



2014 2015

ANNUAL REPORT

We're here for you



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Chairman's Report

On behalf of the Board of Directors, I am pleased to report a sound operating surplus of \$3.66 million for the 2014-15 financial year.

Westfund's net assets grew by 3.3% to \$114.7m after distribution of almost \$3.2m in member loyalty bonuses from accumulated surpluses.

Following significant membership growth in the previous year, 2014-15 was in many ways a year of consolidation for the fund. The Board's primary focus was on maintaining value for members in the face of increased pressure on consumers' household budgets and uncertainty about political leadership and the economy. In regional areas this was, and remains, exacerbated by the downturn in the mining sector and ongoing drought conditions in much of Queensland and New South Wales.

The Westfund Board recognises the ongoing low interest rate environment puts particular pressure on people on fixed incomes, many of whom are retirees, so during the year we introduced Esteem Health Cover, tailored specifically for the 60-plus age group with more benefits for mobility aids and other items that become more important as we age, and excluding things like obstetrics and orthodontics.

Westfund continues to support regional members and communities through local services, jobs and infrastructure, with over \$4m in new investment in our Member Care Centre network in 2014-15 including Bathurst, Orange, Lithgow, Dubbo, Wollongong, Emerald, Townsville and Maroochydore. We believe in being vital, active contributors to the regions in which we operate, so we also invested in community causes including major programs to bring access to life-saving defibrillator machines to a wide geographic area, and recognised community health champions with financial support for local health projects.

As a significant economic contributor to, and beneficiary of regional communities, our commitment also extends to advocacy with Government at all levels. In addition to health policy reform we have over the year continued lobbying efforts supporting maintenance of local coal mining activities, local workforces for mining operations and urging recognition of the opportunities presented by Free Trade Agreements to benefit the country.

Our CEO, Grahame Danaher was invited to China recently to advise on designing a private health insurance model, recognising his considerable knowledge and experience, and the appeal of a mutual not-for-profit model such as Westfund's.

In October 2014 we welcomed a new member of the Westfund Board in Mr Michael Serong, a recent Partner at Norton Rose Fulbright. Michael brings a wealth of legal experience to the Board which adds to the capability in governing the organisation.

In addition to my thanks to the Board for their diligent and thorough approach to their duties again this year, I commend our people for another successful year. We have a highly committed team and while we are headquartered in the regional town of Lithgow, we have the skills and capabilities to compete and succeed in a fiercely contested national market.

Howard Fisher
Chairman

2nd October 2015

Why we exist

To support members' long-term wellbeing with services that facilitate choice, access and affordability of health care.

What we believe in

We are all for the member – our members are both our customers and the sole financial stakeholders in the fund. The fund's financial driver is sustaining high value services and benefits with a profit-for-members ethos. We are focussed on our regional communities – the markets we operate in and the people who work here. We offer outstanding value for money including national benefit coverage with regional focus and value-added benefits that reward loyalty. Members receive consistent, accessible person to person service – we are easy to deal with.

Our values

We are down to earth, humble, supportive, trustful, resolute and original.

"The benefit paid to me for Advanced Surgery after my operation was extremely helpful in covering the extra costs my family and I had during my time in hospital and recovery period. It made a difficult time easier on all of us.

I find the overall benefits of belonging to Westfund and the helpfulness and personal care of all the Westfund staff offered second to none and am constantly recommending it to my family and friends."

Andrew, Inverell, NSW

"Westfund is the best Health fund I have been with. Unfortunately I went to another Health fund as my partner was in it after being with Westfund for over 8 years I soon came back and brought him with me. Westfund has the most beautiful girls that help with any question you have. I recently had a baby girl and they sent me a \$25 gift card and a beautiful note HAND WRITTEN what other fund would do that!!!

I have told all my friends about them and a few are now looking at joining. Westfund are the best and I would never change again what a mistake that was. Love you guys thanks for everything."

Kate, Maroochydore, QLD

"I have been a happy member of Westfund for over 13 years. I wouldn't go anywhere else. I love the personal touch, the friendly customer service representatives, the level of cover and how quickly claims are processed. I would highly recommend them to anyone."

Raya, Footscray, Victoria

Westfund Chairman Howard Fisher AM receives an Australia medal award.



WELL DONE HOWIE: Howard Fisher AM is congratulated by wife Val on the announcement of his Australia Day award.

Howie's Oz Day honour

Story and photo: LEN ASHWORTH

HE'S been one of the most prominent and often outspoken personalities in Lithgow for many years and yesterday Howard 'Howie' Fisher's contribution to the community was recognised on the Australia Day Honours List.

Howie has been awarded the AM (Australia Medal) for services to local government, the union movement and as board chairman for the locally based Westfund health insurer.

He was one of three residents of the Lithgow LGA to be honoured this year, following a proud record of local achievers from many walks of life.

The one time coal miner was president of the United Mineworkers Federation in the western field for 18 years, has been chairman of the board of Westfund since 1987, and served 21 years on Lithgow Council.

