

# Bupa Australia & New Zealand Tax Transparency Report

For the year ended  
31 December 2023



# Foreword

Bupa Australia & New Zealand (**ANZ**) is part of a leading international healthcare group with approximately 19,000 employees that serve millions of customers, patients and residents in Australia and New Zealand.

It is our pleasure to present Bupa ANZ's Tax Transparency Report for the year ending 31 December 2023, which has been prepared in accordance with the Australian Voluntary Tax Transparency Code. Our total tax contribution ensures that Bupa contributes to the communities in which we operate and helps us fulfil our purpose - helping people live longer, healthier, happier lives and making a better world.

This report includes details of Bupa ANZ's approach to tax governance and tax risk management, which is underpinned by a strong risk management culture. Our six tax principles help inform our decision-making and help manage our tax risks by upholding our commitment to robust tax governance.

We are pleased to report our total Australian tax contribution of \$530.9 million in 2023, which reflects \$217.4 million in taxes and levies paid and \$313.5 million in taxes collected and remitted to Australian revenue authorities. We remain committed to complying with tax laws responsibly as well as engaging transparently and collaboratively with the Australian Taxation Office (**ATO**) and other relevant tax authorities.

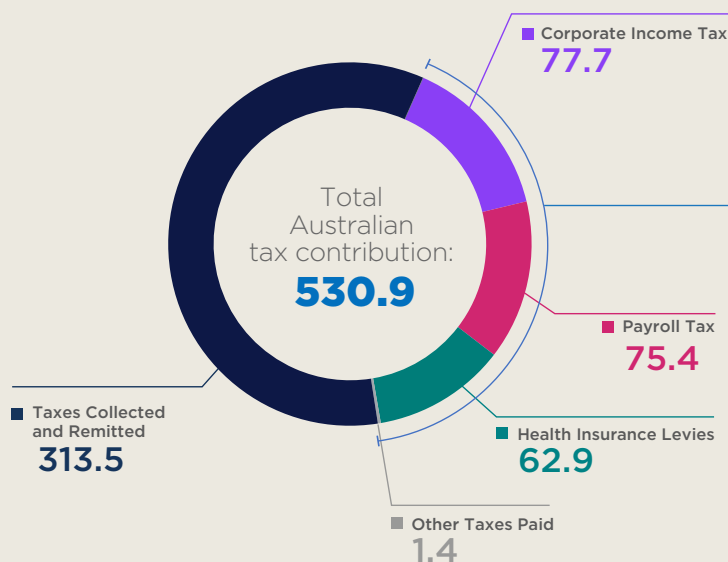
We are extremely proud to be an organisation that genuinely cares about improving the lives of our people, our customers and the communities we are a part of and we welcome the opportunity to once again voluntarily share this information with our stakeholders as part of our continuing commitment to transparency in our tax affairs.

**Stuart Hooper,**

Chief Financial Officer, Bupa Asia Pacific



## Key Australian tax contribution for 2023 (A\$m)



Total Australian taxes paid

A\$ **217.4**m



Bupa Australia Group's effective income tax rate

**40%**

# Our business and operations

Bupa ANZ is part of the Bupa Group, an international healthcare group. The British United Provident Association Limited (**Bupa Parent**), the ultimate parent entity of the Bupa Group, is incorporated in England and Wales and is a company limited by guarantee without shareholders. The Bupa Group reinvests profits into providing more and better healthcare for the benefit of current and future customers around the world.

The Bupa Group entered the Australian market through the acquisition of HBA and Mutual Community in 2002 and MBF in 2008, which have origins reaching back to the 1930s and 1940s, respectively. Today Bupa ANZ employs approximately 19,000 people across Australia and New Zealand within a diverse range of health and care businesses, which were as follows as at 31 December 2023:



**Bupa Health Insurance**, one of the leading health insurers in Australia, provided quality, affordable health insurance cover to more than 4.3 million Australian and international customers through our digital and online services, 60 retail stores and our customer call centre.

Bupa Health Insurance also distributed travel, home and contents, motor insurance products and international private medical insurance as an authorized representative of Open Insurance Pty Ltd. Pet insurance was also distributed as an authorised representative of Petsure (Australia) Pty Ltd.



**Bupa Health Services**, a health provision business, comprised of:

- 179 dental clinics in Australia;
- 49 optical stores in Australia;
- 9 medical centres where we provided immigration health examinations to Australian visa applicants on behalf of the Australian Department of Home Affairs;
- The provision of an integrated health care system which provided end-to-end health care to support approximately 85,000 Australian Defence Force personnel; and
- The provision of quality clinical advisory services to the Australian Department of Veterans’ Affairs.



**Bupa Villages and Aged Care Australia** provided residential aged care, respite and specialised dementia care services for approximately 5,400 residents in 58 homes and one retirement village in Australia.



**Bupa Villages and Aged Care New Zealand** provided care for approximately 3,200 residents in 44<sup>1</sup> care homes and over 2,000 residents in 36 independent living retirement villages.

