

YEAR IN REVIEW

2018-
2019



Queensland
COUNTRY
CREDIT UNION | HEALTH FINANCE



Queensland
COUNTRY
CREDIT UNION

We were born in Mount Isa in 1971 as the Isa Mine Employees' Credit Union Limited, but over the years we've grown through our desire to help all Queenslanders with their banking and health insurance needs.



Group Financial Highlights	4
Chair & CEO Report	6
Profit and Loss	8
Profit and Loss Commentary	9
Balance Sheet	10
Balance Sheet Commentary	11
Our history and our future	12
Business Growth	17
Member, Customer and Community	20
Operational Efficiency and Innovation	22
People, Culture and Engagement	24
Health Fund	26
Our Boards	30

CONTENTS

Group Financial

HIGHLIGHTS

Net Assets

2019 **\$254.8M**

2018 **\$245.2M**

3.92% GROWTH

Total Assets

2019 **\$2.29B**

2018 **\$2.17B**

5.85% GROWTH

Gross Loan Balances

2019 **\$1.84B**

2018 **\$1.75B**

4.96% GROWTH

Total Deposits

2019 **\$1.99B**

2018 **\$1.88B**

5.87% GROWTH

Capital Adequacy

2019 **16.16%**

2018 **15.82%**

0.34% INCREASE

Net Profit Before Tax

2019 **\$11.5M**

2018 **\$7.9M**

46.31% INCREASE



ONGOING INVESTMENT
IN TO NEW TECHNOLOGIES
GIVES MEMBERS MORE
WAYS TO ACCESS THEIR
MONEY

CHAIR & CEO REPORT 2018 – 2019



Queensland Country Credit Union, your credit union, has achieved many successes through the year. Underpinning this strength has been the tremendous support received from our valued Members, community and our people, all of whom continue to make Queensland Country the success it is today. We commend this annual report to you, that outlines our financial performance, business growth, improvements to Member services and our commitment to our communities.

When reflecting on the past year the organisation's achievements are particularly pleasing in a challenging Queensland economic environment which has seen higher unemployment than the national average, and slow building approvals, mixed with some improvement in the mining industry. The headwinds of economic uncertainty continue to impact our local communities and Queensland Country is well placed to support our Members through this time with a willingness and capacity to provide banking services to help achieve financial goals for our Members.

Another highlight of the past 12 months has been our merger with Queenslanders Credit Union. That has seen goodwill and great teamwork from both organisations, merging our businesses into a better, stronger organisation which will benefit all Members. The Credit Union now boasts more than 100,000 Members across the state and total assets have grown to \$2.4 billion during the year which positions us as the third largest customer-owned financial institution in Queensland.

Maintaining an efficient and competitive financial institution means that we need to continually look at improvements for the organisation along with managing costs. A difficult decision which was made during the year was to close our branch at Mission Beach. Providing face to face service to our Members is a key service proposition that we are committed to now and in the future. We do need to balance this with the level of demand for this service in all of our locations and it became apparent to us that it was unviable to maintain a physical presence in Mission Beach.

This obviously has a negative impact on our Members in that location and our staff. Decisions that affect staff and Members are not made lightly,

and there was extensive deliberation and many options considered before reaching this decision. Queensland Country continues to maintain a strong network of 28 branches. We remain in a strong financial position, and by continuing to adapt, we will stay strong into the future - this is how we have managed to be successful in Queensland for more than 48 years.

We have much to be proud of, but none more so that the continued primary focus on our Members. Our corporate structure of being Member-owned means that our shareholders are our owners and therefore decisions are always made in our Members' best interest. This was no more evident than through the outcomes of the Banking Royal Commission that highlighted the poor behaviour of the shareholder-driven big banks, and the complete absence of any findings against Member-owned organisations.

Corporate governance has featured strongly in the work completed at Queensland Country during the Year. This is to ensure from Board down that we continue to meet all regulatory requirements in what will become an even more highly regulated industry as APRA and ASIC implement more regulation to address the outcomes of the banking royal commission

Our Board has also led the organisation's focus on corporate social responsibility, how our organisation contributes to the communities in which we operate, the way we look after our people and our commitment to Members. An initiative that has been launched during the year is our Community Volunteering Program where we provide our Staff with paid time off to volunteer at any not-for-profit association. This has been widely adopted by Staff and very

well received by the associations that work tirelessly to improve our communities. We continue to invest in our business to improve our Members' experience. During 2018-19 we upgraded a branch in Mackay and made considerable investments in our mobile banking app and website. Our strategy is to continue to invest in the channels our Members value, both the physical and digital environments.

An exciting change for the organisation is planned for the new financial year, with Queensland Country to propose to Members that we change to a Member-owned bank. The change will help us better communicate to consumers what we do, and, therefore broaden our market in Queensland. Who we are and what we do will not change, and because we will remain Member-owned, we will continue to have our Members at the centre of everything we do.