Each of these services was noted on the citation accompanying his award.

"It truly is an honour to be recognised for what you do in life," he said yesterday.

"But there are so many people out there making important contributions that you never hear about."

Howie will receive his medal from the Governor with other Australia Day recipients at a ceremony at Government House later this year.

But yesterday he was celebrating with a backyard barbecue at home with family and friends.

CEO's report

Financial strength

Growth in net assets to \$114.7m for 2014-15 was a creditable result in a year where net claims incurred increased by 10.4% and investment income reduced by 6.3% compared to the previous year. Premium income grew by 8.9% over the year.

The underwriting result for the fund of just over \$3m represents a margin of just 1.9% of premiums received, demonstrating that premiums received were adequate to cover costs but with little leeway. The fund remains very well capitalised and is in an extremely sound financial position.

While the overall premium rate increase for Westfund in 2015 was above average, over the last five years our total increase remains well below the industry, as do our premium rates on comparable top cover. To illustrate, over the ten months to July 2015, people who have switched to Westfund have, on average, saved almost 13% in premiums compared to their previous fund.

Service and retention

The most pleasing aspect of our result over the last year is reflected in the 2014 Private Health Insurance Ombudsman's State of the Health Funds Report, in which Westfund maintained the highest level of member retention of all open health funds by a significant margin. This reflects the extent to which members see value in their membership and the experience they have with their fund.

We also participated in syndicated industry Member Satisfaction research in 2015. The headline results showed:

- **96% of Westfund members were satisfied overall, with 61% very satisfied**
- **84% of members would recommend Westfund to friends**
- **96% of members are satisfied with the communication from the fund**
- **96% of members are satisfied with the fund's telephone service**
- **95% of members are satisfied with the fund's Care Centre service**
- **97% of members are satisfied with the speed of payment of claims**
- **95% of members who use the fund website find it easy to use**

Attributes of reliability, being easy to deal with, integrity and friendliness were also valued by members. The research also helped to identify areas where we can do better. These included accessibility to our dental and eyecare services, our handling of ineligible claims, and helping members understand their cover. Affordability and value were also concerns highlighted in the research. Each of these outcomes becomes an input to our plans for the coming year.

We have strived to improve service in key aspects of our operation over the last year. These include making it easier to contact us by phone, book dental and eyecare appointments and make payments. Our range of health covers has been supplemented with three new options tailored to suit specific demographics – seniors, youth and those without access to a private hospital. Our Care Centres are being progressively upgraded to provide expanded services and better amenity for members. The Westfund website has been upgraded to improve information accessibility and functionality and members can now do more things over the phone and online without paperwork.



"Westfund have been outstanding since my family joined around 20 years ago, I was originally covered under my parents policy and then joined my own when I was old enough. During this time Westfund have saved me well over \$90,000 worth of hospital bills, everything from hip reconstructive surgery, two broken arms, orthodontics, dentistry, a full hip replacement and the physiotherapy required to recover. Without Westfund I would not be able to walk and enjoy life the way a 26yr old should, I could never have afforded the vital life changing surgery that I required. I always recommend Westfund to family, friends and even recently on social media when asked about the best health fund for our region.

I have always found the Westfund staff to be some of the best of the best when it comes to customer service and they are always understanding and assisting. I have never had an unpleasant experience and all claims processes have been simple and quickly settled."

Geraldine, Moranbah, QLD

In order to expand accessibility to high quality, low cost dental services for members, we are progressively identifying dental practices in regional areas that are aligned with the clinical philosophy and operate to the same fee schedule as our own Dental practices. The first of these is currently being piloted in Dubbo, NSW.

People

Westfund understands that the wellbeing of staff is directly reflected in the quality of interactions with members. Each year we conduct a voluntary anonymous survey of employee wellbeing that is independent and externally hosted. The survey asks questions about how much positive emotion staff experience at work, how engaged they are in their jobs, the quality of their work relationships, if they view their jobs as meaningful and important, and the sense of achievement they get from their work. In 2015, 79% of all employees completed the survey. The 2015 survey showed 75.8% of people had medium to high levels of wellbeing at work, up from 72.6% the year before.

Staff told us that the positive relationships they have with our members and each other was the most rewarding aspect of their work.

They really enjoy helping members, working with colleagues and achieving results. They were also well-engaged in their work and felt that what they did was meaningful and had purpose.

Staff told us their wellbeing could be improved by providing more transparent recognition, creating more opportunities for them to work with people from other areas on projects, and supporting more training and development opportunities so they could further develop their careers with Westfund.

The results of the survey and comments from staff are used each year to develop strategies to ensure Westfund has a happy and committed workforce, committed to our members and the communities in which they work.

