this year?

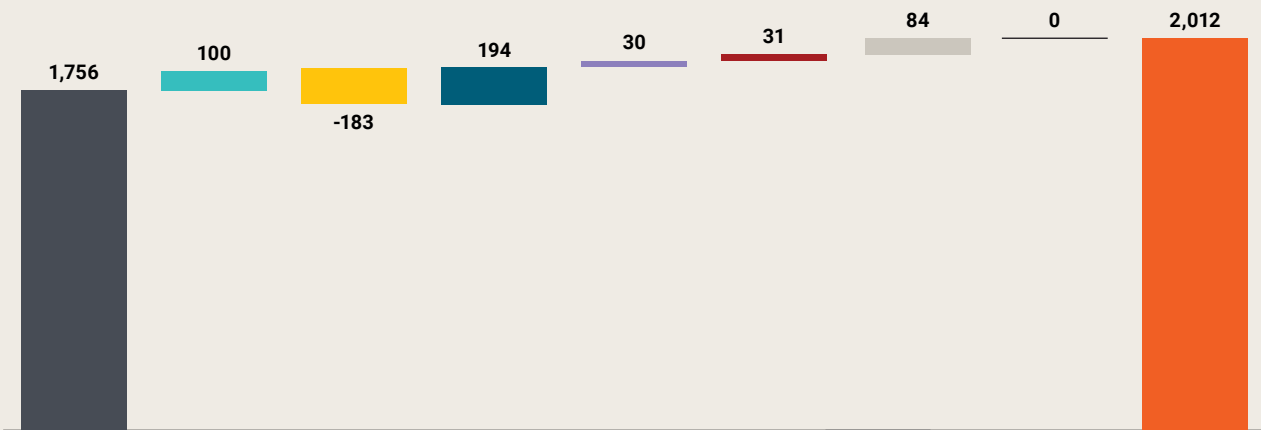
In 2024, we have increased the number of products we measure and determined their social impact value, including:

- Our investment into purpose-built student accommodation, with the first students moving into accommodation at our Herston Quarter healthcare precinct in Brisbane.
- The impacts on family members of our customers who may experience relief of care requirements for their loved ones, via home care and residential aged care services.
- Additional impacts from our retirement communities on the wellbeing of residents and the broader community, for example, from people right-sizing and making larger homes available to others in the community in a time of housing scarcity and stress.
- Refined assumptions around customer impacts by drawing on resident surveys in retirement villages and residential aged care.



Value bridge

As part of our ongoing commitment to creating a CSV framework, we take every opportunity to enhance the accuracy and robustness of our CSV methodology. Our FY2024 CSV framework follows several adjustments identified in conjunction with Social Ventures Australia.






Our CSV in FY2023 (\$m)	Due to acquisitions	Due to divestments /program ending	Due to new outcomes/ updating methodology	Driven by performance (existing outcomes)	Growth in proxy (inflation)	Growth by change in proxy	Driven by change in discounting	Our CSV in FY2024 (\$m)
% change	+5.7%	-10.4%	+11.0%	+1.7%	+1.8%	+4.8%	0%	+14.6%

Note: Totals may not correspond to sum of separate figures due to rounding.



Our year-on-year performance

Priority outcome	FY2024 (\$m)	FY2023 (\$m)	Variance (\$m)
 Lifelong wellness			
Better access to healthcare	1,130	802	+328
Improved health outcomes	186	180	+6
 Economic empowerment			
Building financial resilience	114	188	-74
Social and economic opportunities through employment	39	46	-7
 Strong communities			
Leading social innovation	119	223	-104
Supporting living in place	424	317	+107
Total	2,012	1,756	+256



“

Measuring our impact with the universal measurement of a dollar figure isn’t perfect. However, it allows us to assess our performance in a robust and evidence-based way—allowing for comparison between different outcomes and changes over time.

Our activities that address the core need of our customers and the community are the real outcomes that we deliver.”

Siobhan Henderson
Strategy & Impact Manager



Our community and social value framework across the business

Keep reading

For more on the development of our CSV framework with Social Ventures Australia, refer to the [Our Impact](#) page on our website.

Australian Unity has partnered with Social Ventures Australia (SVA) to develop and implement its approach to measuring and reporting the company's creation of social impact value since 2019.

The CSV framework captures our unique impact on:

- *Individuals* and their family, friends and networks.
- *Broader society*, for example, our healthcare system.

You can find further information on the basis of our CSV framework on page 41.

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			Business units										Stakeholders		FY2024 total value (\$m)
Impact area	Priority outcome		Private Health Insurance	Home Care Services	Virtual Health	Mental Health	Social Infrastructure	Residential Aged Care	Trustees	Group Procurement	Funds Management				
<p>Lifelong wellness</p> <p>We help people access better levels of health and wellness with care and services that are based on individual needs.</p>	Better access to healthcare	Through a diverse range of services and investment initiatives, we create access to quality healthcare—including hospital substitution, early intervention and preventative programs, in-home and health services and specialist health facilities.	✓	✓	✓	✓	✓	✓				Customers Broader society (systemic)	1,130		
	Improved health outcomes	We understand that to be effective, care and services must be tailored to meet the needs of individuals, and not the other way around. Our customers experience positive health outcomes through Australian Unity's care products and services, including those accessing services at facilities owned by our social infrastructure funds.		✓	✓	✓	✓	✓				Customers Broader society (systemic)	186		
<p>Economic empowerment</p> <p>We help build financial security and resilience to provide confidence about the future and to deal with life's challenges.</p>	Building financial resilience	We recognise financial security as an important contributor to wellbeing. We help people build their financial resilience and improve their financial wellbeing through our financially efficient investments and savings products. We also help build broader societal financial resilience through prioritised spends with Indigenous and social enterprises linked to our Reconciliation Action Plan priorities.		✓			✓	✓	✓	✓		Customers Employees Broader society (systemic)	114		
	Social and economic opportunities through employment	As a wellbeing company, we know the positive impact of being financially secure and socially connected. We provide social and economic opportunities through meaningful employment, including offering permanency where possible to our healthcare workers in a 'gig' dominated sector.		✓*		✓*	✓	✓*				Customers Broader society (systemic)	39		
<p>Strong communities</p> <p>We create strong communities providing individuals with a sense of purpose and security through meaningful engagement, access to services and social connectedness.</p>	Leading social innovation	With the gap between available human services and demand widening across Australia, we seek to drive positive change and opportunities in Australian communities with innovative products, infrastructure developments and solutions including specialist disability accommodation, childcare and healthcare facilities.				✓				✓	Customers Broader society (systemic)	119			
	Supporting living in place	We invest in place-based models of care, social and community infrastructure and affordable specialist accommodation that positively contribute to the wellbeing of our customers and the community. We also provide financial management and administrative services to support the daily living for those unable to manage their own affairs.		✓	✓		✓	✓	✓			Customers Broader society (systemic)	424		

* workforce

“

We're excited about Westpac endorsing our methodology and bringing capital to it. This is a game changer because our methodology is evidence based. It's disciplined and scalable.”

Adam Vise
General Manager—Strategy & Impact
and Group Treasurer

Sustainability-Linked Loan

Recognising our ESG journey, efforts to deliver community and social value and our vision to enable wellbeing for our members, customers and the community, Australian Unity partnered with Westpac Banking Corporation (WBC) to develop a Sustainability-Linked Loan (SLL). Launched in September 2023 and linked to our CSV framework, this external endorsement was an important milestone in advancing our vision for measuring social impact value.

The SLL is linked to our delivery of social impact value, such that the loan's interest rate is adjusted by discounts or penalties depending on our achievement of annual growth in social impact value.

Sustainability-linked instruments link the cost of borrowing to the borrower's performance against material sustainability key performance indicators (KPIs) and pre-defined targets. With respect to Australian Unity's SLL, structured in accordance with the SLL Principles, the CSV generated by our business serves as the KPI for our loan. The measure is material across the entirety of our business operations, with almost every business unit contributing to total social impact value. The measure is also material to society, with a social impact value in FY2023 of \$1.76b and FY2024 of \$2.012b.

This FY2024 social impact value will now be used by Westpac to assess our outcomes for the year, and these assessment findings, adjusted on a like-for-like basis, will be used to determine the impact on the SLL interest rate.

In accordance with the applicable market standards, we sought a *Second Party Opinion* over the alignment of the CSV framework to the Market Standard from ISS Corporate Solutions Inc, prior to finalisation of the SLL. The Sustainability-Linked Financing Framework can be found on our website.

“Sustainability-linked financing structures need to focus on what is material to the issuer's core sustainability and business strategy, and address the relevant ESG challenges of the industry, which for Australian Unity was social,” says Kirsty McCartney from Westpac's sustainable finance team.

“

Australian Unity's history and core proposition is steeped in ESG values. Westpac's Institutional bank is pleased to partner with Australian Unity as it continues to grow and deliver on its purpose and commitment to community and social value.”

Nell Hutton
Chief Executive—Westpac Institutional Bank



Sustainability Leaders list 2024

Australian Unity was recognised as one of the *Australian Financial Review's* (AFR) Sustainability Leaders again in 2024. The accolade acknowledges our Sustainability-Linked Loan (SLL) with Westpac Bank, and as our third consecutive year on the list, recognises the evolution of our CSV framework: its development, its implementation across our business as a core strategy tool and finally its position as a true wellbeing capital market with the development of the loan.

The Sustainability Leaders list, presented in conjunction with Boston Consulting Group, celebrates Australasian companies that are making progress in tackling sustainability challenges while also delivering business value.

Environmental Finance's 2023 Impact initiative of the year—Oceania

Australian Unity was recognised by Environmental Finance for their work with Westpac on securing the Sustainability-Linked Loan.

To read more about Environmental Finance's 2023 Impact initiative of the year award, visit <https://www.environmental-finance.com>.



Australian Unity Strategy & Impact team, Malin Eek – Assistant Group Treasurer, Adam Vise – General Manager Strategy & Impact and Group Treasurer and Siobhan Henderson – Strategy & Impact Manager.

Organisational pillars

Providing Health, Wealth and Care products and services that deliver Real Wellbeing. We focus on opportunities that deliver relevance, diversification and growth across four pillars.



Member and customer focus

We develop our products and services to support the changing wellbeing needs of our members and customers.



Sustainable financial performance

The strength and scale of our operation allows us to generate sustainable financial performance with a greater positive impact for the future.



