



AUGUST 2018
Your member magazine

news you actually want to hear!

Another great year
for your money

GAIL FORCE

Meet the nurse
bringing culture
to care

TRANSFORMING AGED CARE

Our new report sheds
light on the sector's future



MEMBER PROFILE: CHRISTIE FLEMING

From nursing to
traversing across
the globe

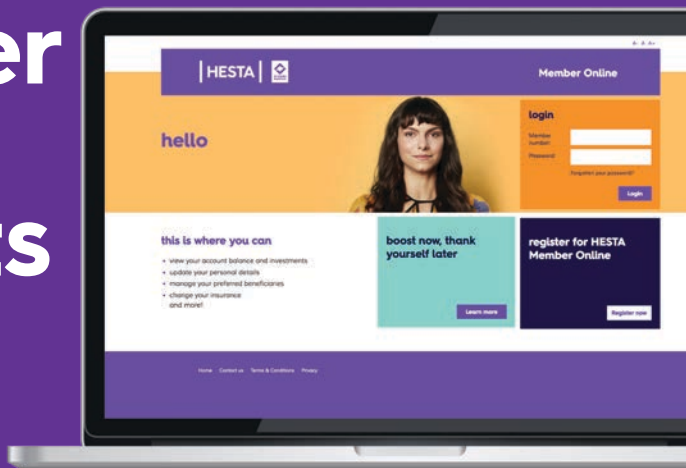
KIND OF A BIG DEAL

What's the
industry fund
difference?



Member Online benefits

Join over 360,000 HESTA members who have 24/7 online access to their super.



Member Online helps them:



view their account balance and investments



update their personal details



manage their beneficiaries



check their insurance



get their BPAY details, and much more!

If you haven't already, register for your online access at hesta.com.au/register

Log in at hesta.com.au/mol

“

What our members think

It's easy to log into, and I think it's good that I don't have to sit on the phone to find out how much is in my account – I can just quickly jump online. It's been a positive experience.

Zee, nurse and HESTA member, VIC



ON THE COVER
Chief Investment Officer
Sonya Sawtell-Rickson



in this issue...

05 work

meet the nurse bringing culture to care; great news for your money; downsizing



06



10



12

11 life

re-imagining the aged care workforce; put yourself first; five savings tips



18

17 balance

kind of a big deal; meet our member Christie Fleming



22

1800 813 327 | hesta@hesta.com.au | hesta.com.au
Locked Bag 5136, Parramatta NSW 2124

Disclaimer: The HESTA member magazine is issued by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL 235249, the Trustee of the Health Employees Superannuation Trust Australia ABN 64 971 749 321 (HESTA). Care is taken to ensure that information is correct at the time of preparation (10/07/18), but neither HESTA nor its advisers accept responsibility for any error or misprint, nor for anyone acting on this information. This information is of a general nature. It does not take into account your objectives, financial situation or specific needs so you should look at your own financial position and requirements before making a decision. You may wish to consult an adviser when doing this. Investments may go up and down. Past performance is not a reliable indicator of future performance. Before making a decision about HESTA products you should read the relevant Product Disclosure Statement (call 1800 813 327 or visit hesta.com.au for a copy), and consider any relevant risks (hesta.com.au/understandingrisk). HESTA Associate Superannuation Advisers and HESTA Superannuation Advisers are representatives of H.E.S.T. Australia Limited. HESTA Financial Planners are Authorised Representatives of Industry Fund Services Limited (IFS) ABN 54 007 016 195 AFSL 232514. IFS are responsible for the advice given by its representatives. H.E.S.T. Australia Ltd has shares in the company that owns IFS, but does not receive any commissions as a result of members using their services.



Creating real value for our members

Welcome to the spring issue of your member magazine.

Creating value for you – through solid long-term performance built on responsible investment, support for your sector and advocating for our members – is the reason HESTA exists.

Our new three-year Strategic Plan will help us keep enhancing the value and experience we offer you: from member-led financial help and advice at every stage of your life to a market-leading investment approach. It sets out our commitment to you: to keep striving for meaningful change now and tomorrow; to make a real difference to your financial future; and to support your journey throughout your career and in the retirement you deserve.