### Definitions

|                                                                                                                   |                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
|  <b>Bupa Parent</b>           | The British United Provident Association Limited                                                                    |
|  <b>Bupa Group</b>           | Refers to Bupa Parent’s wholly owned and controlled companies                                                       |
|  <b>Bupa ANZ</b>             | Refers to the Australian and New Zealand operations of the Bupa Group                                               |
|  <b>Bupa Australia Group</b> | Refers to Bupa’s Australian multiple entry consolidated group comprised of all 100% owned Bupa Australian companies |

<sup>1</sup> In late 2023, Bupa announced the sale of five care homes in New Zealand, which completed in early 2024.

# Our approach to tax

Our approach to tax is based on six principles that help inform our decision making and uphold our commitment to transparency, fairness and robust governance. These principles are in line with the Bupa Group's values and the Bupa Code.

We only enter into commercial transactions and the tax positions we adopt are in accordance with applicable laws and practices. The Bupa ANZ Board is accountable for ensuring that our approach to tax is consistent with our principle of sustainable growth, within the Bupa Group's overall strategic framework.



In circumstances where tax legislation is unclear or subject to interpretation, we obtain independent external advice. We also engage tax advisors where specialist expertise is required on complex transactions, compliance obligations and to provide insight into industry practice.



We seek to establish constructive relationships and work positively with fiscal authorities – the ATO and State Revenue Offices in Australia and Inland Revenue in New Zealand. This is based on transparency and mutual respect, and we work with tax authorities to minimise the extent of disputes. Where there are differences of opinion, we endeavour to work collaboratively and seek clarity to resolve these differences in a satisfactory manner.



We price international related-party transactions on an arm's length basis in accordance with OECD principles and local tax regulations, ensuring Bupa ANZ's transfer pricing reflects the commercial and economic substance of the transaction.



We approach our tax affairs in a manner that makes appropriate use of elections, deductions and exemptions available in accordance with the tax legislation, as per the intent of the legislation.



We do not use contrived or artificial tax structures that are intended for tax avoidance or have limited commercial substance.



The Bupa Australia Group is part of the ATO's top 100 taxpayer justified trust program. To achieve justified trust, the ATO requires a taxpayer to provide objective evidence that would lead a reasonable person to conclude the taxpayer has paid the 'right' amount of tax, which is often achieved through the ATO's Pre-lodgement Compliance Review (PCR) process. The PCR process enables the ATO to understand the design and operation of Bupa Australia Group's tax control and governance framework, allows for transparency on Australian income tax treatments adopted and early engagement on material transactions.

The Bupa Australia Group obtained an overall high level of assurance with respect to Australian income tax for the years ended 31 December 2021 and 31 December 2022 through the PCR process, meaning the ATO has obtained assurance that the Bupa Australia Group has paid the right amount of Australian income tax for these years, while also concluding that the Bupa Australia Group has achieved the highest income tax governance framework rating of Stage 3.

The ATO is also applying a 'partnering' approach to the Bupa Australia Group under the ATO's Action Differentiation Framework, which means that the ATO has confidence in the Bupa Australia Group's tax compliance and ongoing commitment to maintaining an open and transparent relationship and the ATO will partner with the Bupa Australia Group to maintain good compliance.

# Our approach to tax risk management

**Bupa ANZ is committed to complying with tax laws responsibly and ensuring that tax is paid in the jurisdictions in which Bupa ANZ operates, based upon applicable laws and practices.**

Embedding a strong risk management culture is a priority across Bupa ANZ, supported by robust risk management and controls. This culture helps us to foresee and respond to changing environments and evolving regulation, enabling us to mitigate potential risks that could affect our customers and our business.

The Bupa ANZ Board is accountable for Bupa ANZ's System of Governance with responsibility for setting Bupa ANZ's risk appetite and overseeing the risk management framework. We manage our risks using a 'three lines' model. Bupa ANZ's management of tax risk is aligned with this approach and is set out in our Bupa ANZ Tax Policy, which is applicable across Bupa ANZ and approved by the Bupa ANZ Board. The Bupa ANZ Tax Policy also defines our minimum requirements and expectations to ensure compliance with all applicable laws and regulations as well as effective risk management.

The Bupa ANZ Tax Director, the Bupa ANZ Chief Financial Officer and the Bupa ANZ Chief Risk Officer are accountable for ensuring that these policies and procedures are embedded throughout Bupa ANZ to ensure tax risk is appropriately managed.

**Bupa ANZ divides tax risk into two categories and has controls in place for managing these separate risks.**



## Tax compliance risk

### Tax risk explained

The risk of a financial, regulatory or reputational impact due to errors, omissions, or process failings in the usual course of managing Bupa ANZ's tax affairs.

### How Bupa ANZ manages this

We minimise tax compliance risk through the use of preventative and detective controls. We act on any errors identified to ensure they are corrected and improve our processes to mitigate the risk of repeat occurrences.



## Tax Judgement risk

### Tax risk explained

The risk of a financial, regulatory, or reputational impact arising out of a tax authority challenge or negative public perception to a position taken by Bupa ANZ.