Community and social value

Our portfolio seeks to maximise positive community and social value. We are a trusted institution supported by strong governance practices.



People, wellbeing and capability

We seek to ensure our people have the right skills, mindset, capability and culture to support our ambition and enable them by supporting their wellbeing.

Impactful decision making

Our purpose

To positively impact the wellbeing of millions.

Our vision

To enable Real Wellbeing for our members, customers and community through our portfolio of commercial and sustainable businesses.

Areas of operation

Health, Wealth and Care.

Impact and community and social value are the key focus of our purpose, vision and strategy. Community and social value informs our strategic and operational decision making in the following ways:

Embedded within our purpose, vision and strategy

The creation of community and social value is core to our purpose and vision, as well as being one of our long-term organisational pillars which we use to guide our group and platform strategies.

Community and social value are embedded within our key performance indicators, and we report annually on our activities, milestones and achievements in these areas.

We continue to deliver accredited training to our teams on the [Social Return on Investment Methodology](#) (the methodology that underpins our CSV framework) to help them use it effectively.

Through transparent reporting

We show that we are active and transparent about putting the wellbeing of our customers, members and the community at the centre of our business.

We report our social impact value annually, include periodic updates in our investor presentations and publish a Basis of Preparation detailing the methodology used to calculate social impact value.

We share and discuss our CSV framework with investors, peers and industry bodies for continual feedback, improvements and enhancements.

Helps us to create a sustainable portfolio

Our CSV framework allows us to measure and forecast potential social impact value across our portfolio to support decision making and investment.

The significant portfolio reshaping activity that has been undertaken over the year, including material transactions, has been informed by the CSV framework, including via the CSV component of our business cases. You can read more about it on page 12.

Drives capital funding and investment

We not only raise capital but attract like-minded investors who are able to see both our commitment to and delivery of positive societal impact.

We access capital markets in a way that holds us accountable to our delivery of social impact value, via our SLL (read more on page 14).





“

Actively using the CSV framework to shape our portfolio and as a foundation for decision making keeps us strategically aligned to our purpose.”

Adam Vise

General Manager—Strategy & Impact and Group Treasurer

How we consider and seek to grow social impact value in our strategic decision making

Over time, Australian Unity seeks to grow our social impact value in certain areas (indicated by the priority outcomes of our CSV framework) by actively shaping our portfolio towards this goal.

We continually review, optimise and adjust our portfolio of businesses, keeping social impact at the core of the process. When we are not best positioned to deliver social impact through certain products and services, where commercially viable we transition the business to a counterparty better equipped—either through scale or market position—to deliver community and social value.

Australian Unity is committed to portfolio activity to drive incremental social impact value to the community—

- On all acquisitions—Australian Unity commits to make decisions that are informed by the potential social impact value that would be created by the activity.
- On divestments—where possible, we seek a strategic agreement where the new owners will make an indication of support to pursue social impact value.
- Capital investments—we commit to a process that strives to increase overall social impact value.

For the purposes of Australian Unity’s social impact value reporting—

- When a business is divested, the corresponding social impact value transfers to the new owner and is removed from our social impact value total.
- When a business is acquired and commences operation by Australian Unity, the corresponding social impact value transfers and is added to Australian Unity’s total social impact value.

This year we have undertaken significant portfolio-reshaping activity with material transactions. These decisions demonstrate our ability to create greater and more efficient social impact value.

Australian Unity Life Bonds Limited (formerly IOOF Ltd.)

- The acquisition of Insignia Financial’s investment bond business is projected to add \$10.5m per annum in social impact value.
- Welcoming ~18,000 new customers and adding important scale to our investment bond business will help us to support the financial wellbeing and resilience of our customers and members.
- Together with our existing business, we are the largest provider of investment bonds in the country, delivering impact to 175,000 members and customers with \$3.5 billion in funds under management.
- The acquisition increases the benefits of in-flight business and systems transformation capital projects, including registry re-platforming, straight-through processing and automation.

myHomecare

In FY2024, Australian Unity acquired *myHomecare* (MHC), one of Australia’s largest providers of home care and support services. MHC has ~20,000 customers and ~1,600 employees nationally, with a primary focus along the eastern seaboard in Victoria, New South Wales and Queensland. Its services include fully, partially and self-managed home care package options.

MHC is expected to generate an additional ~\$400m per annum in social impact value within our Home Health business by FY2027.

As a result of the scale achieved by the acquisition, Home Health can unlock future strategic scope in a broader range of products and services, including:

- Self-managed service—enabling customers to select their own services.
- Service provider and customer portals—developed into a marketplace where customers and their families can self-select and access a broader range of services.
- Preventative care products that support customers of all ages to prolong functional ability.
- Transitional and restorative care—enabling customers to restore or reverse difficulties they may be having with everyday tasks.

Advice business

Australian Unity entered an agreement in December 2023 with AZ NGA’s Nestworth and Fortnum Private Wealth (Fortnum) to transfer our advice and corporate superannuation services.

We have sought to form a mutually beneficial, ongoing strategic alliance which will see this group provide advice to our clients, employees and members.

This approach will ensure the advice business secures ongoing investment in emerging technologies and client service improvements, fostering growth and greater scale. It will also enable Australian Unity, Nestworth and Fortnum to collectively reach a broader customer base with modern, accessible and high-quality advice.

This agreement enables us to expand our reach to create financial wellbeing for more Australians. We’ll be able to connect more members with our broader financial wellbeing offering and vice versa.

Australian Unity will no longer claim the \$140m in CSV (in FY2023) that our Advice business delivered.



Our impact in action—case study

Home Care Services

Lifelong wellness		Economic empowerment		Strong communities	
Better access to healthcare	✓	Improved health outcomes	✓	Building financial resilience	Opportunities through employment
			✓	Supporting living in place	✓
				Leading social innovation	



Industry environment

The home care industry assists individuals over 65 and Aboriginal and Torres Strait Islander peoples over 50 to age in place. It offers services ranging from basic support, such as shopping or gardening, to in-home tasks for higher acuity needs, such as washing or bathing, and clinical support, including nursing and allied health. The growth of home care in Australia reflects rising demand from older populations, shifting consumer preferences and bipartisan government support.

Government funding for home care services has experienced a 24% increase year-on-year. While this has increased access for more Australians, as of December 2023 there were more than 50,000 people waiting for their home care package to be assigned.¹

Australian Unity is now one of the largest providers of Commonwealth Home Support Program (CHSP) services, Home Care Package (HCP) services and Short-Term Restorative Care services. In addition, our Aboriginal Home Health services are integrated into the above package funding lines.



What societal needs are we responding to?

Australia's ageing population will cause increasing strain on the health and aged care systems over the next several decades. The population over age 65 is estimated to grow from ~13% of Australia's population in 2010 to ~22% in 2050, with 7.4 million people aged 65–80 and 2 million people aged 80+ by 2063 (compared to 4 million and 0.6 million respectively in 2023).

People aged 65 or older currently account for ~40% of total Australian health expenditure, despite being ~16% of the population. This cohort is expected to put significant strain on Australia's healthcare system. Additionally, the aged care sector will experience strain, exacerbated by the falling informal carer ratio, with a care and support workforce of twice

the size it was in 2020–21 required to meet expected demand by 2025.

Treasury estimates an additional Commonwealth Government annual expenditure of \$245 billion on healthcare and \$112 billion for aged care by 2063. In addition, annual capital costs for aged care and hospitals is forecast to increase by \$57 billion by 2040 and an additional ~200k aged care beds and ~140k independent living units will be required by 2042 to meet demand.²

The Aged Care Royal Commission reported that 80% of Australians over 65 want to be at home as they age.³ Quality in-home care reduces the demand on residential aged care and the hospital system.



As an integrated healthcare company, we're supporting everyday Australians with a genuine choice to live and age well at home and addressing many of the sector challenges Australia faces due to the ageing population and increasing rates of chronic disease and mental health issues.”

Prue Bowden
Chief Executive Officer—Home Health



How does this create community and social value?

Australian Unity's Home Health business aims to respond to these pressures in a number of ways:

- Provides ongoing health management which reduces the need for presentations at hospitals and visits to GPs, easing pressure on these systems and saving public spending on these areas.
- Increases the wellbeing of our customers by delivering a service that treats them with dignity and respect, enabling them to have more time to enjoy the things they like and improve their relationships with the people around them. This value is considered against the cost of alternative pathways to achieving this wellbeing, such as time spent with a counsellor or hiring a cleaner or housekeeper.
- Offers permanent contracts to 86.5% of its employees (in a primarily 'gig' based industry), providing them with reduced stress and greater confidence in their financial security.

References located on page 52.

44

branches across Australia, with self-managed and virtual services available to remote areas

~3,800

employees in Home Care Services, ~900 who joined us from *myHomecare* in FY2023

8.8%

market share at 30 June 2024 in Australia, following the acquisition of *myHomecare*

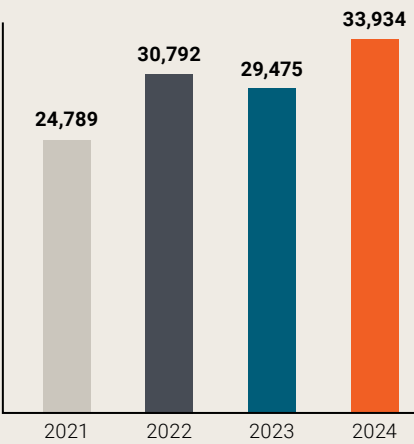
~50,000

Home Care Services customers across Australia including *myHomecare* customers

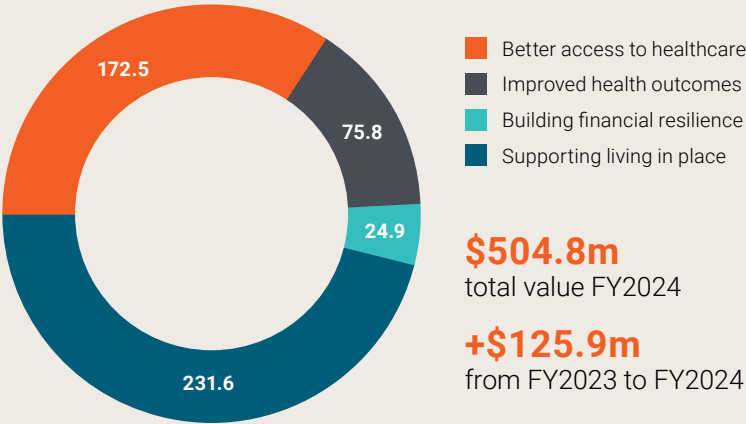
Hospital bed days saved as a result of in-home care services



Growth in Australian Unity Home Care Services customers



Home Care Services delivery of community and social value in FY2024 (\$m)



All graph figures are exclusive of customers who joined Australian Unity as a result of our acquisition of *myHomecare*.