The success the organisation has achieved in the past financial year could only have occurred thanks to the commitment, passion and capability of our Staff. The continued support of our Staff is critical to our future success and helping staff build worthwhile and fulfilling careers remains a priority for the organisation. We thank all Staff and Directors for their efforts and contribution during the year and look forward to exciting developments for the organisation in the next 12 months that will build on the value we provide to Members.

Bruno Cullen,
Chairman

Aaron Newman,
CEO

PROFIT & LOSS

THE 2018—2019 FINANCIAL YEAR

	Group		Credit Union	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest Income	90,492	77,368	93,474	78,587
Interest Expense	- 39,742	- 32,883	- 44,519	- 35,833
Net Interest Income	50,750	44,485	48,955	42,754
Other Income	139,762	127,962	33,615	32,314
Impairment Loss	- 1,183	- 859	- 1,183	- 859
Operating Expenses	- 177,781	- 163,695	- 73,936	- 67,057
Profit Before Income Tax	11,548	7,893	7,451	7,152
Income Tax Expense	- 3,756	- 3,260	- 2,239	- 2,109
Profit for the Year	7,792	4,633	5,212	5,043

	Group	
	2018/2019	2017/2018
Net Interest Income	\$50.8m	\$44.5m
Profit (after tax)	\$7.8m	\$4.6m

COMMENTARY

Operating Profit

Profit before income tax for the Credit Union increased from \$7.2 million to \$7.5 million. The Group's Profit before tax also increased from \$7.9 million to \$11.5 million. This year saw the official completion of the merger with Queenslanders Credit Union with the integration of the two core banking platforms effective in August 2018. The business continues to build on its financial strength, while investing in its future.

Interest Margin

Net interest margin finished the 12 months at 2.04%. The official cash rate remained at 1.50%, until 4 June 2019, when the Reserve Bank of Australia (RBA) reduced it to 1.25%. A further rate cut occurred in July and the cash rate is now at an all-time low of 1.00%. We endeavor to offer market competitive rates for all Members, whether they are investing or borrowing. With decreasing interest rates, it can be difficult to find a balance between the interests of borrowers and depositors, so we are pleased that we have been able to maintain our margin against our budget in this competitive, low interest rate environment.

Non-Interest Income

Non-interest income for the Credit Union increased from \$32.3 million to \$33.6 million, despite no dividend payment being received from the Health Fund (\$2.2 million in 2017/18).

Overall, the Group's non-interest income increased by \$11.8 million. Contribution income earned by the Health Fund grew by \$10.4 million, following strong membership growth. This was partially offset, however, by a \$7.4 million 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 \$67 million to \$73.9 million. This included the addition of a full year's expenditure of staffing and other operating expenses that resulted from the merger with Queenslanders Credit Union on 1 April 2018. Other increases were a result of increased transaction processing costs due to the larger business.

Operating Expenses for the Group increased in total by \$14 million, with an increase to Health Fund benefits paid of \$7.4 million, in addition to the Credit Union variances detailed above.

Impairment Cost of Loans

Impairment costs increased this year from \$0.86 million to \$1.2 million but remain at low levels that demonstrate the quality of the underlying loan portfolio.

Petrice Gould
Chief Financial Officer

BALANCE SHEET

THE 2018–2019 FINANCIAL YEAR

	Group		Credit Union	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash and Investments	411,443	362,358	550,541	407,570
Property, Plant and Equipment	37,391	39,006	8,861	10,363
Loans to Members (net of provision)	1,830,213	1,746,636	1,830,213	1,746,636
Other Assets	15,344	19,525	13,985	12,742
Total Assets	2,294,391	2,167,525	2,403,600	2,177,311
Deposits from Members	1,991,576	1,881,212	2,003,706	1,893,210
Payables and Provisions	48,019	41,126	225,369	117,139
Total Liabilities	2,039,595	1,922,338	2,229,075	2,010,349
Net Assets	254,796	245,187	174,525	166,962

	Group	
	2018/2019	2017/2018
Gross Loans to Members	\$1,836.3m	\$1,749.5m
Deposits from Members	\$1,991.6m	\$1,881.2m
Total Assets	\$2,294.4m	\$2,167.5m
Net Assets	\$254.8m	\$245.2m
Capital Adequacy	16.16%	15.82%

COMMENTARY

The Total Assets for the Credit Union increased by 10.4% to \$2.4 billion, which included an upgrade to our Internal Securitisation Program of \$110 million. The Group's Total Assets increased by 5.9% to \$2.3 billion.

Total loans grew by 4.8% to \$1.8 billion. This growth was pleasing, particularly given the challenging Queensland economic environment and shows that the increased geographic diversity that our recent mergers provide makes our organisation more resilient and less susceptible to downturns in specific regions or industries.