Healthy communities

I am pleased to report on several important preventive health initiatives undertaken by Westfund:-



Grahame Danaher

THE AUSTRALIAN,
TUESDAY, SEPTEMBER 15, 2015
theaustralian.com.au/businessreview

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To move forward with China is a once-in-a-lifetime opportunity.
GRAHAME DANAHER, WESTFUND HEALTH

Don't delay the FTA, says Danaher

SARAH-JANE TASKER
TRADE

Westfund Health chief Grahame Danaher has warned that the China free trade agreement should not be left on the table for too long, arguing it is being tied down with "silly" political games.

The head of the health fund said there were "massive" opportunities for Australian companies to expand services in China, and for additional Chinese investment to flow into Australia, off the back of an agreement.

He said that while he understood the Labor Party's concerns about the use of Chinese labour on Australian projects, the issue was secondary to getting the deal approved.

"I don't think we should leave the deal on the table too long," he said.

"There are other countries that have resources and similar advantages to us, and I think it would be unwise to procrastinate on this one for too long.

"We're being silly by not getting on board with them quickly and are getting tied down with silly little political games. It's not the way."

The health fund boss said he believed China was going to have a far bigger influence on Australia than the British or Americans had had, given its proximity and size.

"To move forward with China is a once-in-a-lifetime opportunity," he said.

Minerals Council of Australia chairman Andrew Michelmore, who is also the chief executive of Chinese-owned MMG, labelled the Labor Party's position on the FTA as "short-term political posturing". He said this week that the Opposition's position was "purely politics".

He said union claims that jobs would be lost if the trade deal went ahead in its current form were incorrect because protections were already in place.

Mr Danaher said the strengthening of ties with China through the FTA could provide consistency of supply of coal and other minerals, which would be a "tremendous" boost for Australia.

"The key things are our minerals and agriculture ... but healthcare is also going to be a big one," Mr Danaher said.

He said the opening up of the Chinese health system to Australian investment represented an unprecedented opportunity given China's growing middle class and its increased demand for quality health care.

Australia's largest hospital operator, Ramsay Health Care, is already moving into China and this year signed an agreement with Chinese healthcare company Jinxin to jointly operate five hospitals in the city of Chengdu.

Managing director Chris Rex said that the "theoretical" opportunities in China were "quite enormous", noting that in Chengdu, Ramsay was buying 50 per cent of a relatively small company.

- We partnered with Clinical Genomics to make available to members in the Blue Mountains region the first blood test available in Australia to screen for bowel cancer. Westfund funded the cost of the test for members. Following the success of this pilot program, the test is planned to progressively be made available to members in other areas.
- The Westfund Here For Hearts program saw us fund and install lifesaving Automated Electronic Defibrillators (AEDs) in 12 locations in regional NSW and Queensland. We also co-funded provision of AEDs for eligible community based groups in those areas.
- Following extensive research and planning, Westfund sourced and can now offer members access to Nutralink Boost, a very competitive Omega-3 fish oil product that comes with an optional test kit to measure the concentration of Omega-3. Members with eligible health benefits can claim a rebate against the cost of the product.
- The establishment of the Westfund Communities Foundation in 2014 heralds the introduction of major new support initiatives in 2015-16 addressing care of sick and injured babies and children, and two innovative new music therapy programs for young women at risk and for end-of-life care.

Industry

The industry environment remains challenging, with major insurers and comparators driving purchase of lower priced covers that exclude certain high-cost treatments from private hospital cover.

This is a concerning trend as it is a false economy for people in many cases. The Private Health Insurance Ombudsman reported for the June 2015 quarter that complaints were 30% higher than for the same quarter the previous year, including significant issues around

misunderstanding what public hospital cover entitles the policy holder to, and hospital policy exclusions and restrictions.

Consumers also need to clearly understand the advantages and pitfalls of using comparator services. These services make money from a limited range of health funds paying them to represent their products and services. They generally market their services as designed to save you money. They may be able to help you make premium savings, but you also need to be confident that the other financial implications won't cost you more than you save in premium. For example, if you forego coverage of certain treatments in order to save on your premium, you can end up having to pay for them yourself at a cost of many thousands depending on the treatment.

The Federal Government privatisation of Medibank Private in November 2014 has seen it pursuing an aggressive cost reduction strategy that threatens to reduce its members' access to private hospital coverage and other benefits. At the same time Westfund has maintained contract arrangements with more accredited hospital facilities than most of our larger competitors. We also continue to support member choice with the same level of benefit entitlements available for all registered providers rather than just those the fund chooses.

Outlook

While health policy reform remains a vacuum at this stage, with a federal election due in 2016 health will again feature prominently on the national agenda. Westfund is certainly doing its bit to promote sensible reform that addresses health cost inflation, and provides encouragement to people to take responsibility for their own health costs if they can afford to.

Westfund remains committed to our members and our communities – the regional markets we operate in and the people who work here. 2015-16 will likely see further deterioration in economic conditions in Australia and we understand the pressure that brings on all of us. Tough economic times are when we most need to maintain protection of our assets.

Our promise is that we remain a local fund for the regional communities we serve. We're here for you with high quality health cover at the lowest possible premiums, along with additional assistance when it counts, such as in circumstances like forced retrenchment.