That commitment will guide our work for you through these rapidly changing times. I'm sure you'll agree the first half of 2018 has been eventful, especially in the US economic and political climate. In today's global economy, overseas trends impact us here in Australia. As always, we're keeping a close eye on your investments, ready to respond to changing market conditions while staying focused on long-term performance.

We are truly proud you have chosen us to support you in your vital work, and at every step on your journey towards a healthy, happy future.

Debby Blakey
Chief Executive Officer

What I value...



What do you value most in your work?

The opportunity to make a tangible difference to the financial future of our 850,000 members.



What's the most valuable advice you've received?

Know yourself and your "WHY" – and make sure your career and personal life are aligned with both.



What's precious to you personally?

My family and friends, and living in this beautiful country.



work

06 Gail force
Meet the nurse bringing culture to care

08 great news for your money
How we've performed this year

10 the lowdown on downsizing
Could it work for you?

Gail force

Our 2018 HESTA Australian Nurse of the Year, Gail Yarran, has faced obstacles in her life and stellar 50 year career that most of us can't imagine.

Her award recognises not just her huge achievements in nursing, but her determination to transcend generations of exclusion.

Gail was awarded for improving health care services to Aboriginal and Torres Strait Islander peoples across her home state of Western Australia. A Noongar woman from Balladong and Wadjak peoples, Gail is the elder and registered nurse in the Maternal Child Health team at Derbarl Yerrigan Health Service Aboriginal Corporation, delivering primary health care to women and children who may not otherwise access health services.

"My work includes getting our antenatal patients to see their GPs and midwives, because a high proportion of our girls don't go to their check-ups until later on in their pregnancies," Gail explains.

"Gail is a powerhouse," affirms Manager and award nominator Liesl Baxter. "She

overcame immense challenges, including prejudice and lack of workforce inclusion, to gain her tertiary nursing qualification. She now takes every opportunity to advocate for and serve her community."

"I've been very passionate about nursing from a young age," Gail says. "When I was in school the teacher asked 'What would you like to be when you leave?' I said I'd like to be a nurse. The whole class laughed and made fun of me. That stuck in my heart. It gave me the determination to succeed."

That passion has translated into life-changing action. "Early in her career Gail witnessed many adverse experiences Indigenous clients suffered in hospital admissions," Liesl notes. "That's where her advocacy for culturally appropriate care began.

"It's not unusual for Gail to wander the parks during lunch time and weekends, outreaching to homeless populations. She might use art therapy in the clinic room while



I go to our patients wherever they are: under bridges, parks, all sorts of places, to get these girls to come in.

Gail Yarran



Find out more about our HESTA Australian Nursing and Midwifery Award winners, and how you can celebrate an unsung hero in your industry, at hesta.com.au/awards


yarning to establish trust with a client, or kick a footy or blow bubbles with a child during a health assessment.”

Somehow, Gail also finds time to mentor nursing students and practitioners; hold multiple advisory roles; and develop projects to help her patients reach health parity, including a culturally appropriate antenatal screening tool ‘Baby Coming - You Ready?’

Gail’s prize money from proud Awards sponsors **ME** – the

bank for you – will help her explore how to improve antenatal health services in regions such as the Kimberley and Pilbara. She also plans to research culturally appropriate heart health programs as a nurse ambassador with The Heart Foundation.

“I would like to see better health outcomes for Aboriginal and Torres Strait Islander women and their babies,” Gail says simply. “I know I can’t close the gap, but I can do my little part to make a difference.”

“HESTA investment returns have been great again this year. #RealNews!” 

Well it works for some. In case you’d rather read the full story on why we’re excited for you, here it is.

HESTA Core Pool (where more than 80% of members are invested) has again performed strongly, posting 10.55%. That’s a fantastic result – especially against a backdrop of Trump, trade wars and tweeting.

Stellar performance in Australian and international equities, and unlisted assets such as infrastructure and real estate, under the keen eyes of our investment team has been the winning formula this year.

HESTA Income Stream members can be equally pleased with returns of 10.99% from our Balanced option and 5.07% from the Defensive option (which, combined, create the default investment strategy). Outstanding performance in shares and real estate within Balanced can take a lot of credit for these great results, although softer returns in

cash and fixed interest affected Defensive’s performance.

