



annual report

2017/18

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Group Financial HIGHLIGHTS

Net Assets 23% GROWTH

2018 \$245.2M

2017 \$199.6M

Gross Loan Balances 27% GROWTH

2018 \$1.75B

2017 \$1.38B

Total Deposits 28% GROWTH

2018 \$1.88B

2017 \$1.48B

Total Assets 25% GROWTH

2018 \$2.17B

2017 \$1.74B

Capital Adequacy

2018 15.82%

2017 14.31%

Net Profit Before Tax 51% GROWTH

2018 \$7.9M

2017 \$5.2M

Chair & CEO Report

2017/2018

Welcome to your 2017/18 Annual Report. The financial year ending 30 June 2018 has seen the successful delivery of further significant projects. These projects have been undertaken by your Credit Union to ensure that we continue to deliver products and services that are valued by our Member-Owners into the future.

The most recent of these projects has been the merger with Queenslanders Credit Union. Any merger is a complex undertaking and we have been very proud that this project has been completed successfully with minimal impact on Members.

Queensland Country now traces our Credit Union roots back to 1959 with the formation of ABC Staff Association (Qld) Cooperative Credit Union, followed by others including Cairns Regional Electricity Board Credit Union; Isa Mine Employees Credit Union; Queensland Public Service Employees Cooperative Credit Union; and Discovery Credit Union, amongst others (please refer to pages 12 and 13 for a full diagram of our organisation's history).

Queensland Country is now comprised of a rich history of 13 separate Credit Unions – all Member-owned and formed to provide genuine financial services to Queenslanders. We have grown over recent decades to provide services to almost 95,000 Members and have Total Assets of almost \$2.2 billion.

The Queensland Country Group includes the operations of Queensland Country Health Fund, which in itself encompasses two highly valued dental clinics and Queensland Country Care Navigation – helping Health Fund Members navigate delivery of health care support.

We have much to be proud of, but none more so than the continued primary focus on our Members. Our corporate structure means that we do not have a focus on shareholders to the detriment of customers. The benefit of that structure has never been more demonstrated than through recent government enquiries including the Royal

Commission into Banking, Superannuation and Financial Services and APRA's Prudential Inquiry into the Commonwealth Bank of Australia, amongst others. It has been distressing for everyone to hear and read of the impacts of poor behaviour highlighted by these reviews. As a Board, Queensland Country continues to review the way we conduct our business, to ensure that our Culture and our Governance processes provide comfort that we always act in the best interests of Members.

Apart from Members, we also have a clear focus on community. We believe we have an obligation to play a positive role in our communities, and we have done that this year through the continuation of our Community Grants Program; through recent donations to the Queensland Drought Relief Appeal, and also through encouraging staff to play an active role in their communities through the introduction of two days paid leave to assist with Community or Charity events each year.

During the year, we have continued to enhance our product and service offerings. Queensland Country was one of the first financial institutions to provide access to the New Payments Platform (NPP), which will transform payments systems in Australia. We have also delivered a number of upgrades to our digital services and have an ongoing investment commitment that will see regular updates provided to Members. Since the end of the financial year, we have also announced that we will be removing and reducing more transaction fees. These actions go against recent trends from our competitors, and have resulted from the increased scale and efficiency achieved in recent years from mergers and organic growth.

The financial report provides details of the financial position of the Credit Union and also of the Queensland Country Group, which includes Queensland Country Health Fund. Profit before income tax for the Credit Union increased from \$6.57 million to \$7.15 million and for the Group from \$5.22 million to \$7.89 million. These results were very pleasing during a period impacted by one-off



expenses relating to our mergers with ECU Australia and Queenslanders Credit Union. Impairment costs reduced substantially from \$1.88 million to \$0.86 million, reflecting a conservative approach in the prior year as we provided for a number of loans to Members experiencing financial difficulties.

The main component of our Assets are Loans to our Members. During the year, the Credit Union grew Gross Loan balances by 26.5%. Excluding Loans transferred as a result of the merger with Queenslanders, Gross Loans grew by 5.9%, which was a pleasing result, given the economic conditions across much of Queensland.

The capital ratio for the Credit Union improved during the year from 14.31% to 15.82%, providing a strong buffer to allow continued growth and investment in the business, and to be able to absorb any external shocks that may occur.

During the year, we have continued our Board renewal, with John Gilbert and Deirdre Comerford stepping down from the Credit Union Board and,

as a result of the merger with Queenslanders Credit Union, we welcomed Christine Flynn and John Weier as Directors. On the Health Fund Board, we farewelled Ray Southwell and welcomed Deirdre Comerford and Christine Flynn. We thank all Directors who have served on our Boards over this time for their valued contributions and the ongoing commitment to serving our Members while operating within a best practice Corporate Governance environment.