I thank the Board, our staff and management, and most importantly our members for their ongoing support of the fund.

Grahame Danaher
Chief Executive Officer

6 October 2015



Our Future

The company's short term objectives are to:

- Improve and promote the value of membership in the face of heightened price sensitivity, increased competition, reduced Government incentive and tough economic conditions
- Maintain our industry-leading member retention
- Continue development of our sales and service channels
- Expand the range and accessibility of value added health services including dental and eye care, with a focus on preventive health
- Grow new membership in a controlled way in defined markets, maintaining underwriting margins
- Build our reputation to support membership retention and growth, and attract and retain quality employees
- Advocate for and support our members needs for regional health services
- Remain financially strong
- Enhance employee wellbeing at work

The company's long term objectives are to:

- Be the leading regional health fund in Australia, growing our membership to 240,000 people serviced through an expanded network of 20 healthcare centres by 2023
- Maximise member value through high quality, value for money health insurance products and an integrated health service offering supported by highly personalised service
- Financing health outcomes to the benefit of members
- Maintain a profit-for-members approach, with surpluses in excess of requirements used for the benefit of members
- Build our influence and advocacy for our members on provision of regional health services
- Provide regional employment and career opportunities

To achieve these objectives, Westfund has adopted the following strategies:

- Position the fund for the future to balance the underwriting risk of an ageing member base and grow future generations of members
- Develop new models for improving availability of preventive dental, eyecare and other health services to members and regional communities
- Reshaping our branches into Member Care Centres with a range of services and a sales, advice and community engagement focus
- Improve communication with our members including articulating the value of membership and our loyalty recognition initiatives
- Transition from a payer of healthcare bills to buying quality services on behalf of members
- Preserve our financial strength including investing to build organisational capability for growth and sustainability
- Increase our brand profile with members, markets and influencers including media, politicians and government to promote key themes of community support, member-ownership, and regional advocacy
- Greater ease of interactions for members including improved service processes, communication channels and digital services
- Enhance employee wellbeing at work by improving leadership and communication of what's important to employees
- Maintain alignment of our governance and risk management frameworks to our strategic direction and changes in the external environment
- Seek opportunities for growth through merger, acquisition, alliance or other arrangements with compatible organisations



Key Personnel



John Stack
BBus, Mcom, CPA, AICD, ACIS
General Manager/Company Secretary

John Stack joined Westfund in 2001 as Chief Financial Officer. Since that time John has taken on the role of General Manager and Company Secretary. Prior to this John gained experience in local government, banking and finance.



Dr Hendrik Lai
Head of Dental
BDS(Adel.), MS-Management, CM, FAIM,
FCMI, FInstAM, FIIDM Chief Dental Officer

Hendrik Lai joined Westfund in June 2014 as Chief Dental Officer. Prior to this Hendrik gained extensive experience in the areas of public health, military health and private dental practice working overseas and in some of Australia's most remote locations.



Linda Tormay
National Sales Manager

Linda Tormay joined Westfund in April 2015. She has held Leadership roles in Sales, Service, Business Development, Operational Leadership and Change management in the private health insurance, retail and hospitality industries. Linda has a track record of leading growth scenarios and building leadership capability to deliver robust sales and service outcomes.



Phil Berner
AFAIM, AICD
Chief Operating Officer

Phillip Berner joined Westfund in May 2012 as COO. He has more than 20 years' leadership experience in health insurance and related sectors with a strong track record in strategy, service, sales & marketing, business alignment and employee engagement.



Amy Cockshutt
BA, MBA, AAIMM
Health Services Manager

Amy Cockshutt joined Westfund in September 2012 and has recently been appointed to a new role as Health Services Manager. Amy comes from a background in multi-site health services management with experience in dental, optical and general practice operations. Amy will develop our relationships with health care providers and introduce new evidence based health initiatives to benefit Westfund members.



Grahame Danaher
FAICD, FAIM, Harvard Business
School Graduate
Chief Executive Officer

Grahame Danaher was appointed Westfund Chief Executive Officer in 1997. Prior to this Grahame gained extensive experience working in health insurance, local government and business.



Melissa Donovan
Head of Eye Care

Melissa Donovan joined Westfund in November 2012 and has been responsible for leading our Mackay and North Queensland teams. With experience managing multi-site optical stores, Melissa is now responsible for our Westfund Eye Care practices.



Sharron Carter
Head of Human Resources

Prior to joining Westfund in 2014, Sharron managed HR functions in the health industry, professional consulting services firms and the investment banking industry. Her primary interests are in leadership, strengths-based people management and employee engagement.



Corporate Governance

“The system of rules, practices and processes by which a company is directed and controlled.”

Corporate Governance Framework

Westfund is registered under the Corporations Act 2001 as a public company limited by guarantee. It is also a registered Private Health Insurer under the Private Health Insurance Act 2007 (and the Private Health Insurance (Prudential Supervision) Act 2015 from 1 July 2015). Its health insurance business is exempt from Income Tax under the Income Tax Assessment Act 1997.