The Credit Union's funding is sourced from Members. Of Member deposits, approximately 42% were held in fixed term deposits, 56% in at-call deposits and 2% from Retirement Savings Accounts. Member deposits increased by 5.8% from \$1.9 billion to \$2.0 billion during the year.

Total Equity for the Group increased by \$10 million to \$254.8 million.

Liquidity levels remained well above prudential requirements and within Board appetite during the year, averaging 15.47% of adjusted liabilities and finishing at 14.94% at 30 June 2019. The Credit Union continues

to have access to an Internal Securitisation Trust, a facility established to be used as an emergency liquidity backstop. This year we increased our Internal Securitisation Program, in line with the growing organisation, with total floating rate notes increasing from \$110 million to \$220 million. This arrangement enables 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 increased this year to \$174.5 million as a result of the retained profits for the year. The 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), contributed to the capital adequacy ratio increasing from 15.82% to 16.16%. This percentage is well above the regulator's minimum requirements. It provides sufficient capital resources to support business activities and operating requirements while providing a strong buffer for the future.

Petrice Gould
Chief Financial Officer

Our history and our future

The Queensland Country that we know today is the combination of 13 separate credit unions that have joined forces over time to build a stronger, more resilient organisation that is better equipped to meet the challenges of the modern-day banking environment.

From humble beginnings as the Isa Mine Employees, Credit Union, the organisation has grown and evolved as we have sought to build scale and expand our unique brand of Member-owned banking into broader geographic markets.

This history of evolution for the betterment of the organisation and benefit of Members will continue in the coming year as we seek Member approval to transform again into a Member-owned bank. This project, which has been considered for a number of years, will retain everything that is good about our existing products, services and relationships with Members while making the organisation more attractive and relevant to the sections of the community that do not yet bank with us.

In particular, research conducted by both Queensland Country and the broader industry suggests that younger consumers do not understand what a credit union does and often have misconceptions that they must be part of a specific occupational group in order to use our services. Further, while we are governed by the same prudential standards as the banks, and offer the same Federal Government backed guarantee on deposits, some consumers still perceive banks as safer or more secure than credit unions and, as a result, are reluctant to transfer all their banking to us.

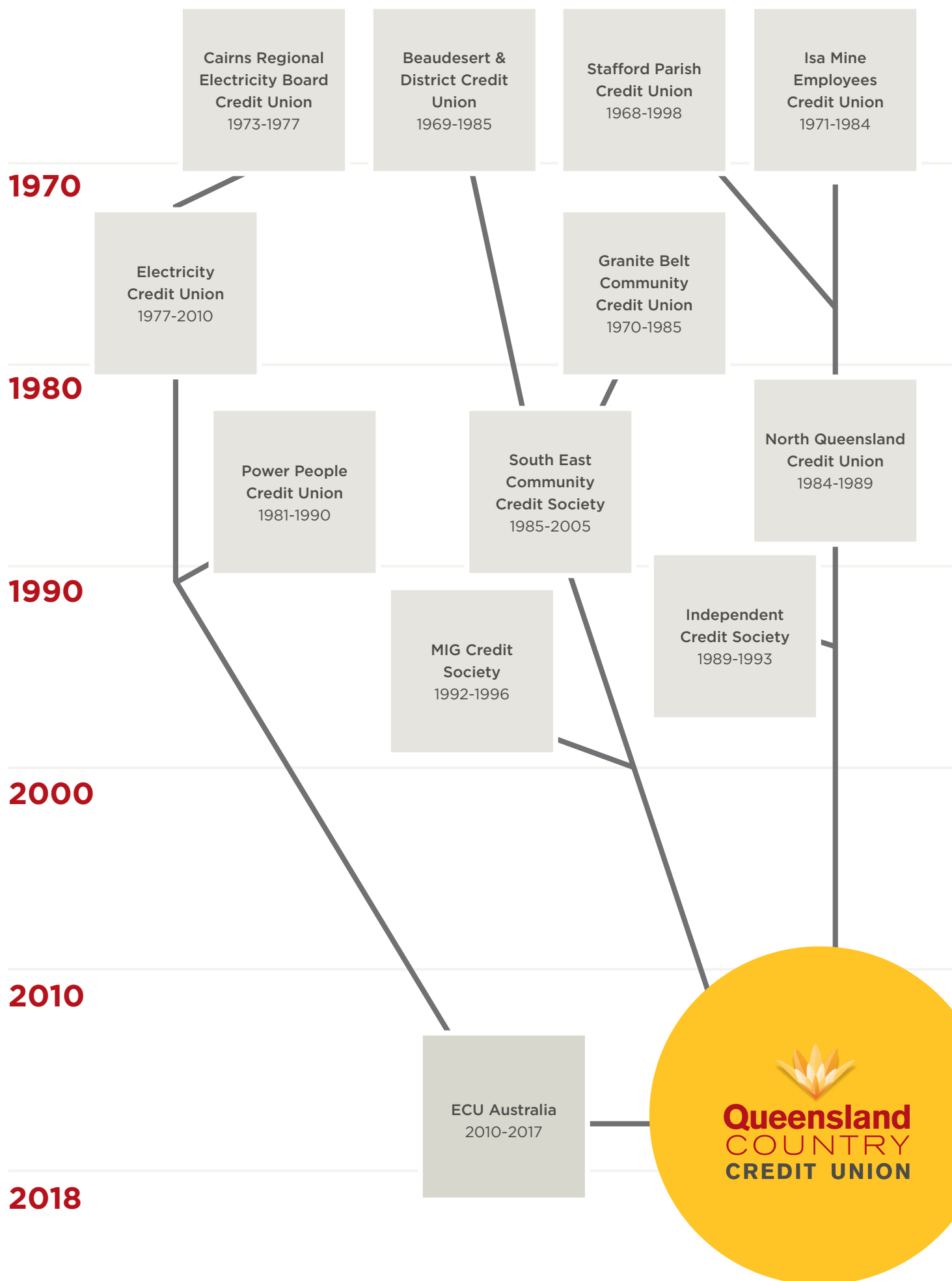
While we will continue delivering the quality service existing Members have come to expect from Queensland Country, it is imperative for the future of the organisation that we continue