Share the good news (but keep an eye out for updates)

It’s definitely worth sharing. So will the good news continue? Chief Investment Officer Sonya Sawtell-Rickson is clear-eyed about the coming few years.

“We don’t expect markets to continue with the strength that we have seen over the past few years,” Sonya says. “We’re facing an increasingly challenging geopolitical and market environment. The anti-European Union movement, US protectionism and trade wars, high levels of indebtedness and rising interest rates are all contributing to a more cautious outlook. In response, we have lowered our 10 year return expectation for Core Pool to CPI + 3.5%.

“The current economic cycle is showing signs of approaching ‘late stage’, especially in the US, meaning the strong performance we’ve been enjoying over recent years will start to cool down. It’s normal for the global economy to experience a business cycle – from strong performance to downturn – about every 7 years. That’s an important point to remember; most of our members are invested for decades, so they’re likely to see four to five economic cycles during the life of their investment.”

“Taking these cycles into account, our investment strategy is built to deliver solid long-term performance. It’s very difficult to predict markets, but we know that long-term investors tend to be rewarded over time for taking risk.”

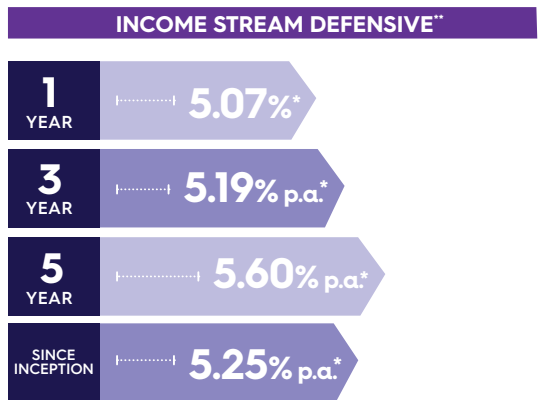
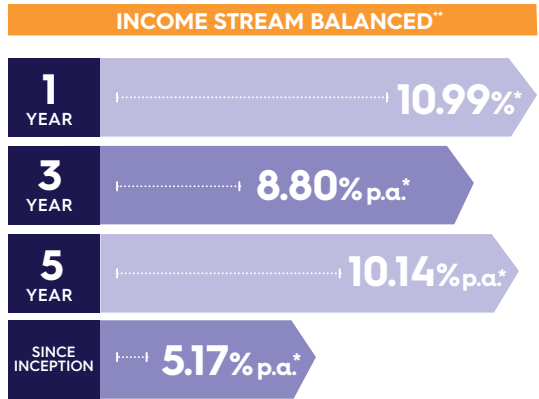
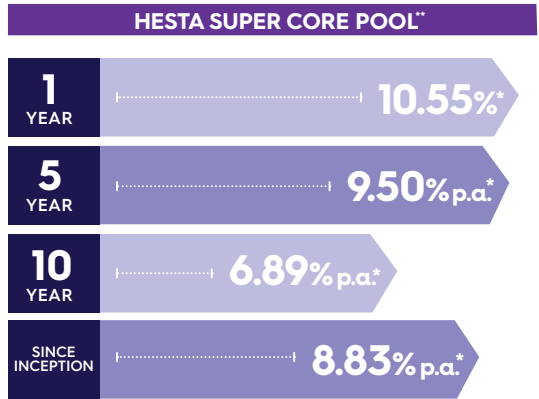
And for our income stream members?

“If you’re a shorter-term investor, make time regularly to check that your risk appetite reflects your situation,” Sonya recommends. “You’re probably keeping a close eye on your investments anyway, so giving them a ‘health check’ every 12 months makes sense.”



Talk to us (no Twitter account needed)

You can check on your HESTA investments anytime, anywhere at hesta.com.au/mol



* Investments may go up or down. Past performance is not a reliable indicator of future performance. The returns shown are net of indirect costs and taxes.
 ** Core Pool is the default option for HESTA super, while a blend of Balanced and Defensive options is the default strategy for the HESTA Income Stream.

the lowdown on downsizing

So the kids have left home, you've got more room than you need... and the government's kind of hoping you might be ready to sell.

