

Australian Unity Group Strategy & Impact

# Measuring Wellbeing – An enterprise perspective

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Siobhan Henderson  
Strategy & Impact Manager  
June 2024



## 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, sustainable businesses

## Areas of operation

Health, wealth & care

## Organisational pillars

Providing health, wealth and care products and services that deliver real wellbeing. Australian Unity focuses on opportunities that deliver relevance, diversification and growth across four organisational pillars



### Member & 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 operations allows us to generate sustainable financial performance with a greater positive impact for the future



### Community & Social Value

Our portfolio seeks to maximise positive community and social value.



### People wellbeing & 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

# We believe S is a measure of society's wellbeing

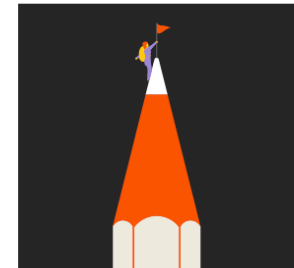
We have studied the **Real Wellbeing** of Australians for more than 20 years in partnership with Deakin University through the internationally recognised **Australian Unity Wellbeing index**



Financial security



Achieving in life



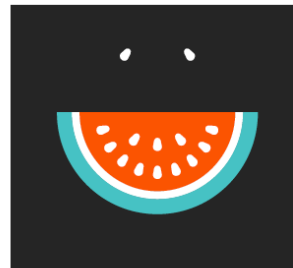
Relationships



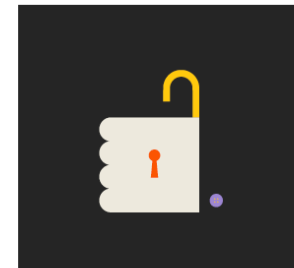
Community connectedness



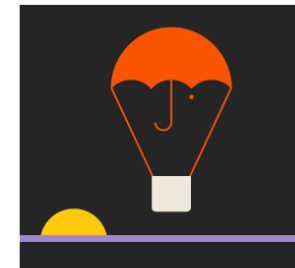
Health



Personal safety



Future security



The Australian Unity Wellbeing Index found that there are **7 Domains of Wellbeing** that contribute to our overall happiness. The business has leveraged our understanding of these domains to inform our strategy and the shape of our portfolio.











# Developing our Community & Social Value Framework and priority outcomes

## SVA Consulting

Australian Unity partnered with Social Ventures Australia to develop our Community & Social Value outcomes framework.

Our framework identifies **three overarching impact areas** and **six priority outcomes** where we have a positive and unique social impact on our members, customers, employees and the broader community.

These impact areas and outcomes provide the foundation for measuring our unique impact value and for informing our key business decisions.

The seven domains of wellbeing		Impact area	Priority outcome
	Health	 <p><b>Lifelong wellness</b> We help our customers and members access better levels of health and wellness with care and services that are based on individual needs.</p>	Better access to healthcare
	Future security		Improved health outcomes
	Standard of living	 <p><b>Economic empowerment</b> We help build financial security and resilience to provide confidence about the future and to deal with any challenges in life.</p>	Building financial resilience
	Achieving in life		Social and economic opportunities through employment
	Relationships	 <p><b>Strong communities</b> Strong communities provide individuals with a sense of purpose and security through meaningful engagement, access to services and social connectedness.</p>	Leading social innovation
	Community connectedness		Supporting living in place
	Personal safety		

# Where does the impact land?

	For example
<p><b>To individuals and their families, friends and networks and our employee base</b></p>	<ul style="list-style-type: none"> <li>• The estimated number of additional patients able to receive treatment as a result of the ownership of private hospitals within the investment portfolio of the Healthcare Property Trust</li> <li>• The estimated social impact value of the financial wellbeing and peace of mind enjoyed by customers receiving AU's financial advice and trustee services</li> <li>• The number of AU Aged Care, Retirement Living and Home Care services that are assumed to have experienced improved relationships, community belonging and an increased sense of independence</li> <li>• Australian Unity Care workers are employed with a higher rate of permanency than alternative care providers, creating a more confident and financially stable employee experience and reducing the stress of having to hold multiple jobs</li> </ul>
<p><b>Broader society</b></p>	<ul style="list-style-type: none"> <li>• The number of hospital bed days capacity created within the public hospital system as a result of ownership of private hospitals within the investment portfolio of Healthcare Property Trust</li> <li>• Financial contributions made during the period by AU to social infrastructure projects including Herston Quarter, hospitals, aged care and specialist disability developments</li> <li>• The additional funds available to government as a result of savings created through the provision by AU of the following alternatives to living in aged care facilities; Retirement Living services, Home Care services, Aboriginal Home Care Services</li> </ul>