What did we do to drive greater impact in FY2024?

Highlights

- Acquired *myHomecare*
- Assessed customer level of care to ensure impactful service delivery
- Invested over \$20m into supporting our new operating model

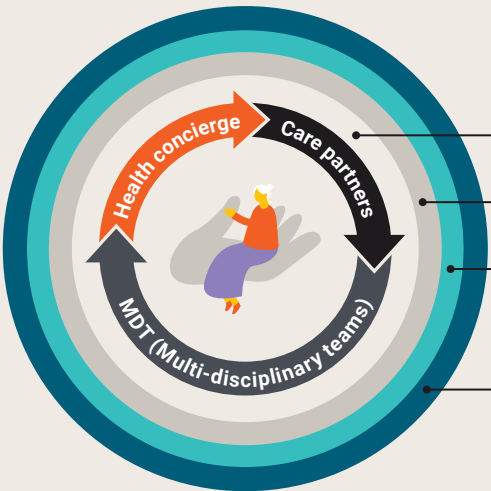
- On 28 March 2024, Australian Unity acquired the *myHomecare* business. You can read more about how this increases our ability to better serve our customers on page 19. We have not included MHC data in this specific case study; however, the acquisition has increased our reach and expanded our offering. We look forward to sharing the impact of our combined business in FY2025.
- Increased our reach via our network of 44 branches to deliver increased services and hours of care, delivered through the Commonwealth Home Support Program and Home Care Package.

- Increased our capability and surveyed our customers to ensure they are getting the level of care they need and transitioned those who require higher levels of care to Home Care Packages.
- Our newly acquired self-managed offering enables us to reach all of Australia with services that can be delivered virtually, with customer choice in care and delivery of support.
- In FY2024, we invested over \$20m into our transformation program, supporting a new industry-leading operating model that will deliver further efficiencies with a customer outcome centred approach.
- We have broadened our offering to Indigenous customers beyond home care by commencing our bowel cancer screening and diabetes clinical service projects to support early intervention and better health outcomes.
- We have over 433 scheduled visits for our NSW Coastal bowel screening pilot, and our model of care and service delivery framework for our diabetes clinical service is complete, ready to commence in early FY2025.

Home Health future state operating model

Home Care Services is the largest component of our Home Health business, with a vision to become an integrated home care provider. To support this vision, we are leveraging our core and strategic capabilities across Home Health, reimagining and transforming the business through our new operating model to

deliver the business of tomorrow. By doing so, we will meet the evolving needs of our customers by placing them at the centre of our efforts, aiming to enhance the impact we have on these individuals and their communities.



- Integrated supply and demand management
- New processes and ways of working
- Customer-centric organisation, designed with three core functions of care partners, health concierge and multi-disciplined teams
- Powered by digital marketplace for customers, suppliers and partners



Hard working, friendly and kind staff who go out of their way to provide professional help.”

Level 4 Home Care Package customer



Our impact in action—case study

Private Health Insurance

Lifelong wellness		Economic empowerment		Strong communities	
Better access to healthcare	Improved health outcomes	Building financial resilience	Opportunities through employment	Supporting living in place	Leading social innovation



Industry environment

Despite cost-of-living pressures, participation in Private Health Insurance (PHI) continues to grow across all age groups following COVID. This trend improves on previous industry dynamics, where declining participation among younger age groups had led to increased premiums.

PHI plays an important role in our healthcare system, which is facing more pressure from chronic disease and an ageing population with increasing expectations on PHI, alongside escalating costs to providers.



What societal needs are we responding to?

PHI offers increased choice, convenience and flexibility. That means that customers may be able to choose the doctor that treats them, the hospital they are treated in and have shorter waiting times for treatment. With extras cover, customers can reduce their out-of-pocket costs for health services that are not covered under Medicare, such as physiotherapy, dental and optical.¹

Hospital cover under PHI can also provide income earners with an opportunity for tax savings by

helping them avoid the Medicare Levy Surcharge.

More people took up PHI during and following the COVID pandemic as they became more focused on their health. Demand remains high amidst escalating cost-of-living pressures, with government and the sector aiming to keep the average cost of PHI premiums affordable and below the increase in wages, the age pension and inflation.²



~47,000
customers accessing private hospitals

~120,000
hospital visits funded per year

3,200
Essential Choice customers since launching in August

Award-winning health insurance

Australian Unity's commitment to customer service and delivering outstanding health insurance has been recognised. We have been named *Health Insurer of the Year (Retail) 2023* in the Roy Morgan Customer Satisfaction Awards.

Customer satisfaction ratings are based on feedback from approximately 60,000 Australians annually, with interviews conducted each week.

The award is given to the organisation that achieves the most months with a number-one ranking for customer satisfaction across a calendar year. In 2023, Australian Unity secured 12 consecutive months of top rankings to earn the award.

You can read more about this recognition on our [website](#).



References located on page 52.

“With the ongoing challenges faced by the public health system, more individuals are recognising the importance of having private health insurance. Australian Unity understands this growing need and is dedicated to offering comprehensive coverage that is accessible to all.”

Rebecca Windsor
Executive General Manager—Insurances



How does this create community and social value?

Australian Unity's PHI customers benefit from improved access to private hospitals and elective surgery, providing them with more choice and control over their treatment. This not only eases the strain on the public healthcare system and frees up capacity but also reduces government

spending in this area. Individuals with PHI experience timely access to healthcare services resulting in greater flexibility when selecting preferred providers and tailoring their care to their specific needs and preferences.



What did we do to drive greater impact in FY2024?

- Highlights**
- Deferred premium increase in 2023, below average increase in 2024
 - Launch of [Essential Choice](#) product
 - Competitively priced [Complete Hospital \(Gold\)](#) product

We were able to retain our membership levels and improve our offering in FY2024 via the following initiatives:

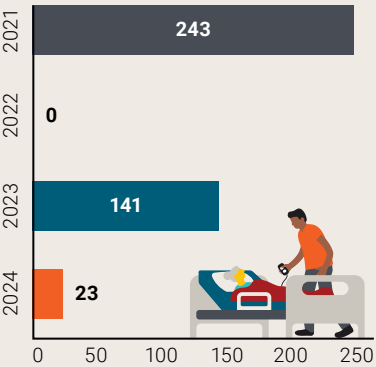
- Following the 12-month deferred premium increase from 2023, Australian Unity Health Limited delivered a lower-than-industry-average increase of 1.42% in 2024 (compared to the industry average of 3.03%)³ in response to the rising cost-of-living pressures faced by our members.
- In August we launched our new affordable bronze product, [Essential Choice](#), enabling people who may otherwise not be able to afford cover access to PHI. Since its launch, over 3,200 customers have joined Australian Unity with this product.
- We continue to offer an affordable, compared-to-market, [Complete Hospital](#) product to our members.
- Throughout FY2024 we continued to offer no-gap preventative dental, an agreement which saw our network expand in February 2023, with strong market partnerships now covering all Australian states excluding Tasmania.
- Internal partnerships with our Home Health business mean we are able to contribute to hospital substitution programs, such as [Rehab and Hospital in the Home](#). Additionally, all our customers have access to our mental health and coaching programs, including [MindStep](#) and [HealthierMe](#).

Our impact in action—case study

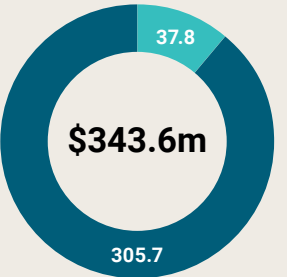
Healthcare Property Trust

Lifelong wellness		Economic empowerment		Strong communities	
Better access to healthcare	Improved health outcomes	Building financial resilience	Opportunities through employment	Supporting living in place	Leading social innovation
✓					✓

New private hospital beds delivered year-on-year

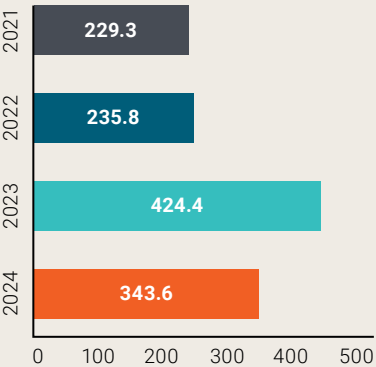


Performance against our priority outcomes (\$m)



- Better access to healthcare
- Leading social innovation

CSV year-on-year (\$m)



Industry environment

Following the disruptions caused by the COVID pandemic surgical and non-surgical volumes, private hospital revenue in Australia is anticipated to grow at nearly double the rate of GDP in the foreseeable future. This growth is driven by an ageing population, rising prevalence of chronic conditions and a greater demand for improved quality of life. To address this anticipated sector growth, market participants like Australian Unity need to respond effectively to the increasing demand for private hospital services.¹

Despite growing demand in the sector, construction and labour costs continue to materially escalate, providing challenges for the feasibility of new developments across the board.



What societal needs are we responding to?

The private hospital sector makes a significant contribution to healthcare in Australia, providing approximately 40% of all hospital admissions and over 50% of all surgeries.² Demand is driven by heightened pressure on the public health system and an ageing and growing population, with the 85+ age bracket expected to increase by 140% by 2041.³ Other factors increasing demand are a higher prevalence of chronic disease and comorbidities experienced by Australians, delayed care during the pandemic and the increasing uptake

of private health insurance. Private hospitals will be required to play a key role in the health system to address this growing need.

During COVID, healthcare returns remained above 7%, compared to retail and office returns which saw significant compression. The Commonwealth Government prioritised several significant health and aged care measures in its 2023–24 budget, which have flowed to the healthcare real-estate sector.

Revenue sources and funding from private health insurers currently outpace the increased costs many operators are facing as they balance the impact of workforce cost increases, technology, inflation and post-pandemic impacts. This may result in changes in the use of some facilities and type of services hospital operators deliver in the community as they navigate and meet these challenges.

Currently, there are high barriers to entry in the healthcare property sector due to significant capital and regulatory requirements, a relatively low level of competition compared to other sectors, and the strong bargaining power of doctors. These barriers are somewhat mitigated by the service offerings of quality intermediary operators and owners.