You've probably heard by now about the rules introduced last year that allow people over 65 to add up to \$300,000 to their super account from the sale of their home.

Scaling back to unlock some extra cash can make sense (and halve your housework). But adding six figure sums to your super after age 65 needs a lot of thought.

Things to consider

Bumping up your super balance could reduce the amount of Age Pension you're entitled to – maybe to zero, if your account balance is big enough.

That's because your family home isn't counted under the

means-test for the pension – but everything else you own is.

From 20 March 2018, couples can have up to \$380,500 in combined assets before they impact their Age Pension - but it pays to get advice.

There's a maximum amount of \$1.6 million which you can transfer into an income stream (which gives you tax-free earnings). Anything above this amount – for example, from the sale of your home – must go into a super account (which is taxed at 15%).

There are some other tax and Centrelink issues you'd also need to consider before you decide what to do.



Already sold, and want to help your kids start their own homeowner journey?

The First Home Super Savers Scheme might get the ball rolling.

Find out more at hesta.com.au/firsthome



We can help

Not sure which way to go? Our advice team can help you work through the benefits, and possible downsides, of the downsizing rules. It's not a one size fits all solution, so a bit of advice now could really pay off tomorrow.

Get started at hesta.com.au/advice



Life

12 transforming aged care

Our new report sheds light on the sector's future

14 put yourself first

Is salary sacrifice right for you?

16 savings going backwards?

Find out how to turn them around



re-imagining the aged care workforce

We're living longer than past generations, and many of us will need extra support in our later years. So how will Australia continue to meet the ever-growing demand for aged care?

A key part of the solution is to focus on the people who deliver these critical services. Our *Transforming Aged Care* report was created to shed new light on the future of the sector.

Almost a quarter of HESTA members work in aged care. As partners in their future, we want to help drive meaningful change for the sector, and the millions of Australians who will one day depend on it.

Over the last two years, we've been researching

aged care to find out how rapid change in the sector is impacting the people caring for Australia's seniors.

Drawn from more than 200,000 HESTA members working in aged care, our data aims to help the sector build, train and retain its future workforce.

We surveyed thousands of people working in aged care to learn about their career plans.

Here's what they told us.

Top reasons aged care workers intend on leaving their jobs for other parts of HACs*

49%	wanted to develop new skills
38%	wanted to try something different
22%	were not being paid enough

Top reasons for wanting to remain in aged care but change employers†

30%	I'm not happy with my manager
30%	I'm not getting the training I need
29%	I'm not happy with the organisation I work for
25%	I want to develop new skills

* Note: Respondents were able to give multiple reasons. So, results do not sum to 100%.
 † Almost a quarter of the aged care workers who said they intended to move to jobs elsewhere in the health and community services sector (HACS) cited 'other' reasons, including finishing studies, unhappiness with the aged care sector or unhappiness with how care workers and clients are treated.

Potential shortfall of aged care workers

Our research showed that as many as 80,000 employees currently working in aged care may leave the sector over the next five years.

This potential future shortfall is a big challenge. In fact, the Productivity Commission forecasts Australia may need as many as one million aged care workers by 2050 to meet the expected demand from baby boomers.**



** Productivity Commission (2011) Caring for Older Australian Final Report. Source: 1. The Aged Care Workforce 2016, Australian Government Department of Health, March 2017. This is an estimate of all PAYG aged care workers, including those in residential facilities, home care and home support outlets. 2. 2016 Census, Australian Bureau of Statistics. This is an estimate of Health Care and Social Assistance sector, minus the Aged Care workforce.



Finding solutions

So what could be done to attract more people to work in aged care and keep experienced, valuable employees?

While our research highlighted the issues, there were lots of positive solution-led suggestions from employers and employees.

We're looking forward to partnering with the sector to explore practical solutions to some of aged care's greatest challenges. Not only will this reshape our members' working experience, but also the quality of life in retirement for millions of Australians.



Read *Transforming Aged Care* at hesta.com.au/transformingagedcare

put yourself first

Life gets busy, and to-do lists can get too long. But it's important to look after yourself and your future.

Boosting your super by salary sacrificing means you pay only 15% tax on your top-up. If that's less than your normal income tax rate, it might be something for you to consider setting up.