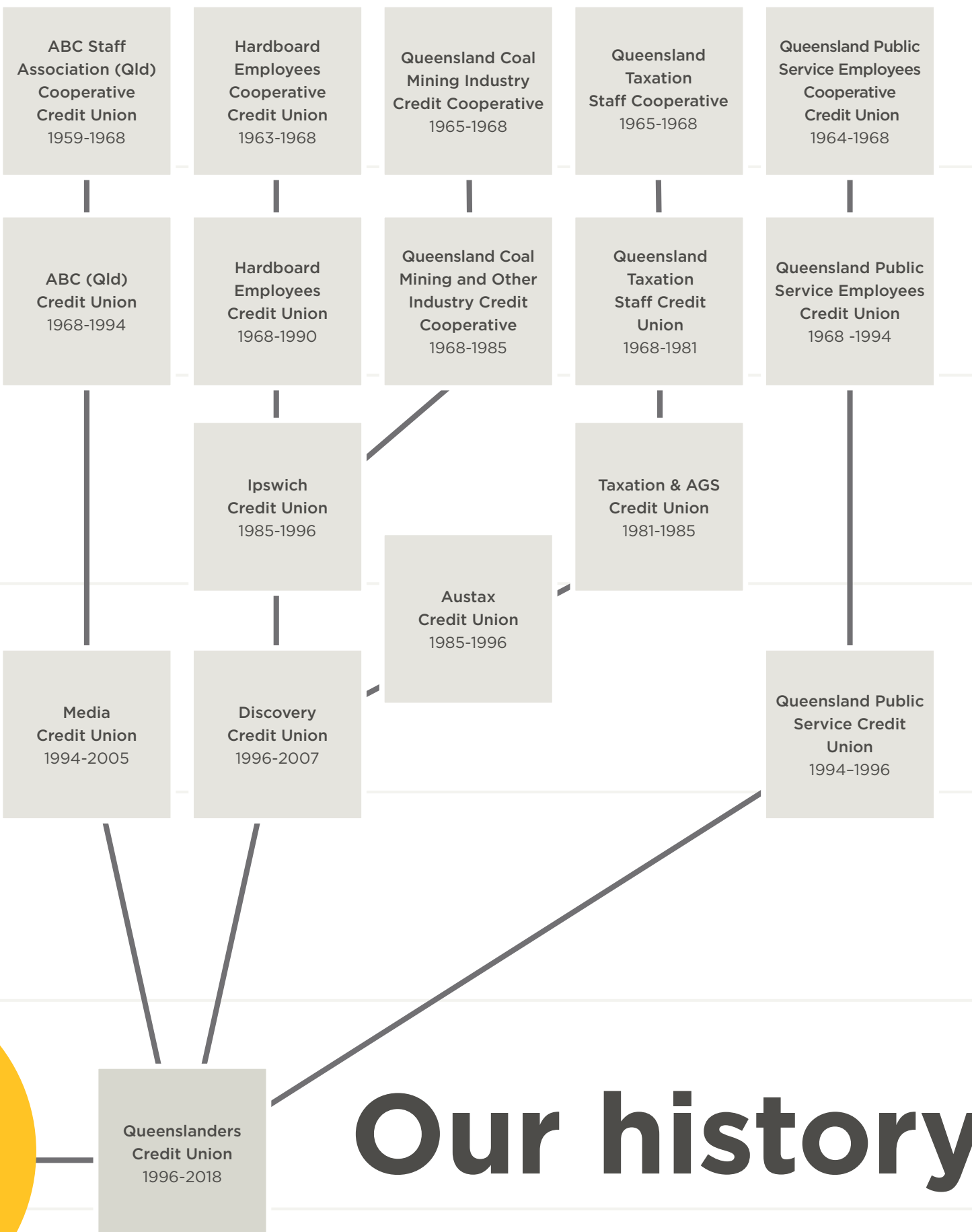
to attract new Members to ensure the organisation thrives well into the future. Becoming a Member-owned bank will allow us to achieve this goal without changing the mutual operating structure that allows us to put the Member at the centre of everything we do.