\$3.6b

assets under management including hospitals, aged care and medical centres

~245,000

patients accessing services

1,566

private hospital beds



How does this create community and social value

In FY2024, Australian Unity's Healthcare Property Trust (HPT) generated \$343.6m in social impact value in tough market conditions. The Trust responds to the current demand for access to healthcare in the following ways:

- Creates better access to healthcare under our CSV framework by providing additional capacity to the healthcare system with increased hospital beds for patients requiring treatment. This frees up capacity in the public hospital system and reduces government spend in the sector.
- Reduces the social infrastructure gap by contributing to the construction of healthcare facilities in areas of demand.



The Healthcare Property Trust is a prime example of how health and aged care assets can be funded, developed, and managed by organisations with a shared purpose—centred around the users and communities they serve.”

Esther Kerr

Chief Executive Officer—Wealth & Capital Markets



What did we do to drive greater impact in FY2024?

Highlights

- Completion of Brisbane Waters Private Hospital (27 inpatient rooms)
- Wyvern Private Hospital development continued (\$90m)

In FY2024, the Australian Unity Healthcare Property Trust continued to grow its community and social value contribution with the following developments:

Mulgrave Private Hospital | Mulgrave, VIC

Expanded to include 14 new short-stay beds adjacent to the emergency department.

Total investment: \$6.1m

Alphington Private Hospital | Alphington, VIC

Specialist hospital containing 32 beds and intended to deliver mental healthcare in the suburb.

Total investment: \$24m

Brisbane Waters Private Hospital | Brisbane Waters, NSW

The hospital has developed a new mental health ward consisting of 27 single inpatient rooms, administration reconfiguration and supporting amenities and consulting rooms.

Total investment: \$11.2m

Wyvern Private Hospital | Terrey Hills, NSW

Fitout works are well advanced at the new 90-bed private hospital which is expected to open in September 2024. The facility will be leased to Wyvern Health.

Total investment: \$90m

Knoxfield Aged Care Facility | Knoxfield, VIC

Building has commenced on the 177-bed aged care facility which is due for completion in late 2025. It has been leased to Infinite Care.

Total investment: \$54.3m

References located on page 52.

Our impact in action—case study

Australian Unity Life

Lifelong wellness		Economic empowerment		Strong communities	
Better access to healthcare	Improved health outcomes	Building financial resilience ✓	Opportunities through employment	Supporting living in place	Leading social innovation



Industry environment

Ongoing changes to an already complex superannuation system have resulted in alternatives and complementary solutions becoming attractive, putting products such as investment bonds in a unique market position.

With its ageing population, Australia is on the precipice of the largest intergenerational wealth transfer in its history (around \$3.5 trillion by 2050).¹ Coupled with increased cost-of-living pressures, including the acceleration of education expenses, many parents and grandparents wishing to support younger family members with their financial wellbeing in a tax-effective manner can do so with this offering.



What societal needs are we responding to?

The Australian Unity Wellbeing Index survey has consistently shown that our sense of financial control can have a significant impact on our overall wellbeing.² Yet many Australians (almost 1 in 3) are dissatisfied with their financial situation³, with (77%) stating they have regrets with regards to their finances, despite living in one of the most prosperous nations in the world.

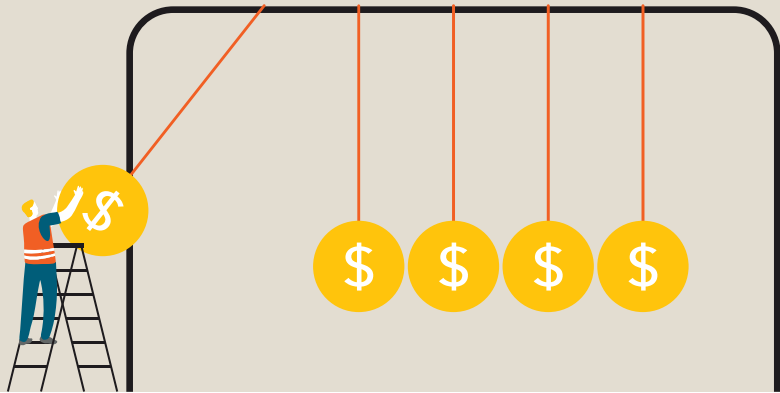
Australian Unity Life’s primary purpose is to provide truly relevant, accessible and tax-effective products to our customers that help them build their financial wellbeing. We are deliberate and focused in the design and distribution of our products so that they are meaningful and best meet the needs of our customers. We build their financial preparedness for life events, such as buying a home, paying for a child’s education expenses, planning for a funeral or managing a multi-generational wealth transfer. We aim to build economic empowerment so that our customers are confident about the future and have the financial security and resilience to deal with life’s challenges.

References located on page 52.

34%
of market share (based on total funds under management)

107,000
customers across our suite of products

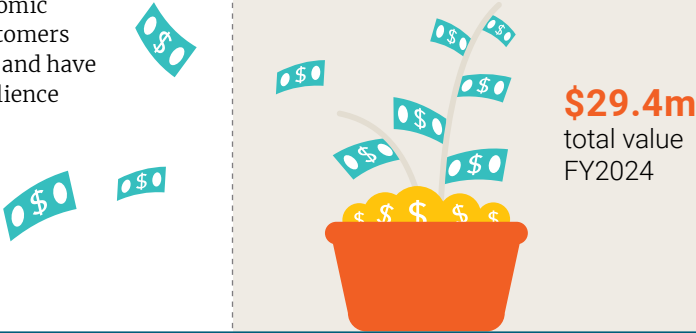
\$3.7b
funds under management



Acquisition of Insignia Financial’s Investment Bond book

Australian Unity Life is now the largest investment bond provider in Australia. Its value proposition offers a financially efficient alternative or complement to superannuation, retirement income, tax effectiveness, or the need to manage a multi-generational wealth transfer.

The business has actively sought mutual mergers or acquisition opportunities that scale value from its existing expertise and operations. The acquisition of friendly society IOOF Limited and its Investment Bond book from the Insignia Financial group provides scale and strategic value, alongside expanded customer reach. IOOF Limited’s policyholders, which broadly align demographically with Australian Unity Life’s existing register, benefit from joining the Australian Unity Group, which is committed to growing and investing in the investment bond sector over the long term. As part of the transaction, the parties have also entered into a Strategic Alliance Agreement to support the mutual aim of providing financial wellbeing to all Australians.



How does this create community and social value?

- 10Invest:** Through this investment bond, customers have a simple, low-cost and tax-effective long-term savings plan, giving them confidence about their future financial security.
- Funeral Bonds:** Customers can plan and save for their own funeral, giving them assurance that they can relieve their family of future financial burden.
- Education Bonds:** Education can come at a significant cost to parents and carers. Customers have a savings plan that gives them peace of mind about paying for their child’s future education expenses.
- Investment Bonds:** Customers can build economic empowerment and financial preparedness for life events. This includes providing support with estate planning, giving customers peace of mind that their estate will be properly managed.



What did we do to drive greater impact in FY2024?

- Highlights**
- Acquisition of Investment Bond book
 - Funeral Saver Safety Net launch

Funeral Saver Safety Net

The Funeral Saver Safety Net was soft launched in March 2024 to assist Australians experiencing financial disadvantage to save for the cost of their funeral.

The Funeral Saver Safety Net provides eligible Funeral Plan Bond customers with a top-up payment if the customer dies before reaching the \$5,000 funeral savings goal. The top-up payments are funded by the Funeral Benefit Trust through philanthropic donations, which is overseen by Perpetual Trustees.

Other movements

New developments in FY2024

While there are large areas of our business that materially contribute to social impact value, mentioned in the pages above, there were other notable movements or new calculations for our business over the past year.




Retirement villages
Those entering retirement villages released larger dwellings to a high-demand housing market, gaining financial liquidity and an increased ability to manage their spending.
Change: \$14.8m (+17%)

Purpose-built student accommodation (new)
Catering to the strong demand from international and remote students seeking access to tertiary education.
Change: \$29.2m (new)



Mental health helpline
Rising demand for mental health support has created an increasing need for immediately accessible mental health services.
Change: \$2.83m (+24%)

Herston Quarter healthcare precinct
Developing healthcare precincts and facilities to respond to demand for services.
Change: \$17.4m (+126%)



Indigenous suppliers spend
Creating opportunities and employment in Aboriginal and Torres Strait Islander communities.
Change: +6.8m (+34%)



Aboriginal Home Care
Increasing the number of services delivered to Aboriginal and Torres Strait Islander customers.
Change: \$26m (+29%)

Attributing value to our partners

Our investors and operators along with the family and friends of our members and customers play a vital role in helping to create our impact.