Queensland Country Health Fund has continued to perform extremely well with 9.14% growth of policy holders over the financial year, well above system growth for health insurance. The success of our Dental Clinic in Townsville will lead to an expansion of that service from six to nine chairs, and more recently, the acquisition of our second clinic to provide dental care to Members in Mount Isa.

During the year, a review of our retail network resulted in the closure of four of our smaller branches, together with two remaining agency operations. With mergers recently completed, our branch network continues to expand and we now have 29 branches spread throughout Queensland.

With recent changes to our business, we have a focus to ensure that we have a well developed strategic plan, built on core values that recognise our Members as our Owners. The support of our staff is critical to our future success and we continue to invest in their development to ensure they have the opportunity to build satisfying careers in an ethical and progressive environment. We thank all staff and Directors for their efforts during the year, and particularly for maintaining our proud heritage of service to our Members and their Communities.

Bruno Cullen,
Chairman

Aileen Cull,
CEO

Profit and Loss

THE 2017/18 FINANCIAL YEAR

	Group		Credit Union	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Interest Income	77,368	60,919	78,587	61,974
Interest Expense	- 32,883	- 26,578	- 35,833	- 29,496
Net Interest Income	44,485	34,341	42,754	32,478
Other Income	127,962	115,342	32,314	32,674
Impairment Loss	- 859	- 1,883	- 859	- 1,883
Operating Expenses	- 163,695	- 142,582	- 67,057	- 56,702
Profit Before Income Tax	7,893	5,218	7,152	6,567
Income Tax Expense	- 3,260	- 3,323	- 2,109	- 1,924
Profit for the Year	4,633	1,895	5,043	4,643

	Group	
	2017/2018	2016/2017
Net Interest Income	\$44.5m	\$34.3m
Profit (after tax)	\$4.6m	\$1.9m

Profit and Loss

COMMENTARY

The Credit Union saw an increase to Profit before income tax from \$6.6 million to \$7.2 million. The Group's Profit before tax also increased from \$5.2 million to \$7.9 million. The business continues to build on its financial strength, with the merger with Queenslanders Credit Union (Queenslanders) effective from 1 April 2018.

Interest Margin

Net interest margin remained quite steady during the year, finishing the 12 months at 2.16%. The official cash rate remained at an all-time low level of 1.50%. With interest rates at record lows it can be difficult to find a balance between the interests of borrowers and depositors, whilst maintaining an appropriate interest margin. We endeavor to offer market competitive rates for all Members, whether they are investing or borrowing, and are pleased that we have been able to maintain our margin in this competitive, low interest rate environment.

Non-Interest Income

Non-interest income for the Credit Union decreased from \$32.7 million to \$32.3 million. An increase in fees and commissions of approximately \$2.4 million was offset by a reduction in the dividend payment from the Health Fund from \$5 million (2016/17) to \$2.2 million (2017/18).

Overall, the Group's non-interest income increased by \$12.6 million. In line with the strong Membership growth it achieved, contribution income earned by the Health Fund grew from \$103 million to \$114.9 million. This was offset, however, by a corresponding increase in operating expenses as a result of an increase in the amount of benefits paid.

Operating Expenses

Operating Expenses for the Credit Union, excluding impairment costs, increased from \$56.7 million to \$67 million. This increase was impacted by the addition of a full year's expenditure from the merger with ECU Australia and the additional staffing and other operating expenses that resulted from the merger with Queenslanders on 1 April 2018.

Other increases were a result of increased transaction processing costs due to the larger business and an increase in Information Technology expenditure. These costs continue to increase as we prepare for the future by investing in technology that will allow the business to introduce new products and services, particularly in the digital space, and implement more efficient business processes.

Operating Expenses for the Group increased in total by \$20 million, with an increase to Health Fund benefits paid of \$10.5 million adding to the Credit Union variances detailed above.

Impairment Cost of Loans

Impairment costs reduced quite significantly this year from \$1.9 million to \$0.86 million. This is a pleasing sign for the organisation, and demonstrates the quality of the underlying loan portfolio.

Petrice Gould,
Chief Financial Officer

Balance Sheet

THE 2017/18 FINANCIAL YEAR

	Group		Credit Union	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash and Investments	362,358	302,303	407,570	347,755
Property, Plant and Equipment	39,006	39,064	10,363	9,653
Loans to Members (net of provision)	1,746,636	1,379,490	1,746,636	1,379,490
Other Assets	19,525	19,502	12,742	12,076
Total Assets	2,167,525	1,740,359	2,177,311	1,748,974
Deposits from Members	1,881,212	1,482,771	1,893,210	1,493,855
Payables and Provisions	41,126	58,015	117,139	133,649
Total Liabilities	1,922,338	1,540,786	2,010,349	1,627,504
Net Assets	245,187	199,573	166,962	121,470

	Group	
	2017/2018	2016/2017
Gross Loans to Members	\$1,749.5m	\$1,382.5m
Deposits from Members	\$1,881.2m	\$1,482.8m
Total Assets	\$2,167.5m	\$1,740.4m
Net Assets	\$245.2m	\$199.6m
Capital Adequacy	15.82%	14.31%

Balance Sheet

COMMENTARY

The Total Assets of both the Credit Union and the Group increased by 24.5% to \$2.2 billion. Our growth excluding the assets that were transferred as a result of the Queenslanders Credit Union (Queenslanders) merger was 3.4%.