# Principles

Our C&SV framework is underpinned by six guiding principles commonly used in the Social Return on Investment that provide an 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 a clear boundary**

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. Recognise adoption, not just innovation**

Recognise AU's role as a social innovator by demonstrating the value of these ideas once they are adopted by external entities

**5. Do not overclaim**

Not taking 100% credit for value created where other parties have contributed to its creation, through the use of discount factors

**6. Rely on quality data**

Report on outcomes where reliable data and evidence of outcomes exists within AU or through reliable direct sources

# HPT – recognising our partnerships and investors

## Health Care Property Trust

The Healthcare Property Trust funds the building and operation of hospital beds (both public and private)—contributing to creating efficiencies in the Australian healthcare system by creating capacity and reducing wait times for hospital admissions. We measure the total saving to government and the public system for the cost of the construction and operationalising of each bed, as well as the annual saving to government for the cost of a single private hospital bed.

### Landlord

As Landlord, we calculate a portion of the social value created as attributable to Australian Unity.

### Hospital Operators

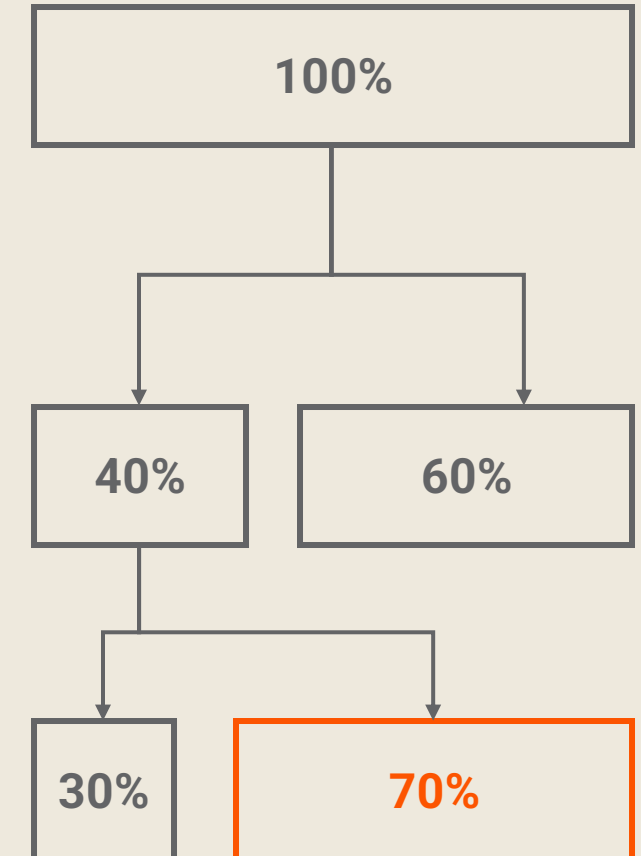
While Healthcare Property Trust is the property holder, we recognise that patient outcomes and access to healthcare is provided by Hospital Operators and those involved in the day-to-day running of the healthcare facilities.

### External Investors

Investors are credited for a portion of the social impact created by investing in the Healthcare Property Trust fund.

### Australian Unity as Fund Manager

Australian Unity, as fund manager and charged with raising capital to support the growth of the healthcare sector, as well as being first to market in a fund of this nature and therefore with a significant portion of the intellectual property, claims a portion of credit for the social value created by the fund.



From this method of discounting, the framework determines that **28%** of the overall community and social value created by HPT can be apportioned to Australian Unity.

Australian Unity Group Strategy & Impact

# Investing in Wellbeing – An enterprise perspective

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Adam Vise  
General Manager Strategy & Impact and Group Treasurer  
June 2024





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## Where we operate

For us, Real Wellbeing is more than just your physical health, it's about:



## Health

We help to keep our members physically and mentally healthy with a range of smart solutions

- Health insurance
- Remedy allied health services
- Dental

## Wealth

Our financial planning, advice and banking services support the financial security of our members

- Banking & General Insurance
- Advice
- Social Infrastructure
- Investments
- Trustee services
- Life insurance and superannuation

## Care

We provide our members with a continuum of care to support them through all stages of life