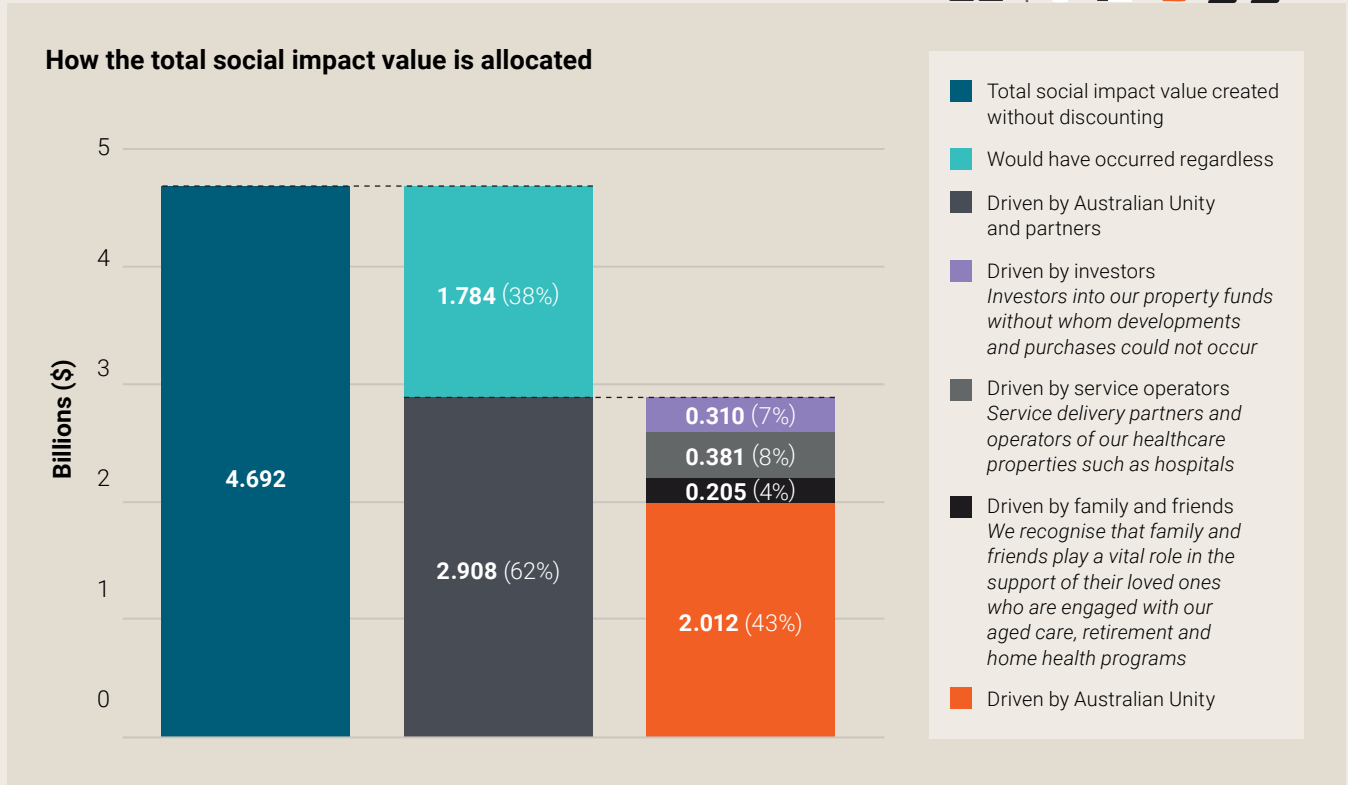
A key principle that underpins our CSV framework is to recognise the partnerships that exist to bring our impact to life. We can then attribute the impact created appropriately. This is in addition to recognising that some outcomes may have occurred or been fulfilled by other providers if our services had not taken place.

This year we have sought to further detail how we apply our discounting methodology, including how we

recognise our partners, operators and others involved in the chain of community and social value.

In FY2024, the total social impact value created according to our CSV framework was \$4.692b, with Australian Unity claiming only the unique value created at 43% or \$2.012b of the total.




You can read more about our discounting approach on page 35.



What's next?

Growing our community and social value

In FY2025 we have identified key initiatives and pieces of work that will help to drive better community and social value for our members and customers.

Impact area	CSV priority outcome	Key initiatives/areas of focus
 Lifelong wellness	Better access to healthcare	<ul style="list-style-type: none">Integration and transformation of the <i>myHomecare</i> business.Enhancing our product proposition to privately funded markets.Competitive repositioning of our healthcare fund.
	Improved health outcomes	<ul style="list-style-type: none">Implementation of clinical governance regulatory regime.Integration and transformation of the <i>myHomecare</i> business.
 Economic empowerment	Building financial resilience	<ul style="list-style-type: none">Integration of the new investment bond acquisition.Australian Unity Life technology transformation to better service our customers.
	Social and economic opportunities through employment	<ul style="list-style-type: none">Continued improvement of our employee value proposition.Increase our spend with Indigenous and social enterprise procurement partners.Integration and transformation of the <i>myHomecare</i> business.
 Strong communities	Leading social innovation	<ul style="list-style-type: none">Acceleration of social infrastructure opportunities, including Healthcare Property Trust, childcare, student accommodation, specialist disability accommodation, residential aged care/retirement villages and continued development at Herston Quarter.Creating new solutions for maximising the impact of the care economy in our Home Health business.
	Supporting living in place	<ul style="list-style-type: none">Drive funding for Specialist Disability Fund to continue to build appropriately designed, accessible homes.Support Quality of Service star rating for customer focus.Integration and transformation of the <i>myHomecare</i> business.

Plans for FY2025

- Continuous improvement in the measurement of social impact value and the use of the CSV framework across the business.
- Determining a pathway to measure value created for our own people and how we differentiate as an employer.
- Becoming better informed on our methodology and assumptions by stakeholders where possible, for example, by gathering feedback from *myHomecare* customers (via our new customer surveys, Customer Advisory Board and Customer Action Council who will respond to common customer concerns) and those engaged with our financial products.
- Furthering our understanding of where we may create a negative impact and ensuring we have measures in place to remedy this where possible.



“

We continue to aim to lay down a practical path with our CSV framework to showcase how other entities might valuably define and measure their contribution to community.”

Darren Mann
Group Executive—Finance & Strategy
and Chief Financial Officer



Research and background

Our guiding principles and methodology

The CSV framework is guided by 5 principles

These provide an anchor for informing our calculation decisions and for assessing impact.



Overview of methodology

For each product and service, we work with the business units to:



How we acknowledge other factors influencing our impact

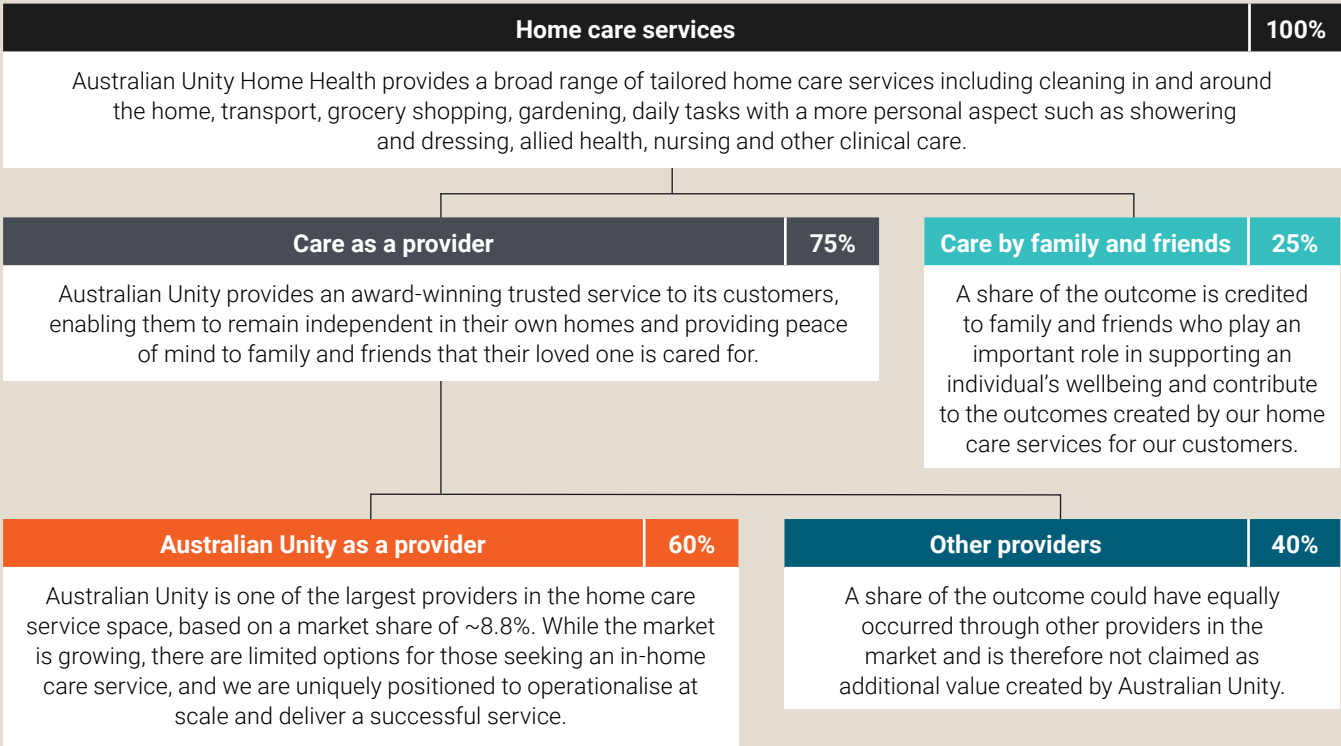
Discount factors

Our CSV framework acknowledges that many factors influence the impact we have on the wellbeing of individuals and communities—and that our products, services and investments contribute in different ways and extents to this wellbeing.

To help us enhance the accuracy and rigour of calculating our impact and to avoid overclaiming, the CSV framework applies specific discount factors to calculate our unique impact.

These discount factors take into consideration whether impact outcomes would have happened, even if our interactions or interventions had not taken place, and the proportion of outcomes arising from the contribution of others. Importantly, this ensures that others involved in the value chain are represented.

For example, when valuing and discounting the impact of our home care services, we consider the following:



Our CSV framework considers that, on average, 75% of the impact created for Australian Unity's home care customers is driven by the service provision, with 25% contributed by family and friends. Further, it is assumed that 60% is uniquely driven by Australian Unity as a leading provider of home care services in Australia, and 40% could have equally occurred through other providers. From this method of discounting, the CSV framework determines that 45% of the overall community and social value created by our home care business in delivering its services can be apportioned to Australian Unity.

Conversely, while we work to provide quality and competitive banking options for our Australian Unity Bank customers, such as our savings, mortgages and personal loan products—we appreciate that these products are readily accessible in the market and offer similar benefits to customers. To ensure we do not overclaim our social impact value, we only include products and services where we are in a distinct position to create social impact value.



To: The Board of Directors at Australian Unity Limited

Community and Social Value (CSV) Framework and Impact Report for the year ending 30 June 2024

Australian Unity has partnered with Social Ventures Australia Limited (SVA) to develop and implement its approach to measuring and reporting the company’s creation of community and social value (CSV) since 2019. In FY24 our work together continued as SVA supported Australian Unity to update the CSV framework and methodology, bring new parts of the business into the framework, and report on the CSV created over this 12 month period.

About SVA

SVA is a not-for-profit organisation and a registered charity with the Australian Charities and Not-for profits Commission, that works with partners to alleviate disadvantage – towards an Australia where all people and communities thrive. We influence systems to deliver better social outcomes for people by learning about what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change.

Our consulting business – SVA Consulting – is Australia’s leading not-for-profit consultancy. We focus solely on social impact and work with partners to increase their capacity to create positive change. Thanks to more than 15 years of working with not-for-profits, corporates, government and funders, we have developed a deep understanding of the sector and ‘what works’.

Our team is passionate about what they do and use their diverse experience to work together to solve Australia’s most pressing social sector challenges.