Total loans grew by 26.6% to \$1.7 billion - much of which was attributable to the merger with Queenslanders. Excluding the impact of the merger, total loans increased by 5.9%. This growth was pleasing, with results positively impacted by increased consumer confidence and stronger economic conditions in some parts of Queensland. The increased geographic diversity that our recent mergers provide makes our organisation less susceptible to downturns in specific regions or industries and has helped build a stronger, more resilient organisation.

Queensland Country's funding is sourced from Members. Of Member deposits, approximately 40% were held in fixed term deposits, 57% in at-call deposits and 3% from Retirement Savings Accounts. Member deposits increased by 26.7% from \$1.5 billion to \$1.9 billion during the year, with 21.7% of this growth attributable to the merger with Queenslanders.

Total Equity for the Group increased by \$45.6 million to \$245.2 million. The merger with Queenslanders contributed \$40.4 million in equity to the Group.

Liquidity levels remained well above prudential requirements and within Board appetite during the year, averaging 15.76% of adjusted liabilities and finishing at 14.34% at 30 June 2018. The Credit Union continues to have access to an Internal Securitisation Trust, a facility established to be used only as an emergency liquidity backstop. The Credit Union owns the floating rate notes issued by the Trust, with the senior notes eligible to be utilised as collateral in repurchase arrangements with the Reserve Bank of Australia (RBA). The total floating rate notes as at 30 June 2018 amounted to \$110 million. These arrangements enable the Credit Union to raise funds from the RBA utilising its loans and advances as the underlying security. There is also a liability recognised in the accounts for this facility, which is included in the Balance Sheet as Other Borrowings.

Queensland Country's capital, which is comprised of reserves that have been accumulated from past profits and a business combination reserve (being the reserves of the merged entities) increased to \$166.9 million. This resulted in an increase in the capital adequacy ratio from 14.31% to 15.82%. This percentage is well above the regulator's minimum requirements and provides a strong buffer for the future.

Petrice Gould,
Chief Financial Officer

Business Growth

BUILDING SCALE SUSTAINABLY FOR THE BENEFIT OF OUR MEMBERS

As detailed earlier in this report, our organisation experienced strong growth during the financial year. We completed the final stages of our merger with ECU Australia (ECU) in September when the two Credit Unions' banking systems, products and services were merged together. Bringing two modern banking organisations together is a significant project and we thank our former ECU Members for their ongoing support throughout the transition.

After welcoming our ECU Members, we embarked on another merger, this time with the South East Queensland based Queenslanders Credit Union (Queenslanders). This merger was resoundingly approved by Queenslanders Members at their Annual General Meeting in December 2017, with 93% of the Members who voted being in favour of the merger. The two companies officially became one on 1 April 2018, with systems integration scheduled for August.

Our Credit Union has a rich heritage. As displayed in the diagram on pages 12 and 13, our current operation is the result of a series of mergers originating back to 13 different standalone organisations. While these mergers have been a feature of our history, before ECU and Queenslanders we had not conducted one since our amalgamation with South East Community Credit Society in 2005.