Members will be provided with more information regarding this proposed change and asked to vote on the proposal in early 2020.



CONTINUAL IMPROVEMENTS IN
OUR FACE TO FACE SERVICES
HAVE SEEN A TRANSITION TO
MORE MODERN, WELCOMING
BRANCHES





Our history



47 YEARS OF
HELPING MEMBERS
ACHIEVE THEIR
HOME OWNERSHIP
GOALS

Business Growth

Queensland Country recorded strong business growth during the financial year, driven by high levels of support from our traditional markets and the benefits that have flowed from our two recent mergers. Our growth results were especially pleasing given the ongoing challenges associated with record low interest rates and intense competition in the banking sector, particularly in relation to home lending.

Our total loans grew by 4.8%, driven by a record \$315 million in new loans advanced to Members during the year. While home lending continues

to be the primary driver of our lending growth, we also saw pleasing demand for car and personal loans. Our New Car Loan maintained its prestigious 5-Star rating from independent research agency Canstar and remains popular with Members due to the excellent value it provides. In support of our lending growth, total deposits increased by 5.8% to \$2 billion.

The organisation's Total Assets grew to \$2.4 billion during the year – an increase of 10.4%. In the current low interest rate, low margin environment, building the size of our organisation

remains important as it helps deliver economies of scale that can be channelled into more competitive products and enhanced services for our Members.

That said, as we grow, we are mindful of the need to maintain the unique focus on helping Members live better lives through better financial health that has set our organisation apart from our competitors for almost 50 years. In a year that was dominated by negative publicity for parts of our industry emanating from the Banking Royal Commission, our mutual operating structure has allowed us to

3,340

loans issued to help Members achieve their financial goals

171

people bought their first home with a Queensland Country home loan

3,469

cars and houses protected with a new general insurance policy

maintain an emphasis on providing positive outcomes for Members rather than the necessity to deliver ever-increasing profits for the benefit of external shareholders.

As a business with a significant presence in tropical Queensland, we are particularly committed to helping our Members protect their treasured assets through our partnership with CGU Insurance. During the year we assisted almost 3,500 Members insure their home, contents, vehicles and other belongings through this relationship. Insurance is a product that often isn't fully appreciated until the need to make a claim arises, and

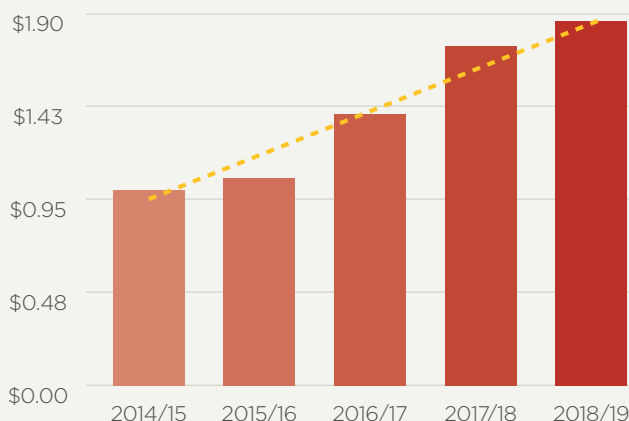
we have received positive feedback from our Members that were impacted by the North Queensland floods in February regarding the speed of claims processing and the genuine, caring way they were dealt with by CGU.

To foster our continued growth, we have embarked on a project to improve our ability to serve small to medium businesses with their banking needs. While we have traditionally focused on personal banking products, we believe the relationship-focused banking we deliver is particularly suited to the small business community and look

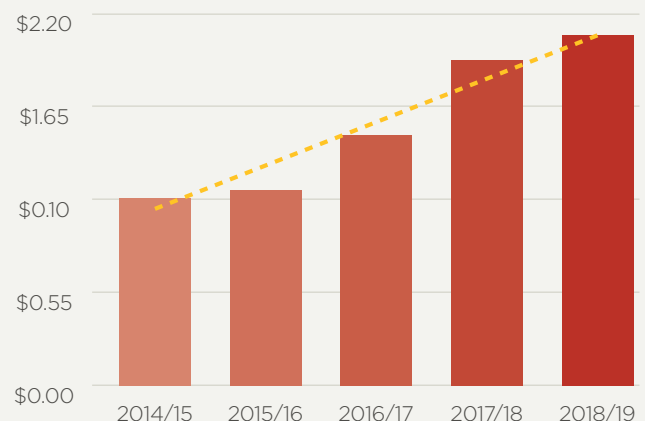
forward to building our capacity to serve a larger number of Members from this segment in the coming years. Updates on this project will be provided via our website, newsletters and in branch.