### How Bupa ANZ manages this

We only enter into commercial transactions and the tax positions we adopt are in accordance with applicable laws and practices.

Risk is an inevitable part of operating a business. Some risks are avoidable while others are inherent in our business model, so we have an effective internal control and risk management system to mitigate these risks.

Bupa ANZ's tax team has the appropriate skills and experience to implement our tax control framework. Teams consist of individuals with a balance of both technical and business specific knowledge. This tax expertise ensures that domestic and cross border tax issues are managed appropriately and that we are able to comply with our tax obligations in ANZ.

Bupa ANZ's tax team is involved when strategic business decisions are being considered and external advice is obtained where appropriate. In addition, ongoing horizon risk scanning activities ensure Bupa ANZ responds appropriately to tax risks emerging through legislative changes and developments.

# Bupa ANZ's three lines model and tax

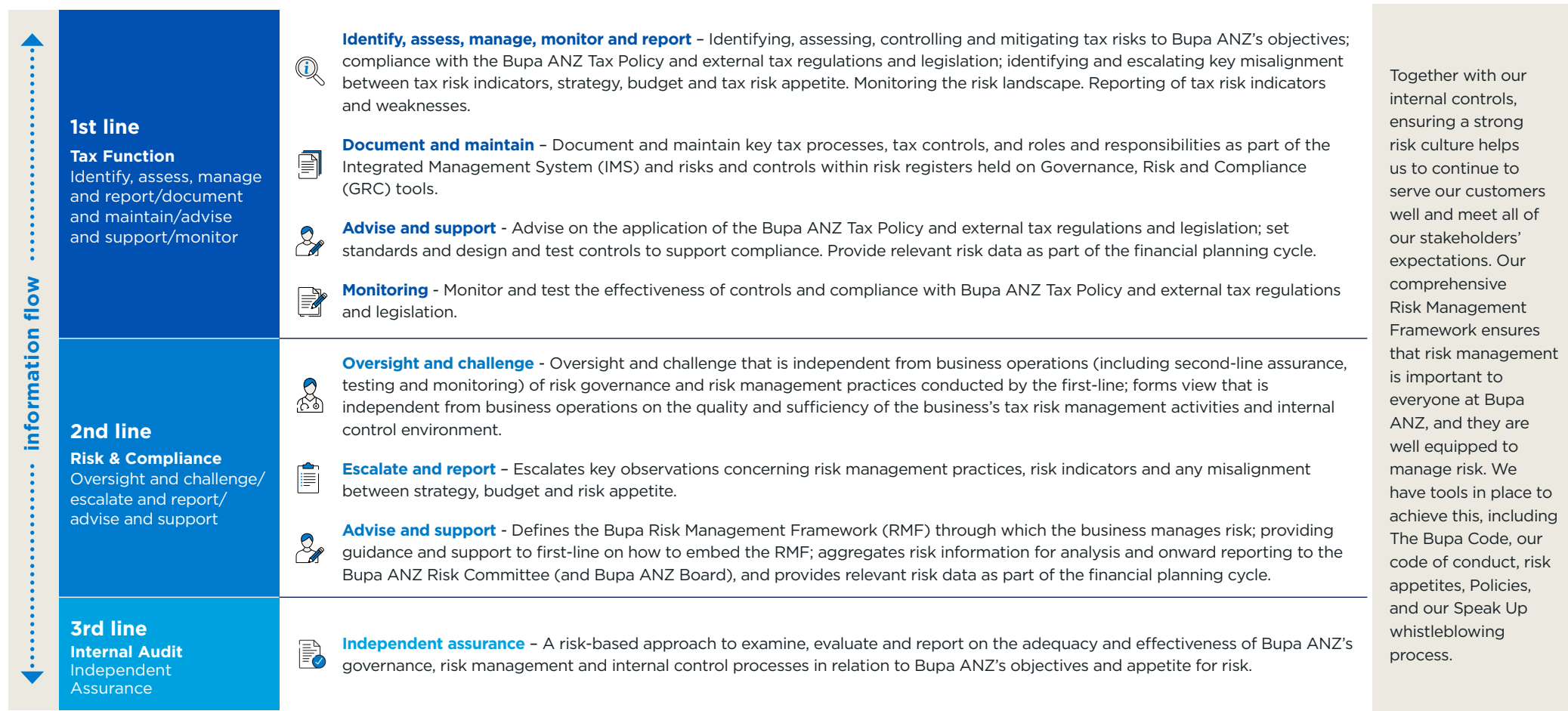
## The Bupa ANZ Board is ultimately responsible for the system of governance, setting policies and the risk management framework

Bupa ANZ's risk management framework is approved annually by the Bupa ANZ Board and is implemented through the three lines model. An assessment of the effectiveness of Bupa ANZ's risk management framework is conducted annually with the results presented to the Bupa ANZ Board Risk Committee.

Bupa ANZ's tax team identifies, assesses and manages tax risks in accordance with the Bupa ANZ Tax Policy. Bupa ANZ's tax team regularly report on material tax risks and tax matters to the Bupa ANZ Board Audit Committee and the Bupa Group's tax team, including details of how tax risks are being monitored and managed. The Bupa ANZ Board Audit Committee assists the Bupa ANZ Board in its review and monitoring of tax matters and therefore provides an oversight role in respect of tax matters.