Westfund operates on a not-for-profit basis with its Corporate Constitution prohibiting the distribution of any surplus or assets to the Members of the Company.

The Corporations Act, the Private Health Insurance Act, and the Private Health Insurance (Prudential Supervision) Act 2015 impose obligations on the way in which Westfund operates. Westfund's Corporate Governance Framework references the requirements of this legislation, its Corporate Constitution, the ASX Corporate Governance Principles, recommendations of the Private Health Insurance Administration Council (PHIAC) and the Australian

Prudential Regulation Authority (APRA). Regulatory authority for the private health insurance industry transitioned from PHIAC to APRA with effect from 1 July 2015.

Board of Directors

The Westfund Board comprises eight (8) non-executive Directors. The Board has a broad range of skills and expertise particularly in the health insurance industry. The composition of the Board and each Director's background is detailed in the Annual Report.

Board Role and Responsibility

The Board's responsibilities are outlined in a formal Charter. The Charter is reviewed annually. The major roles of the Board include setting the goals and strategic direction of Westfund, determining all policies, appointment, remuneration and review of the CEO, monitoring the appointment and conditions of senior executives, approving plans, budgets and significant capital expenditure, and reviewing the performance of the organisation and the Board itself.

Selection and Role of Chairman

The Chairman is an independent director and is responsible for providing effective leadership on

formulating the Board's strategy, guiding the agenda and conduct of meetings, representing the views of the Board to the public, and reviewing the performance of Directors.

Director Independence

The majority of the members of the Board are independent Directors'. Independence has been determined using the ASX Corporate Governance Best Practice Recommendations and PHIAC guidelines, that is, that he or she is free from any business or other association with Westfund that could materially interfere with his or her independent judgement as a Director of Westfund. One Director is not regarded as independent under these guidelines having served as a professional advisor to the Board in the previous three years.

Conflict of Interest

Specific arrangements are in place for Directors to disclose any conflicts of interest, which include the requirement to disclose any conflicts and material personal interests to the Board. Where necessary, the Board will decide whether a Director should participate in the consideration of the matter by referencing the requirements of the Corporations Act 2001.

New Directors

The Board issues formal letters of appointment of new Directors, setting out the key terms and conditions relative to their appointment and the expectations of the role of the Director. New Directors are provided with an induction program and access to regular training.

Director Education

Directors receive regular detailed financial reports, business conditions reports and reports on matters that are significant to Westfund's operations. Each Director is able to access independent professional advice with prior approval of the Chairman, which cannot be unreasonably withheld. Directors and senior management are encouraged to broaden their knowledge of the Private Health Insurance Industry and Westfund by attending in-house education programs for Directors as well as industry association seminars, relevant courses and government conferences. Training activities of the Board are coordinated through the Board's Training Committee.

Succession Planning

The Board through its Nominations Committee is responsible for developing and implementing succession planning for Directors.

Succession planning is reviewed regularly and at least annually at Committee meetings. The Board's tenure of Directors policy acknowledges that our geographical position, industry specialty, and our culture need to be well considered when composing the Board.

Review of Board and CEO's Performance

The Chairman is responsible for monitoring the performance of individual Directors. In turn, individual Directors assess the performance of the Board and Chairman.

The CEO has objectives that largely relate to our strategic and business plan goals, as well as being responsible for employee satisfaction, member satisfaction and our community reputation. The Chairman initially, and then the Board, assess and monitor the performance of the CEO.

Board Committees

To assist the Board in carrying out its responsibilities, the Board has the following committees of Directors:-

- Audit Committee
- Risk Committee
- Remuneration Committee
- Nominations Committee
- Technology Committee
- Board Training Committee
- Executive Committee.

Each committee has a Charter that outlines its responsibilities

Audit Committee

Responsible for oversight of the integrity of financial reporting, oversight of the external and internal audit functions and the effectiveness of internal controls.

Risk Committee

Responsible for oversight of the integrity and effectiveness of the enterprise risk register, risk management policies, plans and procedures.

Remuneration Committee

Responsible for setting remuneration policies linked to performance and ensuring workplace agreements are fair and reasonable and responsible for the organisation and staff.

Nominations Committee

Responsible for identifying nominees for directorships and other key executive appointments, determining the composition of the Board and ensuring appropriate

procedures exist to assess and review the performance of the Chair, Directors, senior executives, Board committees and the Board as a whole.

Technology Committee

Responsible for monitoring the information technology strategy, policies and performance, effectiveness, efficiency, risks and security of information technology.

Training Committee

Responsible for setting professional development standards for and overseeing the training and professional development of Directors in respect of the business, industry, regulatory requirements and corporate governance.

Executive Committee

Responsible for exercising delegated powers of the Board between Board meetings.

