

The Medibank logo is positioned in the top right corner. It features the word "medibank" in a sans-serif font, with "medi" in red and "bank" in blue, separated by a stylized blue "i" that has a red dot.

medibank

Tax Report 2024

For the year ended 30 June 2024





“This is the 9th year we have published a tax report aligned to the Australian Government’s voluntary tax transparency code.”

We are proud of our contributions to the nation’s public finances, with Medibank remaining a top 100 taxpayer in Australia.

This is the 9th year we have published a tax report aligned to the Australian Government’s voluntary tax transparency code. In this report we set out Medibank’s tax governance, strategy and tax-related payments to contribute to greater transparency by the corporate sector.

Medibank paid \$354.8 million in taxes and levies to Australian revenue authorities in the 2024 financial year (FY24). These payments were made solely within Australia, where 100% of our operations are based.

We remain committed to paying our fair share and do not engage in tax avoidance schemes or aggressive tax positions. Our effective tax rate of 30.3% reflects this approach.

Mark Rogers
Group Executive – Chief Financial Officer & Group Strategy

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**Tax solely paid
in Australia**

100%

**of our operations
were in Australia**

**We are a top 100
taxpayer in Australia**

Paid

\$354.8m

**taxes and levies paid to
Australian revenue authorities**

30.3%

Medibank's effective tax rate



3,568 employees

including

849 health
professionals

Headcount at 30 June 2024

excluding employees in associates and joint ventures



Introduction

This report provides information on Medibank Private Limited and its controlled subsidiaries' (Medibank/our/we) approach to tax governance and strategy, and details our tax-related payments for the year ended 30 June 2024 (FY24).

We make a wide range of tax-related payments to governments in the jurisdictions in which we operate. In addition to paying corporate tax levied on profits generated for shareholders, we pay goods and services tax (GST), fringe benefits tax (FBT), payroll tax, stamp duty, and health insurance levies. As an Australian employer, we also collect and pay 'pay-as-you-go' (PAYG) taxes on behalf of our employees, as well as contributing to their superannuation.

Our business

Medibank is a publicly listed company on the Australian Securities Exchange. Our policy is to ensure we comply with all statutory tax obligations in the jurisdictions in which we operate. With 100% of our operations based in Australia during FY24, we made tax payments solely in Australia.

We have looked after the health and wellbeing of Australians for almost 50 years. As a health company, we are focused on delivering on our Better Health for Better Lives purpose. Together, we are looking to achieve our 2030 Vision to deliver the best health and wellbeing for Australia.

Our core business is Health Insurance, whereby we underwrite and distribute private health insurance policies under the Medibank and ahm brands.

Medibank Health complements our Health Insurance business by providing a number of services. Amplar Health supports the healthcare needs of our core Medibank and ahm customers and the broader community. Myhealth provides integrated primary care services with a patient-centred approach. Our Live Better program supports customers and the community to make better choices for their health and wellbeing. We also offer a range of diversified insurance products such as travel, life, home and pet insurance and have a number of non-controlled investments supporting our strategy to provide greater access, choice and flexibility in healthcare.

As we maintain assets to satisfy our regulatory reserves, we also generate investment income from our portfolio of investment assets.

Tax governance and strategy

Tax risk management is an integral part of corporate governance at Medibank. Our Tax Governance Policy sets out the way we manage our tax framework and strategy. The Medibank Board reviews and approves this policy every two years, with the most recent approval undertaken in December 2024.

The policy and framework outline the process we follow to ensure we manage all our tax risks promptly and appropriately. We report our tax-related activities to the Board's Audit Committee on a regular basis.

In conducting our business, we are committed to ensuring that Medibank is compliant with all statutory tax obligations in the jurisdictions in which we operate. We do not engage in tax avoidance schemes or aggressive tax positions.

We maintain a transparent and productive relationship with revenue authorities, as shown through the voluntary disclosure of tax information contained in this report. As a top 100 taxpayer, the Australian Tax Office (ATO) undertook various review activities in relation to Medibank's tax affairs in FY24. We continue to engage with the ATO in an open and transparent manner.

Income tax disclosures

Tax consolidated group

Medibank and its wholly-owned Australian subsidiaries are members of an Australian income tax consolidated group and subject to tax as a single taxpayer for income tax purposes. This differs from the accounting group on which the audited report is based which includes entities that are controlled by Medibank but not 100% owned.