For more information contact us: consulting@socialventures.org.au

Why SVA works with AU

SVA have been fortunate to collaborate with Australian Unity over the past five years on our shared commitment to supporting the wellbeing of Australians and improving practice around social impact measurement and reporting.

Over this time we have observed Australian Unity’s commitment to continually improve its approach to measuring and reporting on CSV and embedding this across the business. Each year we have supported Australian Unity to refine and update the CSV framework, determine how the CSV framework might be applied to new areas, and deliver training to leaders and new teams across the business.

Businesses have a critical role to play in moving towards an Australia where all people and communities thrive and Australian Unity demonstrates leadership through its commitment to continually improving and embedding the CSV Framework.

Social Ventures Australia Limited

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info@socialventures.org.au | socialventures.org.au | @Social_Ventures



SVA’s role in Australian Unity’s CSV Framework

For this year’s Impact Report, SVA worked closely with Australian Unity in the following areas:

- **Planning:** identify and prioritise updates to the CSV Framework for FY24
- **Data sources:** update data sources for existing indicators and develop new methodologies and data sources for new indicators and/or business activities that were added to the CSV Framework for FY24
- **Valuation:** determine robust discount factors (deadweight and attribution) for existing and new indicators, and define financial proxies to estimate CSV based on the best available data and evidence
- **Documentation:** ensure appropriate transparency and documentation of the methodology underpinning the CSV in detail to disclose key assumptions and data sources
- **Reporting:** provide input into, and review, the FY24 Impact Report to ensure the CSV values, findings and insights accurately reflect the results of the CSV research and calculations for the year
- **Future planning:** identify and document the priorities to update the CSV Framework for FY25.

Legal disclaimer

SVA works with its client, Australian Unity, to measure and report on its social impact pursuant to Australian Unity’s instructions in good faith and on the basis of the research and information available to SVA at the date of conducting the work. Information used by SVA has been obtained from sources that SVA believes to be reliable and up to date. Neither SVA, nor any other person, gives or makes any representation, warranty, express or implied, assurance or guarantee as to the accuracy, adequacy, completeness, currency or reliability of any of the information.

The support and assistance provided by SVA in respect of Australian Unity’s CSV Framework is specific to Australian Unity and is not intended to be relied upon by third parties for the purposes of making any strategic, business, financial, tax or legal decisions. This work is conducted by SVA for the use and benefit of its client only and for the specific purpose for which it was provided to its client.

To the maximum extent permitted by the law, SVA and its directors, officers, employees, agents, independent contractors and advisers disclaim all liability and responsibility for any loss or damage which may be suffered by any third party through the use of, or reliance on, anything contained in, or implied by, or omitted from this work.

Simon Faivel
Director, SVA Consulting

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Independent Limited Assurance Report to the Directors of
Australian Unity Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the information subject to assurance, which has been prepared by Australian Unity in accordance with the Criteria disclosed in the 'Our Impact 2024 Report' for the year ended 30 June 2024.

Information Subject to Assurance

Social impact value created by Australian Unity Limited (Australian Unity or AU) of AU\$2.012bn for the year ended 30 June 2024 as presented in the Company's 'Our Impact 2024 Report' for the following social impact areas:

- Lifelong wellness (AU\$1,316m);
- Economic empowerment (AU\$153m); and
- Strong communities (AU\$543m).

Criteria Used as the Basis of Reporting

The information subject to assurance has been prepared by AU in accordance with the boundaries, definitions and methodologies disclosed with the 'Basis of Preparation'; section of AU's 'Our Impact 2024 Report' for the year ended 30 June 2024 presented on pages 41 to 51 ("the Criteria"). The information subject to assurance needs to be read and understood together with the Criteria, which AU management are solely responsible for selecting and applying.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the information subject to assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

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Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- Review the Criteria and evaluate the appropriateness of the Criteria with respect to the information subject to assurance;
- Assess the preparation and collation of the information subject to assurance against the Criteria;
- Enquire with relevant Australian Unity personnel to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- Consider the appropriateness of disclosure and presentation of the information subject to assurance;
- Test the arithmetic accuracy of a sample of calculations;
- Understand and assess the assumptions, estimates and methodologies used to calculate the information subject to assurance, and test them, where applicable, against publicly available research and analysis on a sample basis;
- Agree the information subject to assurance, to underlying data sources and calculations on a sample basis;
- Undertake analytical procedures over the information subject to assurance;
- Consider, on sample basis, the reasonableness of judgments in relation to the discount factors applied to calculate the information subject to assurance, based on available evidence;
- Test the application of the discount factors for each impact area, as described within the Criteria; and
- Evaluate the appropriateness of the key parameters applied by management in calculating the financial proxies used to value the information subject to assurance, on a sample basis.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Australian Unity.

Inherent Limitations

There are inherent limitations in performing assurance—for example, assurance engagements are based on selective testing of the information being examined—and because of this, it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the period that is the subject of the engagement and the procedures performed on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating



such data. We specifically note that Australian Unity has used estimates or extrapolated underlying information to calculate certain amounts included within the social value information.

The procedures performed in a limited assurance engagement vary in nature from, and are narrower in scope than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than that in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the social value impact created by Australian Unity reported in the Company's 'Our Impact 2024 Report' has been prepared, in all material respects, in accordance with Management Criteria.

In particular, as detailed in the Criteria, the financial proxies used in calculation of certain social impact value indicators are based on internally derived financial proxies or financial proxies derived from external sources, as described in the Basis for preparation within the Our Impact 2024 Report.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Use of this Assurance Report

This report has been prepared for the Directors of Australian Unity for the purpose of providing an assurance conclusion on the information subject to assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Australian Unity, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the Criteria is appropriate to meet their needs;
- preparing and presenting the information subject to assurance in accordance with the Criteria; and
- establishing internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the information subject to assurance for the year ended 30 June 2024, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management to design, implement and operate a system of quality management.

Julia Bilyanska

Julia Bilyanska
Partner
Melbourne
28 August 2024

KPMG
KPMG

Basis of Preparation

Overview

For over 180 years, we've been here for the Real Wellbeing of Australians, and we know through our longevity and sustainability that we've been making a positive impact. Capturing and measuring our community and social value will help inform and shape the way we create and deliver our products and services to maximise the positive impact we have on our members, customers, employees and the community.

Deciphering social impact value

Social value measurement is an approach to understanding and managing the value of the social, economic and environmental outcomes created by an activity of organisation. There are more than 150 different methodologies that have been developed to help measure social impact—though currently there is no global consensus on how to measure, assess and report impacts on people and the natural environment.

Organisations are, however, guided by an agreed set of impact measurement frameworks¹ and principles² which although do not prescribe specific metrics or indicators, help ensure consistency in how social value measurement is approached and reduce the risk of overclaiming positive impact.

Expertise and objectivity

In 2024, Australian Unity again partnered with Social Ventures Australia (SVA)—a leading specialist consulting practice that assists organisations across Australia to achieve greater social impact—to develop and improve upon metrics developed in 2021 which demonstrate Australian Unity's contribution and commitment to enabling Real Wellbeing. Importantly, SVA bring their expert understanding of social value and SROI, with accredited social value and SROI practitioners and trainers, to objectively test and assess our approaches.

This work has led to the development of our Community & Social Value (CSV) framework, which we have continued to improve and evolve each year.

Scope

Given the diversity of our operations and how we participate in our business activities, our role can be in a number of different ways, including:

- as owner of the business
- as operator
- as investor
- as fund manager

The specific role Australian Unity plays was again considered in the continual refinement of our methodology and informed the social impacts we measured and the discount rate we applied (refer to page 42).

Year-on-year, we will continue to build on and enhance our CSV framework and seek to uplift transparency on our activities and the social impact these activities generate.

Methodology

Principles

Our CSV framework is underpinned by five guiding principles that provide the anchor for informing our calculation decisions and for assessing our impact.

- 1. Focus on social outcomes**
Reporting our outcomes, not inputs or outputs. Capturing social, not business value.
- 2. Set clear boundaries**
Capturing value created during the reporting period, not a lifetime value.
- 3. Value what matters**
Use financial proxies in a manner that the value of the outcome can be recognised.
- 4. Do not overclaim**
Not taking 100% credit for value created where other parties have contributed to its creation.
- 5. Rely on quality data**
Report on outcomes where reliable data and evidence of outcomes exist within Australian Unity or through reliable direct sources.

Discount factors

In line with principle 4 above, ‘Do not overclaim’, our CSV framework acknowledges that there are many factors that influence the impact we have on the wellbeing of individuals and communities. Our framework does this by taking the total estimated social impact and applying ‘discount factors’ to calculate the unique value created by Australian Unity, for every product or service. Discount factors are applied in two stages:

1. **Attribution:** The proportion of the impact that is a result of the contribution of other organisations or people, without whom the impact would not be possible. Depending on the product or service, this includes the contribution of investors, service providers, infrastructure developers or the customers’ family and friends.
2. **Deadweight:** The proportion of the outcome that would have happened even if our intervention or interactions had not taken place. This is determined by considering a range of factors including the level of uniqueness or differentiation of the product in the market, the market share held by Australian Unity, and publicly available data on the proportion of customers who would otherwise have accessed an alternative product.

Estimates and judgements are continually evaluated, with discount factors for each social impact re-evaluated annually to check these remain reasonable under the circumstances.

Further detail on the methodology behind discount factors is included on page 35.

Outcomes

Our CSV framework provides a clear structure for measuring and communicating our social impact (see table below):

- **Three impact areas** define the broad domains of wellbeing that we aim to influence: Lifelong wellness, Economic empowerment and Strong communities.
- Within these we focus on **six priority outcomes** that reflect the unique contribution of our business.
- And our CSV framework defines specific **indicators** for each outcome which we use to measure and value the outcomes that we achieve.

There are 23 indicators, shown below, in the CSV framework. The diversity of indicators reflects the many ways in which our products and services work towards these outcomes. Each indicator is measured and valued using different data sources, assumptions and calculations. These are presented in further detail on the following pages.