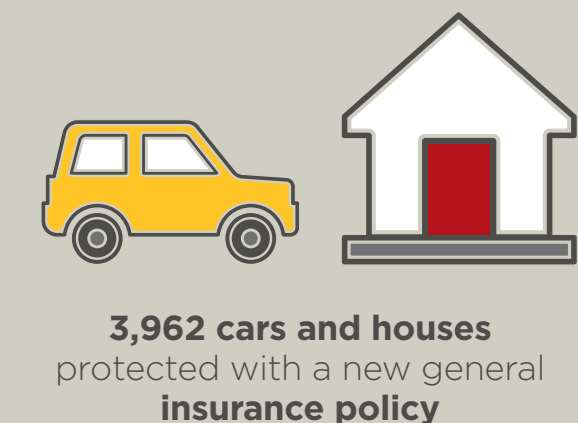
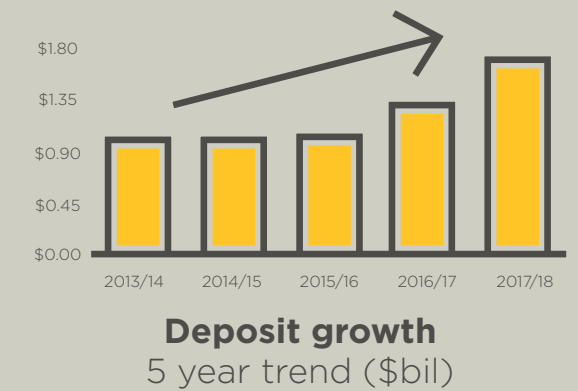
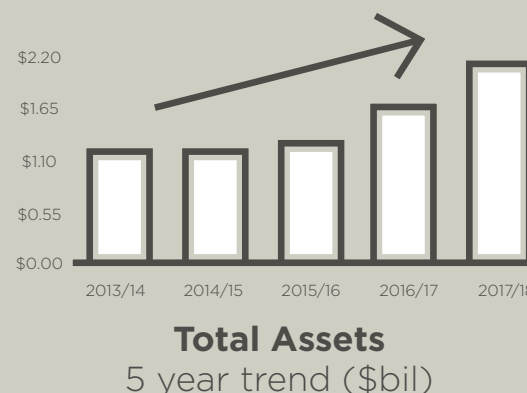
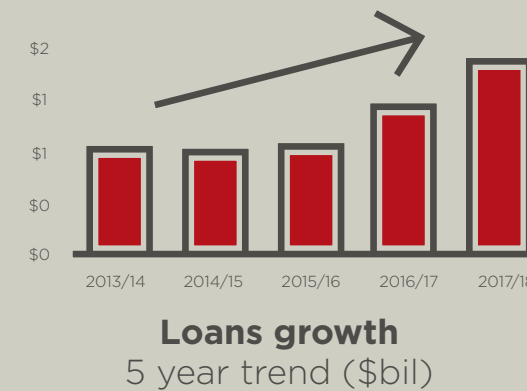
While it is unusual to experience two mergers in such a short amount of time, consolidation is something that continues to occur within our industry and we have been fortunate to find two partners that provide strong cultural alignment and significant opportunities to grow our business in Far North Queensland and the South East corner respectively.

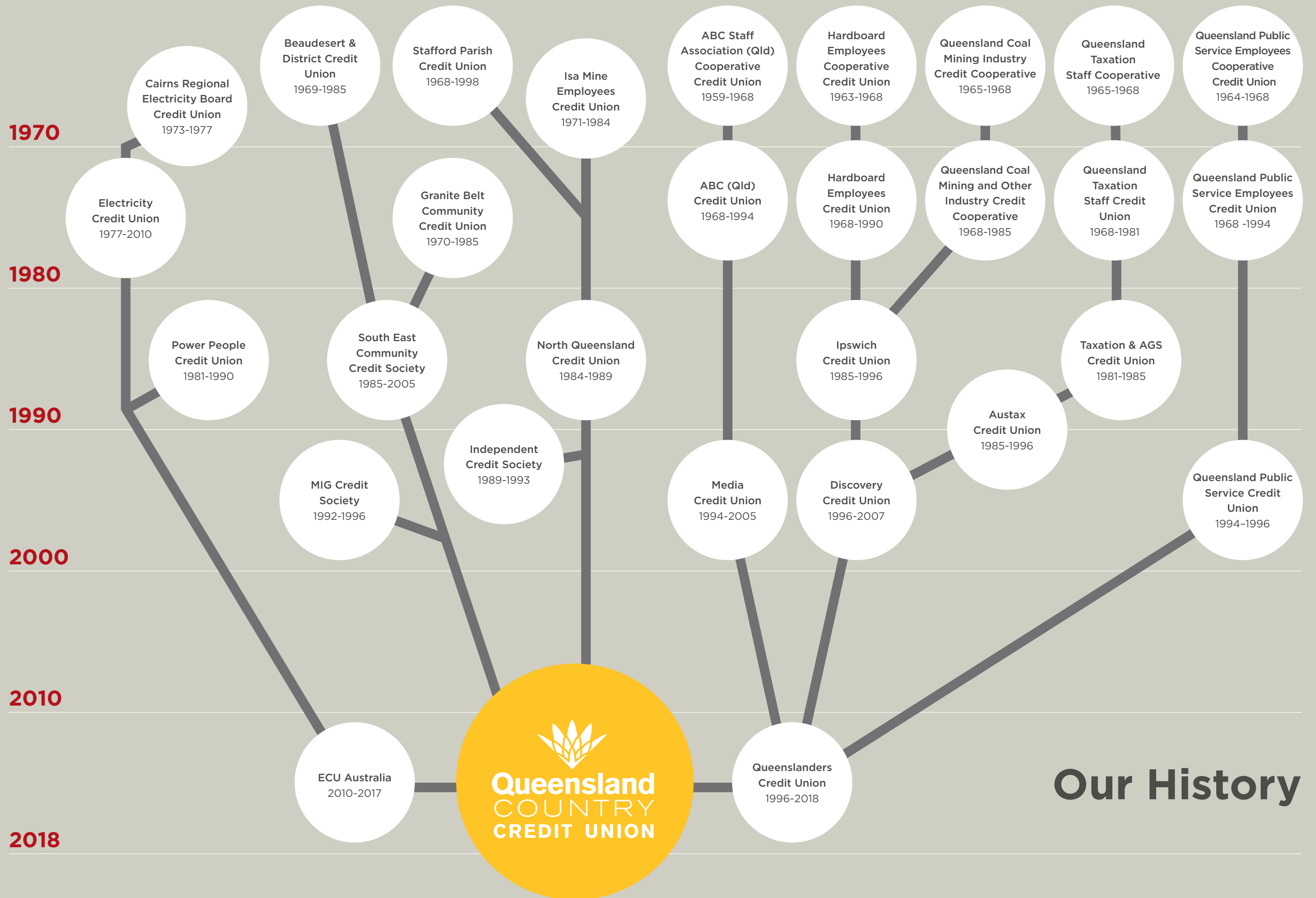
At a time of continued record low interest rates, gaining scale through mergers with like-minded organisations such as ECU and Queenslanders helps us continue to reinvest in our business, ensuring we remain a strong banking organisation that is well-equipped to meet the needs of our almost 95,000 Members.