As mentioned in the Our History and Our Future section, we anticipate the change to bank status will help fuel further growth for our organisation in the coming years, particularly in the South East Queensland market where significant growth opportunities are present following our recent mergers with ECU Australia and Queenslanders Credit Union.

Total Loans (\$bio)

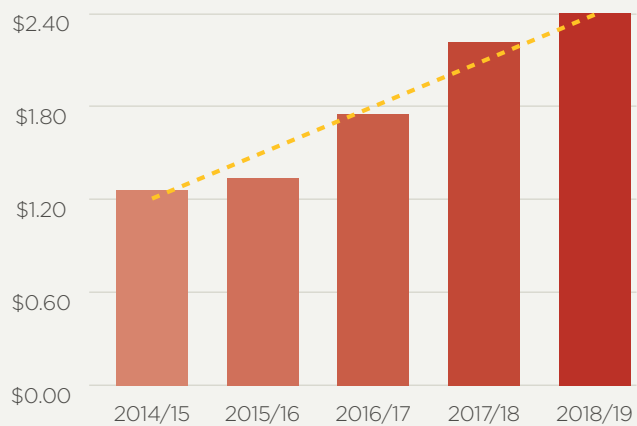


Total Deposits (\$bio)





Total Assets (\$bio)



Member, Customer and Community



FROM FOOD DRIVES TO
HELPING SERIOUSLY SICK KIDS,
SUPPORTING COMMUNITY
IS AT THE FOUNDATION OF
QUEENSLAND COUNTRY.

2056

Members surveyed to ensure our service levels meet their expectations

Queensland Country is fully committed to helping our Members live better lives by helping them achieve their financial goals.

In line with this commitment, during the financial year we enhanced our ability to help Members effectively manage their money by introducing a new service called Money Mentoring. Money Mentoring provides a personal budgeting specialist that has been specifically trained to help Members develop an easy to follow, personally tailored budget. The service is provided free of charge and is currently available in a number of pilot branches. Money Mentoring can be combined with SmartBudget, our unique bill paying tool that allows Members to smooth out their nominated bills with equal payments over the year, to provide a complete solution for Members wishing to take control of their financial future.

As a Member-owned organisation, we are here for our Members through both good times and difficult times. Following the devastating North Queensland floods in February, we made an emergency relief banking package available to impacted Members that included a range of initiatives designed to remove the financial stress associated with the disaster.

While Members are at the forefront of our minds, the organisation is also committed to having a positive impact on the communities that support us. In addition to the

Over 120

community groups assisted with a sponsorship or community grant

emergency relief banking package made available for Members following the North Queensland floods, we also made a \$50,000 donation to GivIt to assist members of the broader community get back on their feet following the disaster.

Earlier in the year, the organisation partnered with staff and Members to raise almost \$80,000 to assist the Buy a Bale drought relief appeal. Queensland Country's initial donation of \$50,000 was supplemented by staff fund raising activities and donations made by Members in our branches to provide the equivalent of 14 truckloads of hay for Queensland farmers in need.

We continue to provide ongoing support to our communities through a variety of activities including our annual Queensland Country Good For Good Community Grants program. The program makes grants of between \$5,000 and \$30,000 available annually to eligible not-for-profit community organisations. In 2018, eight community groups shared in a total of \$120,000. Our Official Charity Partner, Ronald McDonald House North Australia also benefits from the Good For Good Grants program, with grant recipients committing to fundraise 10% of the funds they receive from Queensland Country to benefit the work the House does to help seriously sick kids.

We have a strong commitment to sponsoring the local teams and events that matter to our Members

865

Members' lives made easier by entering a new SmartBudget facility

and their communities. In line with the passion that many Queenslanders hold for rugby league, we were proud to continue as the Official Banking Partner of the North Queensland Cowboys rugby league team. In recognition of the strong support we receive from the Cairns and Mackay communities, we are also the Official Health Fund Partner of the Northern Pride and the Official Banking and Health Fund Partner of the Mackay Cutters. Both teams participate in the Queensland based Intrust Super Cup rugby league competition.

While rugby league is a key beneficiary of our sponsorships, we also sponsor major events in many of our communities, including the Mount Isa Rodeo, Home Hill Harvest Festival, Burdekin Water Festival and Townsville Running Festival. In addition, we are proud to partner with a number of local universities to offer educational scholarships to assist students gain higher education qualifications.

During the year the organisation introduced a new Community Volunteer Program. This program provides each staff member the ability to have two days paid leave each year to assist a local not-for-profit organisation. The staff that have already participated in the program have found it very rewarding and we look forward to assisting further community groups in the future.