In addition, Bupa ANZ Internal Audit undertakes independent testing of the effectiveness of Bupa ANZ's processes and controls, including tax, and reports their findings and any recommendations to the Bupa ANZ Board Audit Committee.

Outlined below is the application of the three lines model in the context of tax risks and the Bupa ANZ Tax Policy.



# Reconciliation of the Bupa Australia Group's accounting profit to income tax expense and income tax payable

As the Bupa Group has multiple entry points of investment into Australia, an Australian multiple entry consolidated group has been formed and is comprised of all 100% owned Bupa Australian companies (**Bupa Australia Group**). The Bupa Australia Group is treated as a single taxpayer for Australian income tax purposes and Bupa ANZ Group Pty Ltd (**BAG**), as the 'provisional head company', lodges one Australian consolidated income tax return on behalf of the Bupa Australia Group. Bupa ANZ's New Zealand companies do not form part of the Bupa Australia Group.

Outlined below is a reconciliation of the Bupa Australia Group's accounting profit to income tax expense (**ITE**), ITE to income tax payable and income tax payable to income tax paid for the year ended 31 December 2023 (with 2022 comparatives).

## Reconciliation of accounting profit to income tax expense

The ITE of the Bupa Australia Group is calculated based on Australian accounting standards and represents accounting profit before tax multiplied by Australia's corporate tax rate of 30%, adjusted for non-temporary differences between the accounting and tax treatment of items (e.g. income and expenses which are non-assessable and non-deductible for tax purposes).

|                                                               | 2023                  | 2022 <sup>2</sup> |
|---------------------------------------------------------------|-----------------------|-------------------|
|                                                               | A\$'000               | A\$'000           |
| <b>Profit / (loss) before ITE of the Bupa Australia Group</b> | <b>74,157</b>         | <b>508,915</b>    |
| <b>income tax at the Australian corporate tax rate of 30%</b> | <b>22,247</b>         | <b>152,675</b>    |
| <b>Income tax effect of non-temporary differences:</b>        |                       |                   |
| Non-assessable income                                         | (222)                 | (17,924)          |
| Non-deductible expenses                                       | 16,511                | 62,801            |
| Adjustment for prior years                                    | (10,330) <sup>3</sup> | (1,440)           |
| Other items                                                   | 1,715                 | 1,011             |
| <b>Total ITE of the Bupa Australia Group</b>                  | <b>29,921</b>         | <b>197,123</b>    |

## Reconciliation of income tax expense to income tax payable

In any year, there will be differences between the ITE of the Bupa Australia Group and the calculated amount of income tax payable by the Bupa Australia Group. This is due to a number of temporary differences between the accounting and tax treatment of various items (amounts are assessable or deductible for tax at a different time to when they are recognised under accounting practices). Temporary differences will eventually reverse over time.

|                                                                         | 2023          | 2022 <sup>2</sup> |
|-------------------------------------------------------------------------|---------------|-------------------|
|                                                                         | A\$'000       | A\$'000           |
| <b>Total ITE of the Bupa Australia Group</b>                            | <b>29,921</b> | <b>197,123</b>    |
| <b>Adjustment for prior years</b>                                       | <b>10,330</b> | <b>1,440</b>      |
| <b>ITE for the current year</b>                                         | <b>40,251</b> | <b>198,563</b>    |
| <b>Temporary differences between accounting and tax treatment</b>       |               |                   |
| Loss component for onerous contracts <sup>4</sup>                       | (10,647)      | (2,030)           |
| Unearned premium liability <sup>5</sup>                                 | 2,856         | (14,196)          |
| Deferred acquisition costs                                              | (2,825)       | (2,349)           |
| Give back provision <sup>6</sup>                                        | 7,843         | (10,278)          |
| Employee benefits                                                       | 19,897        | (1,677)           |
| Property, plant and equipment                                           | 665           | 4,576             |
| Bed licences                                                            | 15,228        | 16,802            |
| Other intangible assets                                                 | 2,473         | 3,513             |
| Financial investments                                                   | (5,788)       | (10,980)          |
| Other provisions and accruals                                           | 3,540         | (7,979)           |
| Other items                                                             | 5,299         | (7,903)           |
| <b>Income tax payable for the current year for Bupa Australia Group</b> | <b>78,792</b> | <b>166,062</b>    |

<sup>2</sup> In the Bupa Australia Group's financial statements for the year ended 31 December 2023, the results for the year ended 31 December 2022 were restated to reflect the adoption of AASB 17 Insurance Contracts.

<sup>3</sup> The Bupa Australia Group recognised an income tax benefit of \$10.6m in relation to income tax refunds to be received from amendments to prior year income tax returns.

<sup>4</sup> Under AASB 17 Insurance Contracts, the Bupa Health Insurance business recognises a loss component in respect of onerous contracts. The loss component in respect of onerous contracts is treated as non-deductible for tax purposes and gives rise to a temporary difference.