This type of contribution happens before you're paid (that's why it's called a 'sacrifice'). But where's the sacrifice when you can save on tax and save for your future?



Not sure if salary sacrifice is right for you?

Find out more about the different ways to add extra to your super at hesta.com.au/boostmysuper

And if you're a numbers person, feel free to try our Contributions Calculator at hesta.com.au/calculator to see what your future could look like.



make a pledge today

Pledge to yourself to set up salary sacrifice contributions at hesta.com.au/pledge and we'll send you an SMS reminder in the new year so you don't forget!

OR

Cut this out and stick it in your wallet or on your fridge.



My reminder

Check whether my employer offers salary sacrifice

They offer it

Email my payroll department to set up the following salary sacrifice contributions from each pay:

\$10 \$20 \$50

They don't offer it

1. Get my BPAY details from Member Online
2. Set up after-tax contributions directly from my bank
3. Claim the deduction afterward - see hesta.com.au/putyourselffirst for details

five reasons your savings might be going backwards

(and how to turn them around)

Savings looking a little lean this time of year? You could be caught in one of five money traps. Here's how you can climb out.

Before the festive madness begins, now's the ideal time to check your savings progress.

If you're scared by what you see, you could be falling into one of the five traps reported by over 2,000 Aussie savers **ME** checked in with.

Trap 1: You've been thrown a curveball

An unexpected event is the single biggest reason we lose savings momentum. The solution? Set up a slush fund and add little bits regularly, so surprise bills don't become financial shocks.

Trap 2: You set the bar too high

Aiming to save too much, too fast can make you sad. By this stage of the year you probably know how much you can comfortably set aside from each pay packet. Use this as your savings guide, and keep your goal realistic.

Trap 3: Reality caught up with your budget

If overspending on budgeted items is holding you back from your savings target, start tracking your costs (there are heaps of apps available) to spot ways to save.

Trap 4: You're giving in to 'restraint bias'

Too tempted whenever you see a hot new outfit on sale? You could have 'restraint bias' (don't worry, most of us do). The easiest way to curb it is to set up an automatic transfer of funds (into savings, not ASOS) each pay day.

Trap 5: You've lost your saving mojo

By August, the savings goals you set in January may be losing their lustre. Revive your savings mojo by breaking down longer term goals into short term targets. Savings burnout creeping up on you? Take a short break, then hit the ground running with your saving goals refreshed.



Money smarts today and tomorrow



balance

18 **kind of a big deal**
What's the industry super fund difference?

20 **meet Christie Fleming**
From nursing to traversing the globe

22 **a heart to heart**
We're working with the Heart Foundation to help women improve their heart health

kind of a big deal

Is there really that big a difference between saving your super through HESTA or through funds owned by the big banks?

Here's an example (based on a typical member) of how being with HESTA could be a really big deal for your super.^



^This example is provided for illustration purposes only.

The HESTA difference

Employment:

Associate Nurse Unit Manager

Age: 45

Salary in 2003: \$50,000

Super balance when she joined HESTA: \$50,000

Salary now: \$83,767

Career goal:

Manage a team of dedicated palliative care nurses.

Money goal:

Buy an investment property for her daughters.

Life goal:

Never have to worry about money.



**The big deal:
what being with
HESTA means**

\$2,928

more after 3 years*

\$17,837

more after 10 years*

\$47,551

more after 15 years*

more for you

You spend your life giving. Now it's your turn to receive.

hesta.com.au/betteroff

*Comparisons modelled by SuperRatings, commissioned by HESTA. Modelled outcome shows 15 year average difference in net benefit of the main balanced options of HESTA and 45 retail funds tracked by SuperRatings, with a 15 year performance history, taking into account historical earnings and fees - excluding contribution, entry, exit and additional adviser fees - of main balanced options. Outcomes vary between individual funds. Modelling as at 30 June 2017. This information is of a general nature. It does not take into account your objectives, financial situation or specific needs so you should look at your own financial position and requirements before making a decision. You may wish to consult an adviser when doing this. Before making a decision about HESTA products you should read the relevant Product Disclosure Statement (call 1800 813 327 or visit hesta.com.au for a copy), and consider any relevant risks (hesta.com.au/understandingrisk). Past performance is not a reliable indicator of future performance and should never be the sole factor considered when selecting a fund. See hesta.com.au/superraterassumptions for more details about modelling calculations and assumptions.

member profile: meet Christie Fleming

Long-time HESTA member Christie's career has taken her around the world, and she's set to see even more of it during her next chapter. Here's her story.