While our recent mergers have driven asset growth, we were also pleased to experience a strong level of demand for our products from our traditional markets during the year. In line with budget, we provided \$307 million in new loans to Members and assisted almost 4,000 Members protect their home or car with a new insurance policy through our partnership with CGU Insurance.

As we look to continue growing and improving our business, your Board will consider the possible benefits of converting to a Member-owned bank over the coming 12 months. Research conducted by Queensland Country and the broader industry has suggested that younger consumers lack an understanding of credit unions and are more likely to choose a bank to provide their financial needs. Based on this research, in the past five years approximately 20 credit unions and building societies have converted to Member-owned banks. It is expected this trend will continue following the Federal Government relaxing restrictions on the use of the term "bank" as a way to stimulate competition in the banking sector.

A thorough evaluation of the potential benefits of such a change will be conducted and Board and Management will keep Members updated on the progress of this project. What is important to remember, however, is that any change would not lessen our fundamental commitment to remaining a Member-owned banking and health insurance organisation. Our ownership structure, and the associated focus on people and sustainable profitability, is the basis on which our unique culture and values have been formed and allows us to offer the genuine, personalised levels of service that our Members have come to expect.





Our History

Member, Customer and Community

QUALITY PRODUCTS, EXCELLENT SERVICE AND PROUD TO BE AN INTEGRAL PART OF OUR COMMUNITIES

Our commitment to providing a modern, inviting environment in which to conduct your branch banking continued during the financial year, with Bowen, Mount Pleasant (Mackay) and Willows (Townsville) all receiving upgrades. We have reinvested into our branch network significantly in recent times, with six of our branch locations now converted to our new retail design. This open plan environment allows us to have higher quality, personal interactions with our Members in a warm, inviting space.

We now offer Members access to a network of 29 branches in an area that stretches from Stanthorpe in the south to Weipa in the north and west to Mount Isa. We are represented in a wide range of communities, from our major population centres (Brisbane, Cairns, Ipswich, Mackay and Townsville) through to communities such as Weipa, where we provide the only face-to-face banking alternative in the community.

The quality of the products and services we offer our Members was recognised during the year, with our New Car Loan receiving the prestigious 5-Star Rating from independent research organisation Canstar. We strive to deliver value to our Members through quality products and services and were delighted to receive recognition for this product.

As a Member-owned organisation, we appreciate that we have a role to play in bettering the lives of our Members and building our communities. With this in mind, during the year we relaunched our annual grants program, adding a new element aimed at raising additional funds to support our official charity partner – Ronald McDonald House North Queensland.

Titled Queensland Country Good for Good Community Grants, the program makes grants of between \$5,000 and \$30,000 available to not-for-profit community organisations that wish to

complete projects that have a significant community benefit. Grant applications must fall into the categories of sport and recreation; health; education; environment; or arts, culture and heritage.

To further build support for community fundraising, successful grant applicants must undertake to fundraise at least 10% of their approved grant amount on behalf of Ronald McDonald House. During the year the revised program was able to deliver funding for eight significant projects including an emergency helicopter landing pad for the small community of Jerona; a road safety training track for young cyclists at Townsville Central State School; and a defibrillator, radios and first aid kit for the Mackay Triathlon Club.

In addition to the Queensland Country Good for Good Grants, we also sponsor a wide variety of community groups. During the year we re-signed as the Official Banking Partner of the North Queensland Cowboys National Rugby League team and are proud to provide support to other significant organisations and events within our communities. Some examples include the Mackay Cutters Rugby League team, Mount Isa Rodeo, Home Hill Harvest Festival and the Burdekin Water Festival.