<sup>5</sup> In 2022, the Bupa Health Insurance business recognised an unearned premium liability in relation to announced premium rate deferrals associated with the return of COVID-19 savings to customers. Under AASB 17 Insurance Contracts, the reduced premium received from customers is recognised on a passage of time basis over the coverage period. The unearned premium liability was treated as non-deductible for income tax purposes and gives rise to a temporary difference.

<sup>6</sup> The Bupa Health Insurance business recognised a customer give back provision in 2021, 2022 and 2023 that relates to the return of COVID-19 savings in the Bupa Health Insurance business to customers through a give back program. The provision is treated as non-deductible for income tax purposes with tax deductions arising on payment of give backs to customers.

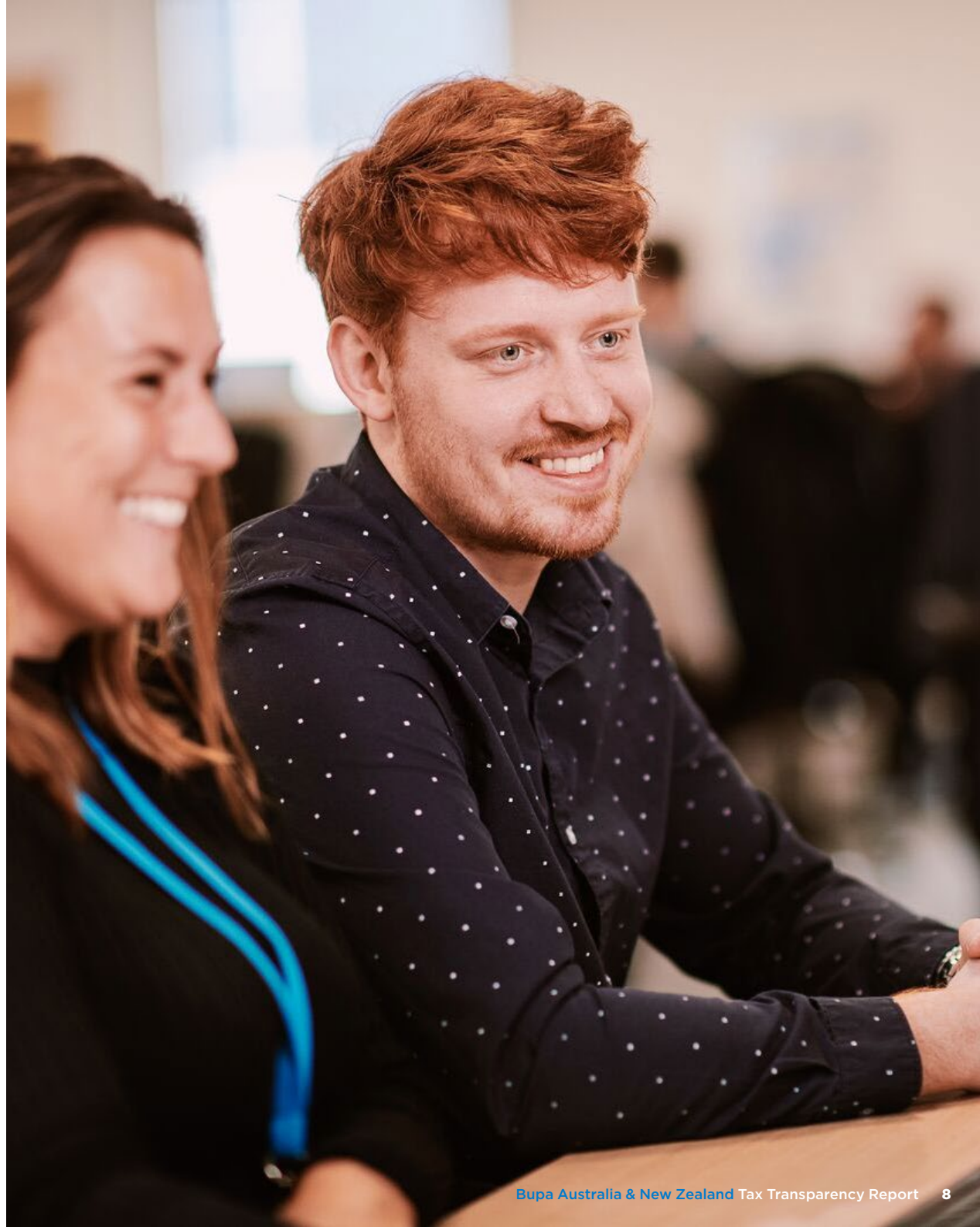
## Reconciliation of income tax payable to income tax paid

There will also be differences between the calculated amount of income tax payable by the Bupa Australia Group for the year and the total income tax actually paid to tax authorities during the year. This is primarily due to the timing of the Bupa Australia Group's monthly income tax instalment payments and the timing of final tax payments or receipt of tax refunds relating to the Bupa Australia Group's income tax returns. The amount of income tax payable by the Bupa Australia Group during the year ended 31 December 2023 reflected the payment of give backs to customers, which are deductible for income tax purposes.