Impact area	Priority outcome	Indicators
Lifelong wellness	1. Better access to healthcare	1.1 Additional healthcare capacity 1.2 Reduced pressure on public healthcare/freeing up public healthcare capacity 1.3 Improved access to healthcare 1.4 Reduced healthcare demand
	2. Improved health outcomes	2.1 Living and ageing well 2.2 Better physical health 2.3 Better mental health and wellbeing
Economic empowerment	3. Building financial resilience	3.1 Increased economic inclusion 3.2 Increased financial wellbeing 3.3 Reduced reliance on government allowances 3.4 Relief of care requirements for family members
	4. Social and economic opportunities through employment	4.1 Increased professional fulfillment 4.2 Increased financial security 4.3 New job creation/new economic activity 4.4 Employment for First Nations people
Strong communities	5. Leading social innovation	5.1 Contribution towards closing the social infrastructure gap 5.2 Increasing flow of capital into healthcare or ‘green’ economy
	6. Supporting living in place	6.1 Improved relationships 6.2 Improved community belonging 6.3 Maintain a sense of independence (choice and control) 6.4 Increased connection to culture 6.5 Reduced reliance on government-subsidised aged care 6.6 Increased safety

Detailed methodology

The following pages provide greater detail on the CSV framework’s methodology for measuring and valuing outcomes, and for discount factors.

Measuring and valuing outcomes

The tables below provide greater detail on the methodology to measure and value each outcome – the quantities and financial proxies. The tables are organised by impact area and priority outcome as per the above.

Impact area: Lifelong wellness	
Priority outcome: 1. Better access to healthcare	
Indicator: 1.1 Additional healthcare capacity	
Quantity (How it is measured)	Financial proxy (How it is valued)
The number of hospital beds owned by Australian Unity. Based on the ownership of private hospitals within the investment portfolio of the Healthcare Property Trust.	Average annual cost per public hospital bed. Cost to government per hospital bed in the public hospital system (total government funding for admitted patient care in the public hospital system, divided by total number of hospital beds), minus the government contribution to fund hospital beds in the private system. Data source is the Australian Institute of Health and Welfare (AIHW).
Indicator: 1.2 Reduced pressure on public healthcare/freeing up public healthcare capacity	
Quantity (How it is measured)	Financial proxy (How it is valued)
The number of hospital bed days capacity created within the public hospital system, as a result of relevant Australian Unity activities. Based on the number of customers across different healthcare products and services provided by Australian Unity outside of the public health system. This includes private health insurance, Home Health services, retirement villages and aged care services.	Average cost of a ‘bed day’ in a public hospital. Cost to government per hospital bed in the public hospital system – total government funding for admitted patient care in the public hospital system, divided by total number of hospital beds. Source of data on the number of hospital beds and government funding is the Independent Health and Aged Care Pricing Authority (IHACPA).

Priority outcome: 1. Better access to healthcare	
Indicator: 1.3 Improved access to healthcare	
Quantity (How it is measured)	Financial proxy (How it is valued)
a. Estimated number of additional patients able to receive treatment within specialist health facilities located within private hospitals as a result of the ownership of relevant private hospitals within the investment portfolio of the Healthcare Property Trust. Based on the number of hospital bed days delivered by Australian Unity within the year, divided by the average length of hospital stays, and assuming 90% occupancy across Australian Unity hospitals. Data source: AIHW.	Average out of pocket costs for private hospital admission. Determined with reference to publicly available research and analysis.
b. Number of customers receiving Australian Unity healthcare products and services, including Home Health, retirement living and private health insurance.	<p>Estimate of the avoided cost of other healthcare services, based on the standard Medicare schedule fee for a consultation with a GP or relevant other medical professional; or</p> <p>The estimated value of the additional or higher level of care received by the customer utilising the relevant benefits paid through private health insurance provided by Australian Unity and/or with reference to publicly available research and analysis; or</p> <p>Total health insurance premiums paid by private health insurance policyholders. Based on Australian Unity data on total premiums paid by customers in FY2024, minus an estimate of the total Medicare Levy Surcharge (MLS) avoided by customers by taking up private health insurance (using data on customers' nominated income tiers and analysis of ABS census data on population-level income distribution).</p>
Indicator: 1.4 Reduced healthcare demand	
Quantity (How it is measured)	Financial proxy (How it is valued)
Number of customers with better ongoing access to healthcare as a result of receiving Australian Unity care products and services, which results in reduced system costs for the management and support for disability or other health conditions.	Estimated decrease in the cost of providing support for disability or health conditions based on Australian Unity financial records and publicly available research and analysis.

Priority outcome: 2. Improved health outcomes	
Indicator: 2.1 Living and ageing well	
Quantity (How it is measured)	Financial proxy (How it is valued)
Number of customers who report in surveys that they have experienced an increased sense of dignity, purpose or improved quality of life. Customers includes those accessing home care services, residential aged care or retirement living.	Estimated value of a customer's recovery, contribution to society and improvement to quality of life is determined with reference to publicly available research and analysis. Data sources include the Australian Government Office of Impact Analysis (data on the value of a statistical life) and the AIHW.
Indicators: 2.2 Better physical health and 2.3 Better mental health and wellbeing	
Quantity (How it is measured)	Financial proxy (How it is valued)
<p>Estimated number of customers who have experienced improved physical health, mental health and lifestyle outcomes. The number of customers is estimated using different data approaches for different products and services:</p> <ul style="list-style-type: none">• Home health services use survey results for FY2024.• Aged care and retirement living services use a survey of aged care residents for the Royal Commission into Aged Care Quality and Safety in 2020, and other publicly available research, and a survey by Aged Care Research and Industry Innovation Australia on loneliness.• Specialist Disability Accommodation estimates the proportion of customers experiencing this outcome, based on publicly available research and analysis.• Childcare Property Fund uses the total number of early childhood places.	<p>The estimated annual social impact of customers' improved health and lifestyle outcomes is determined with reference to the estimated values of, as relevant:</p> <ul style="list-style-type: none">• avoided disabilities suffered;• seeing friends and family more often;• assistance with physical tasks in the home;• the avoided cost of recurring mental or physical health care consultations; and• membership of tailored health programs. <p>Publicly available research and analysis relating to each of these items is utilised for the estimation of the social impact created.</p> <p>The social impact created for aged care and retirement living customers is based upon the net social benefit created through meeting friends regularly, sourced from the Australian Social Value Bank¹.</p>

References located on page 52.

Impact area: Economic empowerment	
Priority outcome: 3. Building financial resilience	
Indicator: 3.1 Increased economic inclusion	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
A. Number of customers receiving relevant Australian Unity products. Only includes trustees customers in FY2024.	Estimate of the present value of additional savings customers would have in retirement as a result of having advice, per year of savings advice. Based on publicly available research.
B. Australian Unity's total Indigenous and social enterprise procurement spend for FY2024. Includes procurement spend by group procurement and development of the Herston property.	Multiplier effect of procuring from Indigenous businesses and social enterprises. Research conducted by PWC and Supply Nation concludes that every \$1 of revenue earned by Indigenous businesses creates \$4.41 of economic and social value. This multiplier is used to estimate the social impact of Australian Unity's spend on both Indigenous businesses and social enterprises.
Indicator: 3.2 Increased financial wellbeing	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
Number of customers receiving relevant Australian Unity products. Includes Australian Unity Life and trustee products.	Estimated social impact of having greater financial wellbeing and peace of mind. Determined with reference to publicly available research and analysis on the average cost of having a financial advisor to provide peace of mind, and the assumption that only a small portion (10%) of a financial advisors' advice relates to the financial matters relevant to the Australian Unity product in question.
Indicator: 3.3 Reduced reliance on government allowances	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
Number of people who are able to return to work. In FY2024 this indicator only pertains to childcare property. Based on the number of childcare places.	Based on average savings to government per person who returns to work. Based on publicly available research and analysis. Assumes that all would otherwise receive the Parenting Payment.
Indicator: 3.4 Relief of care requirements for family members	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
Number of people who are relieved from spending time on financial administration or executor responsibilities for family members. Based on the total number of trustees customers including residential trusts, protected persons and compensation trusts.	Estimate of the value of avoided time spent managing financial administration and executor responsibilities. Based on the average service hours per customer serviced, by Australian Unity's Trustee Services (with a 50% inefficiency uplift), multiplied by the national minimum wage per hour at the commencement of the reporting period (sourced from the Fair Work Commission).

Priority outcome: 4. Social and economic opportunities through employment	
Indicator: 4.1 Increased professional fulfillment	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
Number of people with increased access to training or education opportunities. Pertains to Remedy staff and PBSA residents in FY24.	Cost to undertake or access an equivalent course of study. For Remedy, based on the average cost of a Diploma of Counselling, with reference to publicly available research. For PBSA residents, based on the estimated average NDIS funding for minor home modification.
Indicator: 4.2 Increased financial security	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
A. Number of Australian Unity employees provided with permanent employment in aged care and home care services businesses. These sectors are traditionally have a large proportion of the workforce employed on a casual basis.	Estimate of the social impact of reduced financial stress and annual leave and sick leave entitlements. Draws on publicly available research and analysis. Data sources include Australian Government Office of Impact Analysis, AIHW and data from the Australian Government Fair Work Ombudsman on annual leave and sick leave entitlements.
B. Number of people who are able to return to work through access to childcare places. Australian Unity's Childcare Property Fund enables parents and caregivers to participate in paid employment. Based on the number of childcare places.	Estimate of the average increase in income that women can earn if they return to work. Based on the proportion of Australians out of work that are seeking employment that are female and the average female salary in Australia (adjusted for 50% of estimated childcare costs and average government parenting payments expected to be received if the female was not working), each of which is based on publicly available research and analysis. Data sources to include Services Australia, Australian Bureau of Statistics, Australian Government Department of Education and the ACCC.
Indicator: 4.3 New job creation/new economic activity	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
Number of Australian Unity employees living in rural and remote Australia who have increased job opportunities through flexible and remote employment. Pertains to Remedy staff.	The average salary of a Remedy counsellor. Based on Australian Unity data.
Indicator: 4.4 Employment for First Nations people	
Quantity (<i>How it is measured</i>)	Financial proxy (<i>How it is valued</i>)
Estimated number of Aboriginal and/or Torres Strait Islander employees who may otherwise be at risk of long-term unemployment. Based on Australian Unity data for Aboriginal Home Care and publicly available research on the percentage of the population experiencing long-term unemployment (3%). Calculated as the estimated proportion of new Indigenous employees within the Aboriginal Home Care business, Remedy, or employed in property projects that would otherwise be at risk of long-term unemployment.	Estimate of average savings to government per job created for a person who otherwise is at high risk of long-term unemployment. Determined with reference to publicly available research and analysis on Jobseeker Allowances and Workforce Australia Provider Payments.