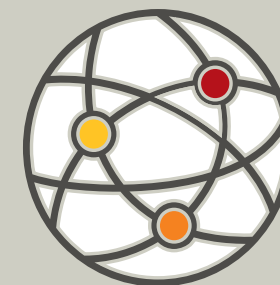
Our ability to support local charities and community groups will be enhanced over the next year through the introduction of a community volunteering program that will provide every staff member with up to two days of paid volunteer leave each year to assist their chosen local charity. Our staff enjoy the opportunity to be involved with their local communities and many of them already volunteer on a regular basis. We look forward to providing them this structured opportunity to make an additional contribution.



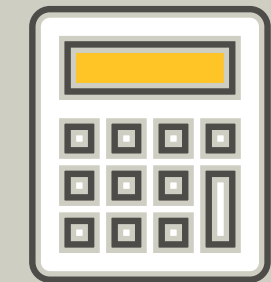
3,346 Members surveyed to ensure our service levels meet their expectations



Over **120 community groups** assisted with a **sponsorship or community grant**



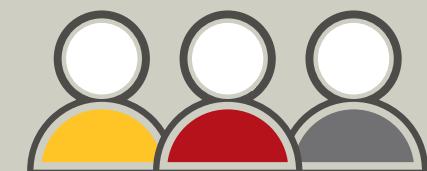
29 branches



786 Members' lives made easier by entering a new **SmartBudget facility**



5-Star Rating
New Car Loan



Almost **95,000**
Members

Operational Efficiency and Innovation

REALISING THE BENEFIT OF RECENT TECHNOLOGY INVESTMENTS

The investment we have made into our new banking system and websites in previous years paid dividends in 2017/18, with our new systems enabling us to be one of the first group of financial institutions in Australia to offer Members a new electronic payments system.

In March 2018, Queensland Country was among only 13 banks and credit unions nationally that participated in the initial rollout of the New Payments Platform (NPP). The NPP is the most significant change in Australia's payment system in decades. It allows near real-time payments from one bank account to another - 24 hours a day, seven days a week. It offers Members a significant advantage over the previous electronic transfer system, which could take up to two days for funds transferred from one bank or credit union to reach another.

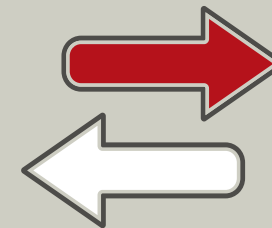
While an increase in the speed of transfers was a driver of the new technology, another key feature is the ability to transfer funds using a PayID rather than the traditional BSB and account number system. PayID allows Members to send funds using their mobile phone number or email address - a much more streamlined process than was previously possible.

Our commitment to offering up-to-date mobile and online banking continues, with a number of upgrades having been made to the banking and health apps we launched last year. An improved online and mobile banking experience has been highlighted as one of the significant advantages of our merger for former Queenslanders Members.

Operationally, we are keen to pursue every opportunity to harness our recent technological advances for the benefit of our Members. A project has been launched to identify ways we can use our new banking system to streamline our processes and make dealing with Queensland Country easier and more convenient for our Members. We appreciate that convenience is a key driver of banking satisfaction and are committed to finding ways to simplify your dealings with us.

Another recent project designed to improve our technological capacity, the upgrade of our SmartBudget bill paying system software, is also paying dividends. In addition to an improved Member experience, the revised software has attracted interest from other Member-owned banking organisations and we are pursuing opportunities to gain a revenue stream by sharing our expertise and success with the product across the broader industry.

Our recent experience converting our own banking system was also invaluable in ensuring a smooth transition of ECU Members from their system to the one used by Queensland Country. Merging the banking systems of two modern day financial institutions is a complex process and, given the scale of the work required, we were delighted with the minimal impact the merger had on service times for our Members. At the close of the financial year, the Queenslanders system integration project was well ahead of schedule and expected to deliver a similarly smooth experience for those Members.



111,290 NPP transactions
sent by Members



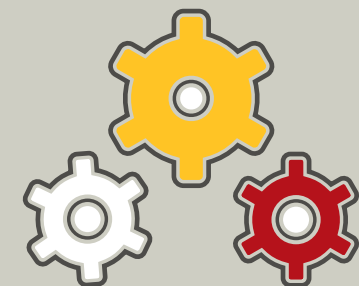
6,497 Members using
SmartBudget



887 hours saved based on
process improvements



336,550 bills paid
through SmartBudget



1,476 processes reviewed
to improve efficiency



\$57,000 in efficiency related savings already identified

Learning and Development

BUILDING A CAPABLE AND MOTIVATED WORKFORCE

At Queensland Country, we know our staff play an integral role in why you choose to bank with us. As such, we put a significant amount of effort into the development of our teams to ensure our staff are able to provide the levels of service you have come to expect from Queensland Country.