|                                                                         | 2023                  | 2022           |
|-------------------------------------------------------------------------|-----------------------|----------------|
|                                                                         | A\$'000               | A\$'000        |
| <b>Income tax payable for the current year for Bupa Australia Group</b> | <b>78,792</b>         | <b>166,062</b> |
| <b>Add:</b>                                                             |                       |                |
| Opening balance of income tax payable/(receivable)                      | (12,017)              | 44,407         |
| Adjustment for prior years                                              | (10,877) <sup>7</sup> | 3,349          |
| Closing balance of income tax receivable                                | 23,786                | 12,017         |
| <b>Subtract:</b>                                                        |                       |                |
| Closing balance of income tax (payable)                                 | -                     | -              |
| <b>Equals:</b>                                                          |                       |                |
| Income taxes paid to the ATO                                            | 77,738                | 224,783        |
| Income taxes paid to New Zealand Inland Revenue <sup>8</sup>            | 1,946                 | 1,052          |
| <b>Total income taxes paid during the year by Bupa Australia Group</b>  | <b>79,684</b>         | <b>225,835</b> |

<sup>7</sup> The Bupa Australia Group recognised an income tax benefit of \$10.6m in relation to income tax refunds to be received from amendments to prior year income tax returns.

<sup>8</sup> Relates to New Zealand interest withholding tax paid which is claimable as foreign income tax offsets for Australian income tax purposes.



# Effective tax rate of the Bupa Australia Group and the Bupa Group

The Bupa Group calculates its effective tax rate (**ETR**) as ITE divided by accounting profit before ITE.

## Bupa Australia Group

The Bupa Australia Group's ETR for 2023 was 40%, which was higher than the Australian corporate income tax rate of 30%. In 2023, compliance expenses of \$44.0m were non-deductible for income tax purposes and gave rise to a non-temporary difference of \$13.2m (\$44.0m at 30%). In addition, the Bupa Australia Group recognised an income tax benefit of \$10.6m in relation to income tax refunds to be received from amendments to prior year income tax returns. If these exceptional items were removed, the ETR would be 34%.

The Bupa Australia Group's ETR for 2022 was 39%, which was higher than the Australian corporate income tax rate of 30%. In 2022, goodwill of the Bupa Villages and Aged Care Australia business was impaired and the impairment expense of \$184.0m was non-deductible for income tax purposes and gave rise to a non-temporary difference of \$55.2m (\$184.0m at 30%). In addition, a dividend of \$53.6m was received from the Bupa Villages and Aged Care New Zealand business in 2022 that was non-assessable for income tax purposes and gave rise to a non-temporary difference of \$16.1m (\$53.6m at 30%). If these exceptional items were removed, the ETR would be 31%.

## Bupa Group

The Bupa Group's ETR for 2023 was 25% which is in line with the United Kingdom (**UK**) corporate income tax rate of 25%.

The Bupa Group's ETR for 2022 was negative 28%. This was mainly driven by the net tax impact of one-off goodwill and fixed assets impairments and IAS 29 adjustments applied as a result of hyperinflation in Türkiye for which no tax deductions can be claimed. If these exceptional items were removed, the Group's ETR would have been 31% which was higher than the UK corporation tax rate of 19% in 2022 due mainly to profits arising in jurisdictions with a higher rate of corporate income tax than the UK, such as Australia.

|                            | Bupa Australia Group | Bupa Australia Group | Bupa Group | Bupa Group         |
|----------------------------|----------------------|----------------------|------------|--------------------|
|                            | 2023                 | 2022 <sup>9</sup>    | 2023       | 2022 <sup>10</sup> |
|                            | A\$'000              | A\$'000              | £'000      | £'000              |
| Profit / (loss) before ITE | 74,157               | 508,915              | 564,106    | (389,422)          |
| ITE / (benefit)            | 29,921               | 197,123              | 140,509    | 109,458            |
| Effective tax rate         | 40%                  | 39%                  | 25%        | (28%)              |

# ATO corporate tax transparency disclosures

In accordance with the ATO's tax transparency measures, the ATO annually publishes income tax return information for certain large taxpayers.

The following income tax information has been published or is expected to be published by the ATO in respect of the Bupa Australia Group:

|                                                  | 31 December 2023 | 31 December 2022 | 31 December 2021 |
|--------------------------------------------------|------------------|------------------|------------------|
| <b>Bupa ANZ Group Pty Ltd (ABN: 95608490455)</b> | <b>A\$'000</b>   | <b>A\$'000</b>   | <b>A\$'000</b>   |
| Total income                                     | 9,564,413        | 8,986,751        | 8,979,670        |
| Taxable Income                                   | 261,557          | 552,622          | 561,751          |
| Tax Payable                                      | 76,521           | 164,734          | 167,877          |