Effective tax rate

The "effective tax rate" is calculated by dividing Medibank's income tax expense by accounting profit before tax. Medibank's income tax expense utilised in the calculation of this effective tax rate is based solely on corporate income tax and excludes other types of non-corporate income taxes referenced on page 4. As the effective tax rate is a concept calculated based on accounting profit rather than taxable income, it necessarily differs from a corporation's income tax liability, which is calculated based on the Australian tax legislation that reflects government policies and intent with respect to the taxation of corporations. In most instances, these differences are only timing in nature, as the accounting and tax concepts of income align over time.

Why is Medibank's effective tax rate more than 30%?

Medibank's effective tax rate for FY24 is 30.3% (FY23: 29.7%) of our accounting profits based on the FY24 audited financial report. The income tax expense / (benefit) is made up of the following:

(a) Income tax expense

	2024 \$m	2023 (restated) \$m
Current tax	277.0	98.6
Deferred tax	(62.0)	31.4
Adjustment for tax of prior period	0.3	(0.7)
Income tax expense	215.3	129.3

Source: Medibank 2024 Annual Report. Note 15: Income tax (page 107)

Medibank's effective tax rate is more than the Australian corporate tax rate of 30% due to several small items detailed in the following table:

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2024 \$m	2023 (restated) \$m
Profit for the year before income tax expense	711.7	437.9
Tax at the Australian tax rate of 30%	213.5	131.4
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	0.2	0.8
Tax offset for franked dividends	(2.5)	(3.6)
Share of (profit)/loss from equity accounted investments	2.1	0.4
Other items	1.7	1.0
	215.0	130.0
Adjustment for tax of prior period	0.3	(0.7)
Income tax expense	215.3	129.3

Source: Medibank 2024 Annual Report. Note 15: Income tax (page 107)

Notes on the above table:

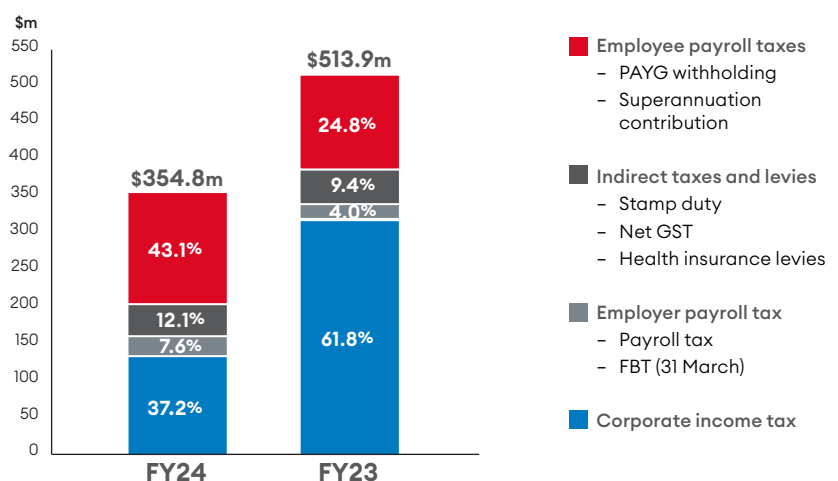
1. Tax offset for franked dividends – relates to dividend imputation credits received by Medibank from our investments in Australian equities. These imputation credits arise on franked dividends received by Medibank on profits which have previously been taxed in Australia and are passed on to our shareholders on payment of dividends.
2. Non-deductible expenses – consists of non-deductible legal costs.
3. Share of (profit)/loss from equity accounted investments – profit/loss (net of tax) arising from Medibank's investments in associates and joint ventures.
4. Other items – consists mainly of adjustments made to Medibank's investment portfolio.
5. Adjustment for tax of prior period – relates to adjustments made to Medibank's accounting tax estimates for prior periods, generally as a result of additional information.

Tax contributions

We are proud of the contributions Medibank makes to Australia's public finances and our role as the employer of 3,568 people, including 849 health professionals as at 30 June 2024 (excluding employees in associates and joint ventures).

In addition to corporate income tax, we make significant payroll and employer tax payments in Australia in our capacity as an employer. We also manage employee taxes withheld from employees' remuneration and paid to the government.

The following chart below shows the taxes and levies paid by Medibank to the Australian revenue authorities during FY24 and FY23.



Note: The tax and levies paid by Medibank per the graph above are in millions (\$m). The movement in year-on-year tax contribution is primarily due to the timing of corporate tax payments, and the timing difference in the accounting and tax treatments of certain provisions.

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Medibank Private Limited

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