A significant amount of training and development resources were dedicated to welcoming the staff from ECU and Queenslanders into the Queensland Country family during the financial year. While the culture and values of our organisations were quite similar, the two mergers required staff to learn new systems, processes and procedures. All ECU and Queenslanders staff attended welcome training in our Aitkenvale head office, which included time with each of the head office departments to ensure staff were supported throughout the transition process.

In March, we were delighted to be recognised as an Employer of Choice for Gender Equality (EOCGE) for the fifth consecutive year. Awarded by the Workplace Gender Equality Agency (WGEA), the citation is strategically aligned with the Workplace Gender Equality Act 2012 and recognises that gender equality is increasingly critical to an organisation's success and is viewed as a baseline feature of well-managed and leading organisations. The citation is awarded based on strict criteria regarding leadership; learning and development; gender remuneration gaps; flexible work arrangements; and other initiatives.

Queensland Country is committed to providing all staff the opportunity to grow and develop their careers. We foster an environment that rewards staff for their effort and promotes internal advancement of staff where possible. To help facilitate this, a network of over 20 future leaders meets on a monthly basis to cover a range of professional development topics.

While on the job and internal training is vitally important, we also encourage staff to undertake external studies where such activities will help build our internal capacity. A review of our Learning and Development Policy during the year has provided increased access to financial assistance for staff wishing to pursue external studies. We also continue to support and participate in Townsville Enterprise's Emerging Leaders Program, which provides the business leaders of tomorrow with training and mentoring via a 14 month development course.

An important project that commenced during 2017/18, and will be implemented during the next financial year, is a review of our organisation's current values. Our values are important as they define who we are as an organisation and what it means to be an employee of Queensland Country. Given our two recent mergers, we feel it is important to review our values to ensure we move forward with a common understanding of the attitudes and behaviours that we wish to promote across our growing organisation.



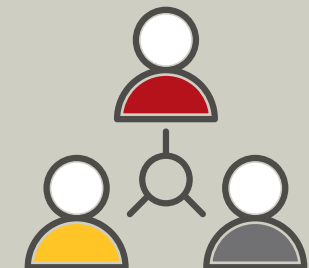
online learning modules completed



Over **410** staff



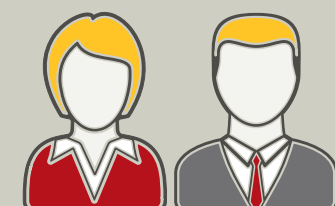
Employer of Choice for Gender Equality.



21 staff engaged in future leaders networking group



27 staff completed a formal qualification



Gender pay gap for full-time managers **reduced** to 1.4% (industry average 31.9%)

Health Fund

STRIVING TO BE THE MOST VALUED HEALTH FUND IN NORTHERN AUSTRALIA



Michael Beard (Chair, Queensland Country Health Fund) and Aaron Newman (CEO, Queensland Country Health Fund)

Queensland Country Health Fund continues to perform exceptionally well in terms of Member growth and satisfaction. During the financial year, the fund grew by 9.14%, making us the fastest growing health fund in Queensland. Our growth was the result of continued support from our traditional markets supplemented by our new brand, Territory Health Fund, which continues to grow its presence in the Northern Territory.

While overall Membership growth is strong, our Queensland Country Dental Service also continues to expand. The service, which began in Townsville with two staff, now employs six dentists and attended to 8,178 patients during the financial year. Based on the popularity of the service in Townsville, an additional three dental rooms will be built and two dentists employed early in the 2018/19 financial year.

In addition to this expansion of the Townsville surgery, from August we will offer our dental services to Mount Isa Members following our purchase of an existing local dental surgery in town. We look forward to providing our Mount Isa Members with the same high levels of dental care that have been so popular amongst our Townsville Members.

While strong growth is a great achievement, we were equally pleased that 95% of Members who responded to our annual survey indicated they were satisfied with the service they receive from us.

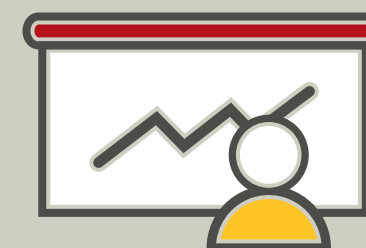
Our research suggests that the value for money the Fund delivers is a key driver of satisfaction levels. During the course of 2017/18, we paid out a total of \$103 million in claims, which represents 90% of

the total premiums collected during the year. This is an increase from 87% the previous year and is well above the industry average.

Like the Credit Union, our Health Fund continues to invest in technology that makes Members' lives easier. During the year we launched an upgrade to our app and continued to develop the range of services available through our online membership portal. We also make a priority of investing in the development of our people and rolled out a new two-day training program for the health insurance staff in our retail branches during the course of the year.