103,000

Members

28

Branches

5 star



rated New Car Loan

Operational Efficiency and Innovation

We are conscious of the need to balance the availability of the traditional, personalised service we deliver through our network of branches with the increasing desire of Members to deal with us via electronic and self-serve channels. We are committed to developing a well-rounded banking offering that caters to the needs of all Members, regardless of their preference regarding how they engage with us.

As such, while we remain committed to maintaining face-to-face banking options for Members, we continue to look for ways to harness technology to deliver a better banking experience for Members and build internal capability and efficiency.

A significant project completed during the year was the development of a new intranet designed to help staff stay informed, find who and what they need to do their jobs and allow increased levels of collaboration. Hosting the full range of organisational policies and procedures, the delivery of a more intuitive and responsive intranet will make staff more efficient and enhance their ability to provide quality, timely service to Members.

In the spirit of working smarter and delivering more timely responses to Members, we have also commenced a project to identify manual tasks completed by staff that may have the opportunity to be automated.

The goal of introducing this software is to standardise the way tasks are completed in each branch to ensure a consistent experience is delivered to Members across our significant network of branches.

The banking experience available to Members was enhanced during the year when our popular SmartBudget product was incorporated into our banking App. This upgrade provides a single point of contact to satisfy all our Members' banking and budgeting needs. We continue to develop the features associated with the App, and delivered a number of functionality upgrades during the course of the year.

390,164

Bills paid via SmartBudget

6,827

**Members using
SmartBudget**

6

**upgrades to
banking App**



Acknowledging that Members are increasingly looking for convenience and ways to save time when dealing with their financial institution, we have introduced the ability to complete the paperwork associated with a new personal loan contract from the comfort of your home or office via our internet banking system. This process, which previously required a visit to a local branch, compliments our ability to take home and personal loan applications via our website and has already been chosen as the easiest way to complete the personal loan process by almost 170 borrowers.

Our ability to understand the full range of interactions we have with Members was also increased during the year with the introduction of new Customer Relationship

Management software. This system draws information from a number of sources to provide staff with a single view of the full banking relationship the Member holds with us. The system will continue to be developed in the coming year and will assist us provide Members with swift, efficient answers to a range of enquiries regarding their banking.

We will be pleased to deliver a full range of digital wallet payment options to Members during the 2019/20 financial year. Using smart phones to pay for goods and services at point of sale instead of a traditional plastic card is becoming increasingly popular and we anticipate strong demand from Members as we make both Apple Pay and Google Pay available for use.

51%

**reduction in Members
in loan arrears** through
improved electronic
communication

Introduction of
**online home loan
applications**

New **Customer
Relationship
Management** system

People, Culture and Engagement

FROM HUMBLE BEGINNINGS, OUR
TEAM IS NOW 450+ PEOPLE STRONG
ALLOWING US TO BETTER SERVE
OUR MEMBERS RIGHT ACROSS
QUEENSLAND



The strong relationships our staff have with our Members and community are vital to the success of our organisation. As such, we are fully committed to maintaining and further developing a culture where staff are motivated and empowered to strive for excellence in the quality of their work and the level of service they deliver.

During the year we refined our organisational values to ensure alignment with the outcomes we wish to deliver. In everything we do, we encourage our staff to *Be Genuine; Bring Your Best; and Put People First.*

To support the distribution of knowledge across the organisation, a majority of our team attended a Regional Conference in Townsville in November. Staff travelled from across the State to learn more about the organisation's vision; our business strategy; making connections with each other and our Members; personal wellbeing; and for the official launch of the new Community Volunteering Program. This valuable weekend event was followed-up in June when almost 70 Managers from across the business attended our annual Leadership Forum in Townsville.

Ensuring we have a fit and healthy workforce is an essential element in providing a safe and happy place to work for our people. In addition to numerous existing programs aimed at ensuring staff wellbeing, over the past year we have introduced a focus on the Mental Health of our employees. 18 staff have already completed Mental Health First Aid training designed to help them identify and assist colleagues requiring assistance or support. By the end of the 2019-2020 financial year, we aim to have had 50 staff (13% of our full-time equivalent workforce) attend this valuable training.

Our commitment to gender equality was again recognised in March, when for the ninth time the organisation was recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency. Amongst other criteria, the award acknowledged that the

gender pay gap in management roles at Queensland Country remains significantly smaller than the industry average.

As discussed earlier in this report, engaging with our communities is a key priority for both the organisation and our staff. During the financial year, all staff were given the opportunity to commence a regular payroll deduction to support a new Workplace Giving initiative. With funds raised by staff matched dollar-per-dollar by the organisation, participants in the program voted Ronald McDonald House; Jeans for Genes Day; Daffodil Day; R U OK? Day; and Pink Ribbon Day as the program's first year beneficiaries.