Risk management

Westfund carries a wide variety of risks in its operations. The Board is committed to managing these risks and does so through a comprehensive framework for risk management developed in compliance with the International Risk Management Standard ISO 31000:2009 and Enterprise Risk Management guidelines developed by our regulator PHIAAC.

Westfund's Risk Management Plan details Westfund's Risk Management objectives, risk appetite, risk management responsibilities and internal control framework. Risks are classified as operational, financial and strategic. Internal audit reviews the effectiveness of the operation of the controls. Westfund has developed specific plans for Disaster Recovery and Business Continuity.

Our Board of Directors



Howard Fisher
Chairman

Howard Fisher: Chairman
 Director: Non Executive Director since 1983
 Chairman: Since 1987
 Independent: Yes
 Committees: Chair of Nominations Committee
 Chair of Executive Committee
 Member of Audit Committee
 Member of Risk Committee
 Member of Remuneration Committee
 Member of Board Technology Committee
 Member of Board Training Committee
 Positions: Previous Lithgow Councillor
 Previous Chairman Upper Macquarie Council
 Previous Miners Federation President
 Previous President of South Western District of the Miners Federation
 President of Lithgow Workmen's Club
 Experience: Industrial Relations, Business, Health Insurance, Local Government.



Phillip Burgett
(FCA, MAICD)

Director: Non Executive Director since 2012
 Independent: Yes
 Committees: Chair of Audit Committee
 Member of Risk Committee
 Positions: July 1999 – June 2010 Managing Partner responsible for the operational and strategic direction of Morse Group formerly Alan Morse & Co and its ancillary businesses.
 Experience: Finance Industry, Health and Aged Care, Rural Local Government Councils.



Wesley Anderson
MAICD, FIPA, CTA, AFAIM Director

Director: Non Executive Director since 2004
 Independent: Yes
 Committees: Chair of Board Technology Committee
 Member of Audit Committee
 Member of Risk Committee
 Member of Board Training Committee
 Positions: President Lithgow Community Broadcasters Incorp
 Chief Executive Officer of Family First Credit Union for 28 years.
 Former Deputy President of the Credit Union Foundation of Australia
 Experience: Banking and Finance.



Edward Butcher
Director

Director: Non Executive Director since 2008
 Independent: Yes
 Committees: Nil
 Positions: Previous Mineworker
 Secretary of the Workers Industrial Union of Australia.
 Elected Secretary President in the Broken Hill area.
 Board Member WIU of A investments, Consolidated Broken Hill Limited.
 President of the Barrier Industrial Council
 Chairperson of the local newspaper.
 Member of the Mines Safety Advisory Committee
 Returning Officer for the Broken Hill Rugby League Club.
 Experience: Finance and Mining.

Our Board of Directors



Ross White
MAICD, CCM University of NSW

Director: Non Executive Director since 1987
Independent: Yes
Committees: Vice Chairman of the Remuneration Committee
Member of Executive Committee
Member of Nominations Committee
Positions: Financial duties with Morgan Insurance
Previous Westfund Chairman
Served on the board of Lithgow District Hospital.
Experience: Health Insurance & Mining.



Brian Kelly
GAICD Director

Director: Non Executive Director since 2010
Independent: Yes
Committees: Member of Audit Committee
Member of Risk Committee
Chair of Board Training Committee
Positions: Presently employed as the Regional Manager
Western Mines Rescue Station
Previous Centennial Coal Production Manager.
Experience: Mining Industry.



Michael Serong
B.A/LL.B Director

Director: Non Executive Director since 2014
Independent: No
Committees: Chair of Risk Committee
Positions: Currently a Consultant with Law Firm
Norton Rose Fulbright
Previous Partner in Law Firm Norton
Rose Fulbright
Previous Andersen Legal
Previous Phillips Fox
Previous Rigby Cooke
Previous Cooke and Cussen
Experience: National Health Act 1953, Private Health
Insurance Act 2007 and Corporations
Act 2001, Corporate Governance,
Finance, Investment, Industrial and
Employment matters.



Graeme Osborne
GAICD Director

Director: Non Executive Director since 1996
Independent: Yes
Committees: Member of Executive Committee
Member of Audit Committee
Member of Risk Committee
Member of Remunerations Committee
Member of Nominations Committee
Positions: Director Auscoal Superannuation Pty Ltd
CFMEU South Western District Vice
President
Director Auscoal Services Pty Ltd
Experience: Health Insurance, Industrial Relations,
Mining & Financial Services.

We're here for our communities

Westfund Communities Foundation and Music Therapy

The Westfund Communities Foundation was established in 2015 and symbolizes our growing dedication to preventative health and well-being in our regional areas. The Foundation actively supports the community with effective and creative initiatives that give hope and comfort.

Westfund's Music Therapy program is a partnership with The Institute Of Creative Health to offer people in need of palliative care the ability to have personal music therapy as part of their end of life care. A Health Rocks initiative will also improve the self-esteem and resilience of women aged 13-24 years and subsequently reduce negative health behaviours such as smoking, excessive drinking and risk taking.