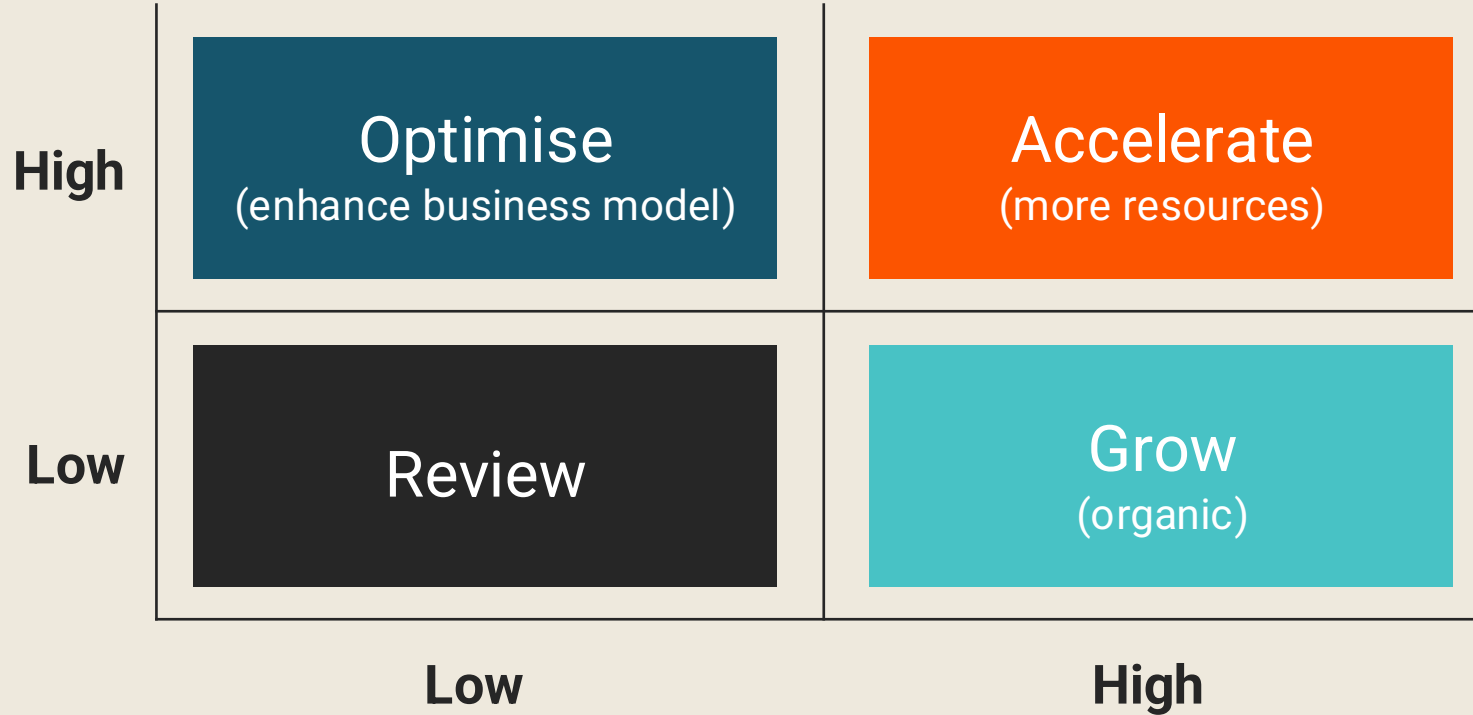
- Home care services
- Aged care
- Retirement living
- Indigenous Services

# CSV embedded in our strategic choices

Portfolio choices to prioritise resource allocation to scale our goals and impact

## Strategic & CSV potential

A measure of the business unit's potential to contribute to the Group strategy



## Financial sustainability

A measure of the business unit's potential for financial contribution to the Group.

# Investing to scale impact

**Australian Unity is transforming to enable real wellbeing for members, customers and community through a portfolio of commercial, sustainable businesses**

## Key transformation agenda objectives

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1

### **Maximise CSV contributions over the long term**

- Optimise portfolio to achieve strategic potential and drive growth of CSV over the long term
- Position portfolio to deliver products and services aligned with strong megatrends and macroeconomic factors through a growing focus on wellbeing, impacts of an ageing population on demand for quality care, growing social infrastructure needs and intergenerational wealth transfer

2

### **Enhance financial sustainability and recurring cash profits over the medium to long term**

- Reposition and sharpen the focus of the portfolio, with emphasis on sustainable cash profit and improved quality of earnings
- Improve scalability, efficiency and effectiveness of corporate structure