A reconciliation of these disclosures is provided below:

|                                                  | 31 December 2023 | 31 December 2022      | 31 December 2021      |
|--------------------------------------------------|------------------|-----------------------|-----------------------|
| <b>Bupa ANZ Group Pty Ltd (ABN: 95608490455)</b> | <b>A\$'000</b>   | <b>A\$'000</b>        | <b>A\$'000</b>        |
| Total income                                     | 9,564,413        | 8,986,751             | 8,979,670             |
| Total Expenses                                   | (9,490,245)      | (8,595,737)           | (8,630,547)           |
| Profit / (loss) before ITE                       | 74,168           | 391,014               | 349,123               |
| Net tax adjustments                              | 187,389          | 161,608 <sup>11</sup> | 212,628 <sup>12</sup> |
| Taxable Income                                   | 261,557          | 552,622               | 561,751               |
| Prima Facie Tax Payable @ 30%                    | 78,467           | 165,787               | 168,525               |
| Tax offsets                                      | (1,946)          | (1,053)               | (648)                 |
| Tax Payable                                      | 76,521           | 164,734               | 167,877               |

<sup>9</sup> In the Bupa Australia Group's financial statements for the year ended 31 December 2023, the results for the year ended 31 December 2022 were restated to reflect the adoption of AASB 17 Insurance Contracts.

<sup>10</sup> In the Bupa Group's financial statements for the year ended 31 December 2023, the results for the year ended 31 December 2022 were restated to reflect the adoption of IFRS 17 Insurance Contracts.

<sup>11</sup> Primarily relates to impairment expense of \$184.0m relating to the goodwill of the Bupa Villages and Aged Care Australia business which was non-deductible for income tax purposes and differences between the accounting and tax treatment of other various items.

<sup>12</sup> Primarily relates to a customer give back provision of \$103.7m that was recognised as at 31 December 2021 in recognition of the return of COVID-19 savings in the Bupa Health Insurance business to customers through a give back program which was non-deductible for income tax purposes and differences between the accounting and tax treatment of other various items.

# Our Australian tax contribution

The Bupa Australia Group pays taxes directly to tax authorities in Australia and collects taxes on behalf of those authorities from our customers, employees and payments to Bupa Group related parties. Together this equates to our total Australian tax contribution.

The Bupa Australia Group's total Australian tax contribution was A\$530.9m in 2023 (A\$631.4m in 2022). The amount of corporate income tax payable by the Bupa Australia Group during the year ended 31 December 2023 reflected the payment of give backs to customers, which are deductible for income tax purposes.

Australian taxes paid includes direct taxes such as corporate income tax, payroll tax, health insurance levies, non-recoverable goods and services tax (GST), fringe benefits tax (FBT) and other withholding taxes.

Australian taxes collected include those in relation to Pay As You Go (PAYG) salary withholding, net GST remitted/(refunded) and other withholding taxes.

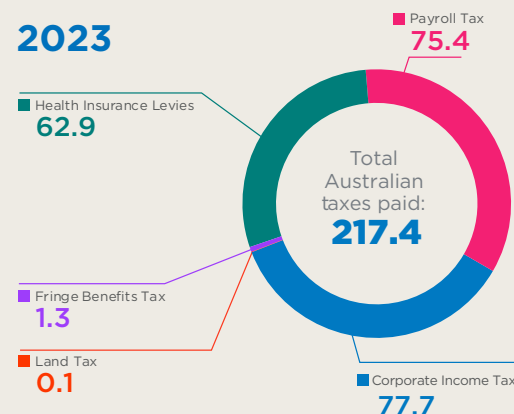
The following represents the Australian taxes we have paid or collected on behalf of others in the years ended 31 December 2023 and 31 December 2022:



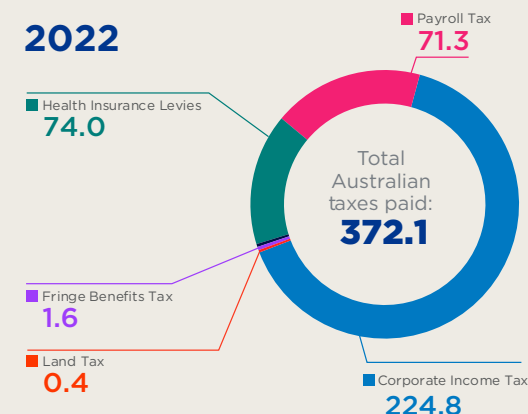
## Australian taxes we contribute (A\$'m)

### Australian Taxes Paid

2023

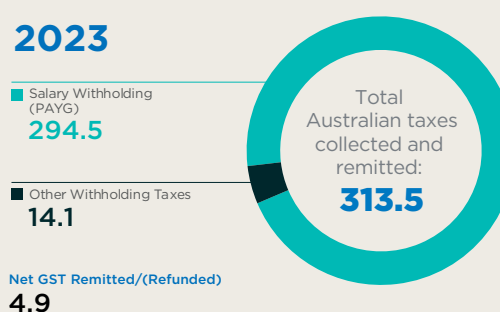


2022

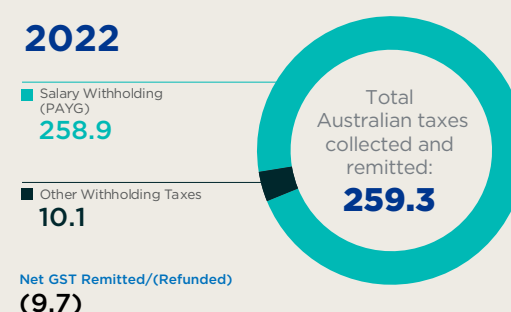


### Australian Taxes Collected and Remitted

2023



2022



# International related party dealings

As Bupa ANZ operates in two jurisdictions, Australia and New Zealand, and forms part of the Bupa Group, Bupa ANZ has a number of international related party dealings between its Australian entities and New Zealand subsidiaries, as well as with Bupa Group entities in the UK and Hong Kong.