Here for hearts program

The Here for Hearts program is a partnership between Westfund Health and the Defibshop. The program aims to bring greater awareness of the importance of easier access to AED's in the community, particularly in regional areas.

The partnership also means the cost of these AED's can be subsidised for various community groups and schools through discounting and matching contributions from Westfund.



Health Heroes

The Westfund Health Hero Awards were held recently to honour those who have displayed outstanding dedication, advocacy, and exceptional leadership in assisting individuals to lead a healthier, happier life and make a difference to the health of their local community. The awards were held in various regional areas of NSW and QLD.

Each winner received a medallion, certificate and \$1000 for their preferred local charity, school, sporting club or community group. The runner-up received a medallion and \$250 for their preferred local charity, school, sporting club or community group. The awards are intended to raise community awareness of the need for all members of our community to share the responsibility of working towards a healthier, happier community.



Statement of surplus or deficit and other comprehensive income

[A Company Limited by Guarantee]

ABN 55 002 080 864

For the year ended 30 June 2015

	2015	2014
	\$	\$
Premium revenue	158,154,696	145,175,606
Members loyalty discount	(3,195,733)	(3,479,087)
Net premium revenue received	154,958,963	141,696,519
Claims expense	(136,577,295)	(120,497,713)
Risk equalisation trust fund income/(expense)	3,941,435	384,253
State levies	(1,838,372)	(1,712,195)
Net claims incurred	(134,474,232)	(121,825,655)
Claims handling expenses	(10,989,311)	(9,862,299)
Other underwriting expenses	(6,489,092)	(6,154,619)
Underwriting expenses	(17,478,403)	(16,016,918)
Underwriting result	3,006,328	3,853,946
Investment revenue	4,794,494	5,116,997
Other revenues	6,931,907	5,986,558
Fair value (loss)/gain on investment	(126,300)	142,263
Impairment expense	(983,124)	(950,206)
Cost of goods sold	(3,148,454)	(2,349,911)
Fund administration expenses	(6,463,370)	(6,210,796)
Surplus before income tax	4,011,481	5,588,851
Income tax expense	-	-
Surplus for the year after income tax	4,011,481	5,588,851
Other comprehensive income for the year, net of income tax		
- Items that will not be subsequently reclassified to surplus or deficit:		
- Revaluation of property, plant and equipment, net of income tax	(394,194)	-
Total comprehensive income for the year	3,662,287	5,588,851

* Information gathered from Westfund's Audited Financial Statements

Statement of financial position

[A Company Limited by Guarantee]
ABN 55 002 080 864

As at 30 June 2015

	2015	2014
	\$	\$
Current assets		
Cash and cash equivalents	246,210	446,479
Trade and other receivables	5,758,400	6,488,426
Inventories	338,432	374,926
Financial assets	116,276,775	114,189,446
Other current assets	592,500	685,296
Total current assets	123,212,317	122,184,573
Non-current assets		
Financial assets	21,920,667	17,978,399
Property, plant and equipment	16,304,445	12,735,350
Intangible assets	1,102,884	1,109,029
Total non-current assets	39,327,996	31,822,778
Total assets	162,540,313	154,007,351
Current liabilities		
Trade and other payables	879,498	1,262,985
Provisions	785,847	504,483
Other current liabilities	28,097,749	22,481,333
Total current liabilities	47,052,482	42,463,171
Non-current liabilities		
Provisions	785,847	504,483
Total non-current liabilities	785,847	504,483
Total liabilities	47,838,329	42,967,654
Net assets	114,701,984	111,039,697
Equity		
Reserves	-	349,194
Retained earnings	114,701,984	110,690,503
Total equity	114,701,984	111,039,697

* Information gathered from Westfund's Audited Financial Statements

Statement of changes in equity

[A Company Limited by Guarantee]
ABN 55 002 080 864

For year ended 30 June 2015

	Asset Revaluation Reserve	Retained earnings	Total
	\$	\$	\$
Balance at 1 July 2013	349,194	105,101,652	105,450,846
Total comprehensive income for the year	-	5,588,851	5,588,851
Balance at 30 June 2014	349,194	110,690,503	111,039,697
Total comprehensive income for the year	-	4,011,481	4,011,481
Decrease in valuation of property in use	(349,194)	-	(349,194)
Balance at 30 June 2015	-	114,701,984	114,701,984