Impact area: Strong communities	
Priority outcome: 5. Leading social innovation	
Indicator: 5.1 Contribution towards closing the social infrastructure gap	
Quantity (How it is measured)	Financial proxy (How it is valued)
Investments in social infrastructure projects. Includes the Herston Quarter, childcare centres, hospitals, aged care facilities, purpose built student accommodation and specialist disability developments. This includes developments and infrastructure that underpin and enable the creation of social impact in these facilities, such as carparks or rooms and facilities for administration.	Total financial contributions to social infrastructure projects. Social impact is valued based on total financial contributions in FY2024. Assumes a dollar-for-dollar social innovation benefit from the investment.
Indicator: 5.2 Increasing flow of capital into healthcare or ‘green’ economy	
Quantity (How it is measured)	Financial proxy (How it is valued)
Funds invested into healthcare and healthcare related capital investments and green bonds through Australian Unity’s investment products. FY2024 pertains to investments made through the Acorn Fund into social innovation in the health sector.	Net value of funds invested. Social impact is valued based on net value of funds invested in FY2024. Assumes a dollar-for-dollar social innovation benefit from the investment.
Priority outcome: 6. Supporting living in place	
Indicator: 6.1 Improved relationships	
Quantity (How it is measured)	Financial proxy (How it is valued)
<p>Estimated number of customers who experience improved relationships. Pertains to customers of home health, retirement living, aged care, specialist disability accommodation and trustees services. Numbers are estimated in different ways:</p> <ul style="list-style-type: none">• Home health services use 2024 survey results (Home Care Services and Aboriginal Home Care).• Retirement villages, aged care and specialist disability accommodation use data from the Royal Commission into Aged Care and publicly available research.• Trustees services use Australian Unity performance reports.	Estimated cost of achieving improved relations by seeing a relationship/family counsellor. Based on publicly available research and analysis to determine the average cost of twenty sessions with a relationship/family counsellor.
Indicator: 6.2 Improved community belonging	
Quantity (How it is measured)	Financial proxy (How it is valued)
Estimated number of customers who feel a sense of community belonging. Same method as above: this indicator pertains to customers of home health, retirement living, aged care, specialist disability accommodation (but not trustees); and same data sources (2024 customer survey results for home health services, publicly available research and analysis for others).	Estimated social impact created by feeling a sense of belonging to neighbourhood. Value sourced from the Australian Social Value Bank. ¹

References located on page 52.

Indicator: 6.3 Maintain a sense of independence (choice and control)	
Quantity (How it is measured)	Financial proxy (How it is valued)
Estimated number of customers who feel an improved sense of independence or control in their lives. Pertains to a wide range of Australian Unity activities: home health services, retirement villages, aged care, trustees, specialist disability accommodation and childcare. The number of customers who experience these outcomes is determined through either customer surveys or publicly available research and analysis.	Estimated social impact created by feeling in control in life. Value sourced from the Australian Social Value Bank.
Indicator: 6.4 Increased connection to culture	
Quantity (How it is measured)	Financial proxy (How it is valued)
The number of Aboriginal Home Care customers experiencing a strong sense of cultural connectedness. Based on a 2022 survey of AHC customers.	Estimated cost of achieving increased connection to culture through an immersive cultural experience. Determined with reference to average costs to attend an immersive, multi-day trip to connect with culture and history on Country in different parts of Australia, based on a range of experiences listed by Welcome to Country.
Indicator: 6.5 Reduced reliance on government-subsidised aged care	
Quantity (How it is measured)	Financial proxy (How it is valued)
<p>Estimated number of customers who have avoided aged care admission by using other Australian Unity Services. Pertains to customers of retirement living, home health services and specialist disability accommodation:</p> <ul style="list-style-type: none">• Home health customers – based on the number of customers with higher support needs (HCP Level 3 and 4).• Retirement living – based on analysis of the average proportion of aged care residents who are aged 65+ to determine the percentage of 65+ retirement living customers who might otherwise be in aged care.• Specialist disability accommodation – based on publicly available analysis on the number of residents moving from retirement villages into specialist disability accommodation.	The total value of government savings as a result of avoided aged care admissions. Determined with reference to publicly available research and analysis. Dats sources include average government funding per resident per day from the Department of Health and Aged Care.
Indicator: 6.6 Increased safety	
Quantity (How it is measured)	Financial proxy (How it is valued)
Number of customers who report feeling an increased sense of safety. Pertains to retirement villages and purpose-built student accommodation activities. Estimated based on surveys of customers conducted in 2023.	Estimated cost of achieving increased safety by purchasing a home security system. Based on publicly available research and analysis on average costs.

Discount factors

Social value measurement, in conformity with Australian Unity's CSV framework, requires the use of certain critical estimates. It also requires management to exercise their judgement in applying the CSV framework overall, in particular in relation to the discount factors applied where the assumptions and estimates are significant to the calculation of community and social value and involve a higher degree of judgement and complexity.

Our CSV framework acknowledges that there are many factors that influence the impact we have on the wellbeing of individuals and communities, and that our products and services contribute in different ways—and to different extents—to this wellbeing. To enhance the rigour involved with calculating impact and to avoid overclaiming, our framework applies ‘discount factors’ to calculate the unique value created by Australian Unity.

Our methodology takes the total estimated social impact and discounts the value in two stages:

1. **Attribution:** The proportion of the outcome that is a result of the contribution of other organisations or people. This is an assumption made for each product, service and outcome type (individual or community) and determined by Australian Unity taking into consideration a range of factors including Australian Unity’s ownership of an initiative, the contribution of our partners, investors, infrastructure developers and service operators, and the contribution of customer's other supports such as from family and friends towards their achievement of outcomes. When the contribution of more than one other organisation or group of people needs to be acknowledged, this is considered in the calculation – for example:
- For some Social Infrastructure investments, where Australian Unity is the landlord but does not deliver services (private hospitals, supported disability accommodation, purpose-built student accommodation), a portion of social impact is attributed to investors, and the remainder is attributed to the operators delivering services.
 - For some Home Health services (Home Care Services, self-managed only) a portion of social impact is attributed to customers’ family and friends who help support their wellbeing, and a further 60% is attributed to service providers delivering the service (as Australian Unity’s role is limited to rostering, care and package management).

2. **Deadweight:** The proportion of the outcome that would have happened even if our intervention or interactions had not taken place. This is an assumption made for each product, service and outcome type (individual or community) and is determined by Australian Unity taking into consideration a range of factors, including the level of uniqueness or differentiation of the product in the market, the market share held by Australian Unity and publicly available data on the proportion of customers who would otherwise have accessed an alternative product.

For example, when determining the discounting applied to social impact created through Australian Unity’s home care services, the following factors were considered:

- Attribution:** Australian Unity is fully responsible for delivering the service. However, a share of the outcome is credited to family and friends (estimated at 25%), whom we recognise play an important role in supporting an individual’s wellbeing and contribute to the outcomes created by our home care services for our customers.
- Deadweight:** Australian Unity is one of the top providers in the home care service space. However, a share of the outcome (estimated at 40%) could have equally occurred through other providers in the market and is therefore not claimed by Australian Unity.

Therefore, the total social impact created through home care services is reduced by 25% and the remaining value reduced by a further 40%. This results in an overall discount rate of 55% and accordingly 45% of the overall community and social value being apportioned to Australian Unity.

Estimates and judgements are continually evaluated, with discount factors for each social impact re-evaluated annually, to check these remain reasonable under the circumstances. The two tables below present the weighted average discount factors applied in estimating the social impact created in FY2024 across Australian Unity’s impact areas and outcomes, and across Australian Unity’s Platforms.

Impact areas and outcomes	Lifelong wellness		Economic empowerment		Strong communities	
	Better access to healthcare	Improved health outcomes	Building financial resilience	Social and economic opportunities through employment	Leading social innovation	Supporting living in place
Weighted average discount factor	57%	54%	47%	68%	64%	57%

Australian Unity Platforms	Weighted average discount factor	Rationale
Retail <i>Private Health Insurance</i>	45%	<ul style="list-style-type: none">Deadweight: Based on industry data on the percentage of the Australian population who hold PHI hospital cover (45%).Attribution: No other stakeholders (e.g. investors, service providers) play a material role in achieving specified outcomes for PHI, so 0% of the social impact created is attributed to others.
Home Health <i>Home Care Services, Aboriginal Home Care, Virtual Health and Mental Health Pipeline Services</i>	54%	<ul style="list-style-type: none">Deadweight: Deadweight assumptions reflect that Home Health services are offered in a competitive market, where Home Health is a large player and offers distinctive services (Aboriginal Home Care). Ranges 20-40%.Attribution: Many Home Health clients also receive support from family, friends and other people which supports positive outcomes, so we attribute 25% of social impact to these people. For <i>MyHomecare</i> clients on self-managed packages, a further 60% of social impact is attributed to service providers, as Australian Unity plays a lighter-touch coordination role.
Wealth and Capital Markets <i>Social Infrastructure, Australian Unity Life, Funds Management and Trustees</i>	68%	<ul style="list-style-type: none">Deadweight: Many business activities in this platform are offered in busier markets with other providers and businesses that may have delivered the same services. Deadweight factors range from 20-50%.Attribution: A proportion of the social impact created through Social Infrastructure funds is attributed to investors (currently a flat rate of 30% across all property funds) and, where Australian Unity owns the property but does not deliver services, a further proportion is attributed to operators or service providers (40-50%, for private hospitals, SDA, PBSA and childcare).
Specialist Care <i>Retirement communities and aged care</i>	28%	<ul style="list-style-type: none">Deadweight: Assume a modest deadweight factor as Australian Unity's aged care and retirement living offers a differentiated product in the market through its 'Better Together' small household model (ranges 15-25%).Attribution: Assume that a portion of the social impact created is attributable to family, friends and other carers (25% in retirement communities and 5% in aged care facilities).
Group <i>Indigenous business and social enterprise procurement</i>	0%	<ul style="list-style-type: none">Deadweight: Assume 0% deadweight – without Australian Unity procurement spend, revenue would not have been generated for businesses.Attribution: Assume 0% attribution as the social impact created is a direct result of Australian Unity procurement spend.

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- 1 The values used in these calculations, provided by the Australian Social Value Bank, are owned by Alliance Social Enterprises <www.asvb.com.au> and have been produced by Simetrica-Jacobs. These values are used under licence #q5d66Y with expiry date 08/03/2025.

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