I am Sri Lankan and lived in Malaysia as a child. I'm married with three children who live abroad. My husband Chris and I lived in NZ before coming to Australia.

After finishing school I joined the nursing profession, completing General, then Midwifery and Child Health in Scotland.

I joined the Australian Nursing Agency in 2001, and at the same time joined HESTA. I did explore other super funds, but I thought the HESTA purpose, 'Working for nurses' cannot be a bad thing! Their fees were reasonable, and they were easy to access via phone. All calls were answered quickly and questions fully explained.

Working three days a week did not leave me a lot of time

to think about retirement and income streams. Besides, I was not ready for retirement yet.

However I did hear my friends talk about it, and many government-initiated changes came into place during this time which meant I was able to salary sacrifice.

Ready to write chapter two

Travelling and moving around was not conducive to accumulating super for retirement.

So when I started thinking about finishing work, I phoned HESTA to ask for advice, and they sent me information on their income stream.

In the meantime Chris had contacted our bank to talk to a consultant there, but we both felt the fees were too high.



The income stream is going well, and it is good to know that I can access money whenever I want to for example if there was an emergency, or even for a trip.



Christie and husband Chris have already started their travels



Thinking about your next chapter?

A HESTA Income Stream can help you write it. Start here at hesta.com.au/is

I also felt that HESTA could do the job just as well.

HESTA set up an appointment for me to speak to a HESTA financial planner. Part of the reason for choosing to meet with someone was that I wanted more information. I was not feeling confident, as this was a big step and I did not want to make any mistakes which I might regret later.

My HESTA Income Stream is going well, and it is good to know that I can access money whenever I want to, for example if there was an emergency, or even for a trip. It's a flexible system; I'm still working when I want to, and my super is still working for me.

I am now waiting for my husband to start his retirement. We do want to travel and see our children more often.

heart to heart

We're working with the Heart Foundation to help our members - and Australian women everywhere to improve their heart health.



Help your heart right now



See your GP for a heart health check.



Learn the warning signs of a heart attack - they can differ between men and women.



Check your risk factor: in Australia, 90% of women have one risk factor and 50% of women have two or three. Surprisingly, many of these women are unaware of their increased risk.

* invisiblevisible.org.au

Here's a heartbreaking statistic: heart disease kills about 22 women each day in Australia. They may be young, older, know they're at risk, or have no idea.

We want you to live well now, and after work. That's a great reason to work with experts in keeping your heart healthy.

Super close to our hearts (and yours)

HESTA CEO Debby Blakey says working together with the Heart Foundation is an opportunity to improve health outcomes for Australian women.

"We're obviously focused on the financial wellbeing of our members in retirement, but it's really important to also focus on our members being fit, healthy and well," Debby says.

"So when we heard about the tragic statistics around women and heart disease, we saw an opportunity to have a real impact and hopefully help save lives."

Heart Foundation National CEO, Adjunct Professor John Kelly says working with HESTA will help reach more women right around Australia.

"A significant number of HESTA members live and work in rural and regional areas, where access to information and services can be a challenge." John notes. "So we want to support them to improve their heart health and wellbeing, and encourage other women to do likewise."



Visit invisiblevisible.org.au or call the Heart Foundation on 13 11 12 to find out more.





**“I want a
super fund
that thinks
about my
future world,
as well as
my account
balance.”**

Rachael Sydir,
Early Childhood
Educator

At HESTA we're committed to improving our members' financial future. But we believe we can achieve so much more.

We want our actions to drive long-term, meaningful change. So the world you retire into is a healthy, happy and fair one.

That's the HESTA impact.

HESTA





retire, **comfortably**

Whether you're two or twenty years away from finishing work, we're here to help you understand your retirement income options and how you can transition into this new phase of life.