We continue to focus on developing the skills of our people internally and provide a career path for staff wishing to advance themselves within the organisation. We were proud to recruit for two Executive Management positions internally during the year, with Glenn Seri accepting the role of Executive Manager Health Fund and Dylan Dixon the Executive Manager Corporate Services. We also welcomed Katherine Brennan back to the Executive team following her maternity leave.

We support the career growth of our entire team by encouraging staff to seek further qualifications to supplement and build on the work specific and on-the-job training we provide. During the year, we supported staff in a range of external study including qualifications as diverse as Master of Anti Money Laundering; Graduate Diploma in Applied Corporate Governance; Certificate 4 in Anti Money Laundering; and Graduate Diploma of Risk Management. In acknowledging that formal studies may not suit everyone, we introduced a series of online, self-driven professional development modules accessible. These modules can be accessed at any time and offer content designed to suit the employee's individual needs.

Over
3,535
online modules
completed

30
team members
completed **Team Leader
Program**

Over
40
team members
completed **Tier 2, formal
banking qualifications**

Over
150
training modules
completed by lenders.

Over
420
staff



AT THE HEART OF THE HEALTH FUND HAS ALWAYS BEEN TO HELP MEMBERS LIVE A BETTER LIFE THROUGH BETTER HEALTH, A VALUE THAT WE LIVE INTERNALLY AS WELL AS CONTRIBUTE TO THROUGH COMMUNITY ENGAGEMENT



Health Fund



The 2018-2019 financial year was one of significant change, both for Queensland Country Health Fund and the broader Private Health Insurance industry.

In March 2019, the long-serving Chief Executive Officer of Queensland Country Health Fund, Aaron Newman, was promoted to the Queensland Country Credit Union Group CEO role following the retirement of Aileen Cull. Aaron was replaced by Glenn Seri, an experienced Executive from within our Group who has primarily worked on the credit union side of the business.

The Private Health Insurance industry also experienced significant change during the year, with the Federal Government initiating a series of reforms aimed at making it easier for consumers to compare products and encouraging younger consumers to consider the benefits of private hospital cover. Queensland Country was one of the first insurers nationally to adopt the youth discount elements of the initiative and demonstrated our commitment to our Members by passing on the discounts automatically to eligible existing policyholders along with those seeking to join the Fund.

The Fund achieved solid Membership growth during the year, with the total number of policyholders increasing by 4.67%. While this growth rate is a reduction on previous years, it compares very favourably to the industry as a whole, which saw a contraction in the total number of Australians holding private hospital cover during the same period.

Our continued growth in a difficult market is testament to the quality relationships we continue to build with our Members. Our annual Member Satisfaction Survey revealed that 96% of respondents were satisfied with their Health Fund Membership. Key reasons cited by Members for their continuing support of the Fund included their policy being value for money, having better benefits than other health funds, and being affordably priced. It was also pleasing to note that 98% of the respondents that had made a claim during the year were satisfied with the speed of processing.

4.67%

Membership growth



27,542

Members

96%

**Members satisfied with
Membership**

2,858

new Members covered



We continue to strive to provide Members with additional value and have expanded our dental service offering to accommodate more patients in Townsville. We also opened a new surgery in Mount Isa during the year and have been pleased with the number of Members choosing to utilise this practice. Late in the financial year, a qualified orthodontist was added to the team in the Townsville practice to provide a more holistic service for Members requiring braces.

Our ability to help Members live a better life through better health was enhanced during the year, with the Health and Wellness Centre on our website expanded to include a series of resources and videos focussed on ten key health topics. The content

aims to provide Members with helpful information and inspiration when dealing with a range of serious medical issues including breast cancer; Type 2 diabetes; heart failure; depression; and osteoarthritis.

In addition to the above, our Queensland Country Care Navigation service was also expanded to offer an Orthopaedic Rehabilitation Program designed to support Members throughout the initial recovery stage following hip, knee and shoulder replacement surgery.

As a locally owned and operated health fund, we remain committed to supporting local sporting teams participating at the state and national level along with grassroots community activities that encourage Members

and the broader community to enjoy a healthy and active lifestyle. Some of the teams and events we supported this year include the Townsville Fire Women's NBL team, the Northern Pride rugby league, Townsville Running Festival, Charters Towers Gold Rush triathlon, Mackay River to Reef bike ride and the Mitchell Street Mile in Darwin.

88%

premiums returned to
Members as benefits

\$110 million

in claims paid

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. As we look to the future, we recognise our past by honoring the 1971 Board of Isa Mine Employees Credit Union.



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.



(L to R) – Joe Doherty, Gerald Behan, John Wilmot, Cliff Jury (first Chair), Jim O'Toole (Treasurer and first Manager), Nev Nicholls, Geoff Topfer and Bill Harper



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 Ltd
ABN 18 085 048 237