# Capital market evolution



## Mutual Capital Instrument

External equity capital for mutuals

- 2020 - \$120m
- 2022 - \$230m
- 2024 - \$70m+

## \$50m Sustainability-Linked Loan



Linked to a wellbeing 'S' target = CSV growth

**SVA** Consulting

**ISS ESG** 

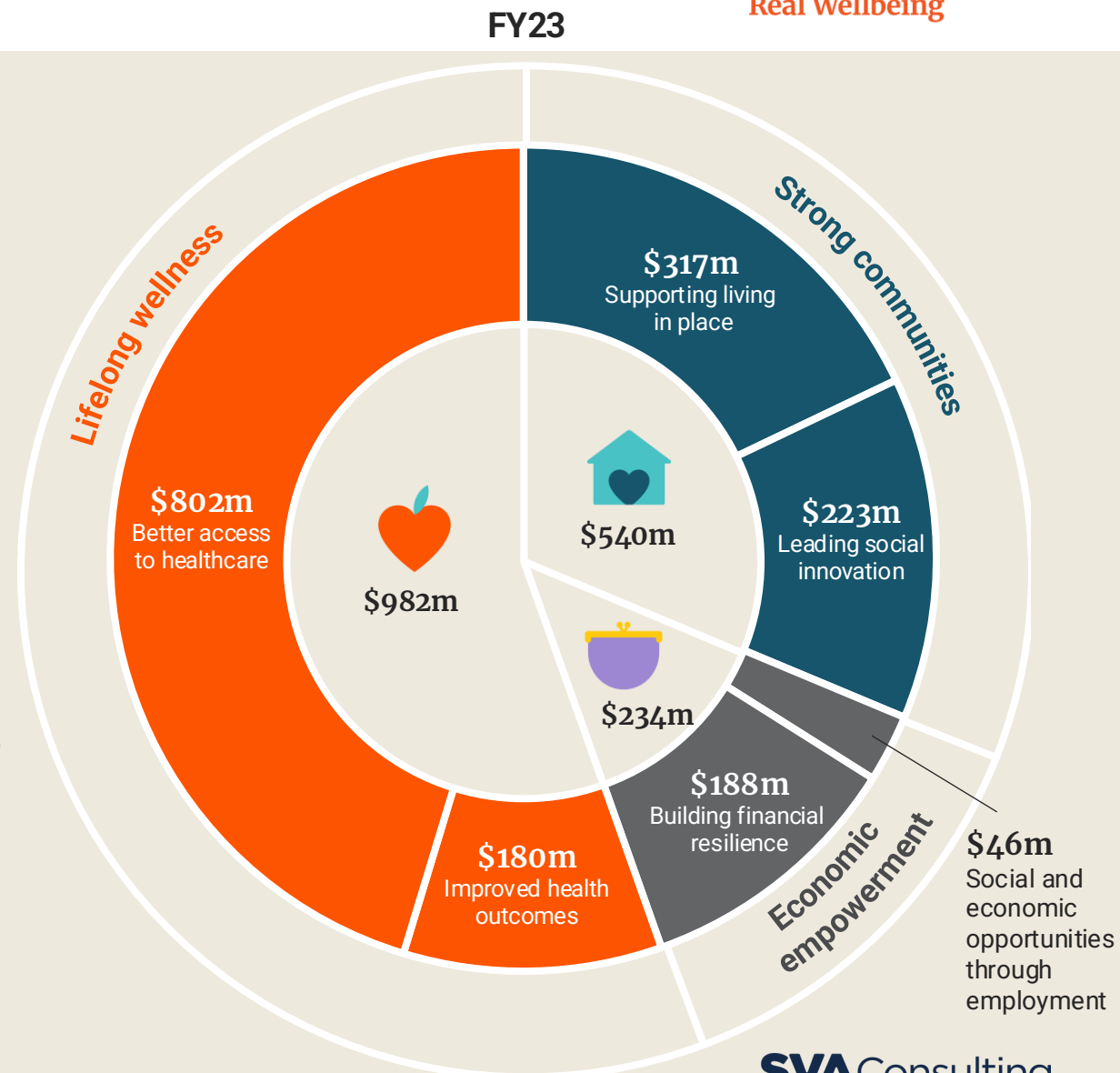
**KPMG**

# Impact of strategic decisions Community & Social Value (CSV)

The transformation agenda is designed to support the growth of CSV in FY24 and beyond, with the following impacts expected from key transactions:

- Following the acquisition of *myHomecare*, we will experience significant uplift in Lifelong Wellness and Strong Communities by servicing a much greater numbers of customers
- We onboarded >30,000 customers through the acquisition of *IOOF*, as a result, the Economic Empowerment impact area of our CSV framework will grow due to increased access to our products and services
- We divested our Advice business, which will remove ~\$140 million\* worth of CSV, however, Australian Unity expects that the new owner will be able to scale the operations and enhance CSV outside Australian Unity
- Further investment in Healthcare Property Trust will increase Australian Unity's support of Better Access to Healthcare. However, construction costs are impacting CSV benefit in FY24

**In FY24 we expect the delivery of Home Care Services, Healthcare Property Trust and Health Insurance to be the largest drivers of CSV**



\*Figures are based on FY23 CSV numbers