We are proud to support local events that encourage health, fitness and an active lifestyle. Along with the Northern Pride Rugby League Team, some of our key relationships include the Townsville Fire Basketball Team, the Townsville Running Festival, Charters Towers Gold Rush Triathlon and the Mitchell Street Million Dollar Mile in Darwin.

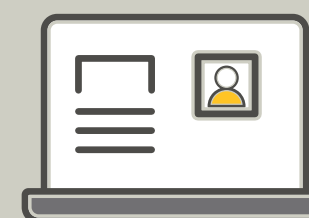
The private health insurance industry remains heavily regulated and the coming financial year will see the implementation of some of the most significant reforms to the industry in many years. Designed to make private health insurance easier to understand, the changes will include the introduction of mandatory gold, silver and bronze product categories and optional changes such as potential discounts to attract young Members to health insurance. We will monitor the new legislation and keep Members up to date with how any changes we make to policies will affect them as further information is forthcoming.



9.14% Membership growth



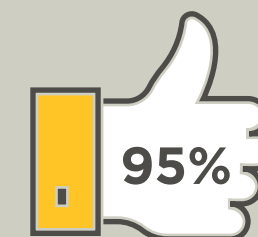
90% of premiums repaid to Members as benefits



26,500 Members



\$103 million in claims paid for the 17/18 year



95% of Members satisfied with Membership



8,178 dental patients

Our Boards

The Board of Directors of both Queensland Country Credit Union and Queensland Country Health Fund play an integral role in setting the strategic direction of our organisation. During the course of the year, we welcomed Christine Flynn (Credit Union and Health Fund), John Weier (Credit Union) and Lewis Ramsay (Health Fund) as new members of our Boards.

Christine Flynn, Deputy Chair of the Credit Union Board joined the Board in April 2018. In addition, Christine was later appointed to the Health Fund Board in July 2018. Christine is a highly experienced organisational development, public sector governance and executive leadership consultant, who is currently working with a range of national organisations on systems leadership, organisation change, leadership development and governance issues. Christine has conducted Board and governance reviews, has been a senior executive in Commonwealth and State public services, and has held several Board roles including President of IPAA Qld, Director of the Audit and Risk Committee of the Queensland Audit Office, QUT School of Business Advisory Board, and is recent past Chair of the Board of the Queenslanders Credit Union. Christine is an accredited facilitator for the Australian Institute of Company Directors courses for Board Chair and Directors, Chief Executives and executive managers.



John Weier joined the Credit Union Board in April 2018. John has extensive knowledge of the credit union industry, having been the Chief Executive Officer of Queenslanders Credit Union from January 2007 until the merger of that organisation with Queensland Country Credit Union in April 2018. Prior to Queenslanders, John was the General Manager of the Ipswich based Discovery Credit Union for 27 years. John is actively involved in the Ipswich community and acts as the patron of a number of sporting and community groups.



Lewis Ramsay joined the Health Fund Board in May 2017. Lewis is a fifth generation Townsville resident whose family origins go back to the City's original settlers. Lewis is a former General Manager of the Townsville Bulletin and surrounding regional newspapers and holds a Bachelor's degree in Business (Communications) from the Queensland University of Technology and a Master's of Business Administration (MBA) from James Cook University.



Lewis has worked in Federal Government in Canberra (Tourism portfolio), served as the Commercial Manager for the North Queensland Cowboys and the Brisbane Broncos Rugby League Clubs, and spent nearly two years as Director, Commercial of Brisbane Marketing (Brisbane's Office of Economic Development).

Lewis is a graduate of the Australian Institute of Company Directors Company Directors' Course (AICD) and holds a builder's license and a real estate agent's license. Lewis was appointed director of Queensland Country Care Navigation Pty Ltd in October 2017 and holds directorships with North Queensland Cowboys Leagues Club and Mater Health Services North Queensland.

During the course of the year, we farewellled Ray Southwell from the Health Fund Board, and John Gilbert and Deirdre Comerford from the Credit Union Board. We were delighted, however, to retain Deirdre's knowledge as a member of the Health Fund Board. We thank Ray, Deirdre and John for their service.

QUEENSLAND COUNTRY CREDIT UNION BOARD



Back row (left to right): Greg Nucifora, Michael Beard, Richard Kennerley, John Weier, Tony Williamson, Patricia O'Callaghan. Front row (left to right): Karen Read, Bruno Cullen - Chair, Christine Flynn - Deputy Chair.

QUEENSLAND COUNTRY HEALTH FUND BOARD



Back row (left to right): Deirdre Comerford, Christine Flynn, Bruno Cullen, Lewis Ramsay, Greg Nucifora. Front row (left to right): Karen Read - Deputy Chair, Michael Beard - Chair, Patricia O'Callaghan.



Queensland
COUNTRY
CREDIT UNION

Queensland Country Credit Union Limited ABN 77 087 651 027
AFSL/Australian Credit Licence 244 533
Queensland Country Health Fund Limited ABN 18 085 048 237