From the UK, the Bupa Group provides some central support and oversight to Bupa ANZ (and other Bupa Group markets) to ensure that the Bupa Group's governance and risk management frameworks are consistent across the Bupa Group and are sufficient to protect and grow the Bupa Group's businesses.

Bupa ANZ had the following key types of dealings with its international related parties during the 31 December 2023 year:

| Type                                                                                                                            | Description                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Financing</b>                              | The Bupa Australia Group receives debt financing from its immediate parent company, Bupa Investments Overseas Limited, which, as agreed with the ATO, falls within the 'low risk' or 'green zone' rating in accordance with the risk framework set out in the ATO's Practice Compliance Guideline PCG 2017/4. The Bupa Australia Group also provides debt financing to Bupa ANZ's New Zealand operations. |
|  <b>Management and administrative services</b> | Management and administrative services (for example, legal, clinical, risk and finance support and oversight services) provided by the Bupa Group from the UK to the Bupa Australia Group and by the Bupa Australia Group to Bupa New Zealand and Bupa Hong Kong subsidiaries.                                                                                                                            |
|  <b>Investment management services</b>         | Investment management services provided to the Bupa Australia Group by the Bupa Group from the UK.                                                                                                                                                                                                                                                                                                        |
|  <b>Cost recharges</b>                        | Third party costs paid by an entity may be recharged to another entity that is the intended recipient/beneficiary of those third party costs. Cost recharges occur between members of the Bupa Group, the Bupa Australia Group, Bupa New Zealand and Bupa Hong Kong subsidiaries.                                                                                                                         |

We price international related-party transactions on an arm's length basis in accordance with OECD principles and ANZ tax laws and regulations, ensuring Bupa ANZ's transfer pricing reflects the commercial and economic substance of the transaction. Appropriate transfer pricing documentation is procured each year to support the pricing adopted.

The Bupa Australia Group complies with Australia's country-by-country reporting requirements which provides the ATO with information relating to the Bupa Australia Group's international related party transactions and the Bupa Group.

# Basis of preparation

This report covers the year ended 31 December 2023 and comparative period 31 December 2022 and provides an overview of the Australian tax contribution made by the Bupa Australia Group and further information in relation to our tax risk and governance profile.

This report has been prepared in accordance with the Australian Board of Taxation's Voluntary Tax Transparency Code.

**Bupa Australia Group's income tax reconciliations:** The profit/loss before income tax expense, income tax expense, income tax payable and income tax paid data for the Bupa Australia Group has been prepared by aggregating the relevant data from the financial statements of Bupa ANZ Healthcare Holdings Pty Ltd, Bupa ANZ Insurance Pty Ltd and Bupa ANZ Group Pty Ltd for the year ended 31 December 2023, which were externally audited and prepared in accordance with the requirements of the Corporations Act 2001 (Cth), Australian and International accounting standards and interpretations issued by the Australian Accounting Standards Board and the International Accounting Standards Board, with necessary elimination adjustments made. The effective tax rate of the Bupa Australia Group has been calculated as the income tax expense of the Bupa Australia Group divided by the profit/loss before income tax expense of the Bupa Australia Group.

**Effective Tax Rate of the Bupa Group:** The effective tax rate of the Bupa Group has been calculated as the income tax expense of the Bupa Group divided by the profit/loss before income tax expense of the Bupa Group, which have been sourced from the Bupa Group's financial statements for the year ended 31 December 2023.

**Currency:** Unless specifically noted otherwise, all amounts contained within this report have been disclosed in Australian Dollars.

**Taxes paid and collected:** Data that relates to taxes paid and taxes collected has been compiled using information on actual taxes paid or tax collected, net of refunds received, during the financial year (i.e. on a cash paid basis), rather than taxes paid or collected referable to the financial year. Taxes paid and taxes collected by non-controlled entities of the Bupa Australia Group are excluded.

**ATO corporate tax transparency disclosures:** ATO corporate tax transparency disclosures have been sourced from the Bupa Australia Group's income tax returns for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 submitted to the ATO.

This report was approved by the Board of Directors for Bupa ANZ Healthcare Holdings Pty Ltd ACN 126 737 308, Bupa ANZ Insurance Pty Ltd ACN 098 309 025 and Bupa ANZ Group Pty Ltd ACN 608 490 455 in September 2024.

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