* Information gathered from Westfund's Audited Financial Statements

Statement of cash flows

[A Company Limited by Guarantee]
ABN 55 002 080 864

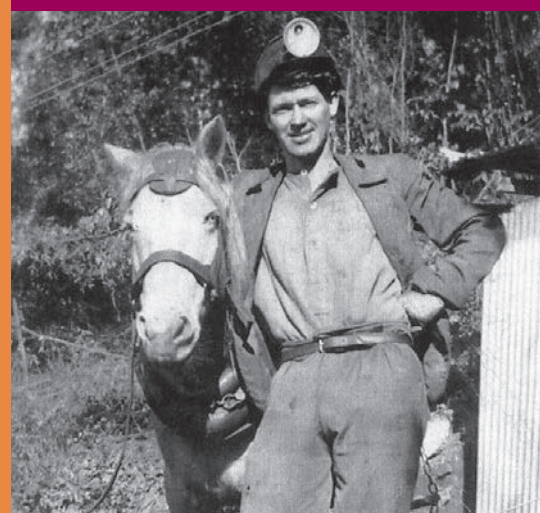
For year ended 30 June 2014

	2015	2014
	\$	\$
Cash flows from operating activities		
Receipts from members' premiums and customers	184,079,552	164,984,017
Benefits paid to members and payments to suppliers	(176,139,991)	(157,494,340)
Interest received	4,903,521	5,601,251
Finance costs	-	-
Net cash provided by operating activities	12,843,082	13,090,928
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	28,630	35,662
Purchase of intangibles	(298,847)	(1,594,728)
Purchase of property, plant and equipment	(6,617,230)	(3,848,690)
Net change in investments	(6,155,896)	(7,736,467)
Net cash used in investing activities	(13,043,343)	(13,144,223)
Net change in cash and cash equivalents held	(200,269)	(53,295)
Cash and cash equivalents at beginning of financial year	446,479	499,774
Cash and cash equivalents at end of financial year	246,210	446,479

* Information gathered from Westfund's Audited Financial Statements

About Us

Westfund Health's humble beginnings date back to 1929. Today we look after members in all industries and across all states of Australia.



Here for our members for 85 years

Westfund was born in 1929 in Lithgow - Australia's first industrial city. It is no coincidence that Westfund's humble beginnings came out of the hardship of the Great Depression. That adversity spawned the history, impact, traditions and culture of an organisation that has developed into one of Australia's most innovative and resourceful organisations, with its head office still faithfully located in Lithgow, where it all began.

Our history

- 1929** NSW Premier Jack Lang mandated doctors and ambulances be available for mine workers. Western District Mine Workers Medical Fund was created and collected subscriptions from mine workers' pay to fund contracted doctors and ambulance services to members.
- 1946** An outpatient's service was established in Lithgow
- 1953** Western District Mine Workers' Medical Fund was registered under the National Health Act along with other health funds like MBF, HCF, and HBA.
- 1966** The Fund became Western District Medical Benefit Fund to reflect the change to a new fee-for-service system of medical cover for the Fund's 5,000 members.
- 1984** The Fund became registered as a Hospital fund and renamed Western District Health Fund to broaden markets and distinguish from the Medical Benefits Fund (MBF). The Fund had grown to 12,000 members. Our first Dental and Eye Care practices were opened making us the first health fund to provide these services in regional Australia.
- 1987** Name changed to Westfund to reflect a more modern approach.
- 1996** Westfund cemented its relationship with regional NSW by establishing outlets in the Central West and Wollongong and closing city outlets.
- 1998** Launch into regional QLD with a branch office opened in Emerald.
- 2000** The Howard Government introduced tax rebates for private health insurance, followed by Lifetime Health Cover and the Medicare Levy Surcharge. Westfund membership reaches 20,000 and then surges to 35,000.
- 2012** Westfund became the first fund to provide a member discount for our long-term members. We returned \$3.6m to members.
- 2013** A second dental practice was opened in Mackay, QLD. A second member discount returned \$3.6 million to members.
- 2014** Membership passes 45,000. A new QLD State Office was opened in Maroochydore, Sunshine Coast. A new concept kiosk Care Centre was opened in Bathurst, NSW. Long term members received a third member discount totalling \$3.5 million.

Our Care Centre Network

Westfund Limited

ABN 002 080 864

Head Office

5 Railway Parade

Lithgow NSW 2790

Phone: 1300 552 132

Fax: (02) 6352 3080

Email: enquiries@westfund.com.au

Web: www.westfund.com.au

New South Wales

Lithgow 5 Railway Parade, Lithgow 2790
(Head Office)

Lithgow 120 Main St Lithgow 2790
Bathurst Bathurst City Shopping Centre
opposite Dick Smith Electrical

Dubbo 186B Macquarie St Dubbo 2830

Mudgee 130 Church St Mudgee 2850

Orange 179 Summer St Orange 2800

Wollongong 95 Crown St Wollongong 2500

Queensland

Maroochydore 6-8 Plaza Parade Maroochydore
QLD 4558 (State Office)

Mackay Shop 2200B, Canelands Central
Mangrove Rd Mackay 4740

Mackay 24 Sydney St Mackay 4740

Moranbah Shop 8, Moranbah Shopping Centre,
St Francis Drive, Moranbah 4744

Rockhampton 127 East St Rockhampton 4700

Townsville 72 Nathan St Vincent,
Townsville, 4814

Emerald Shop 1/112 Egerton Street
Emerald 4720



We're here for you