

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 June 2021**

**H.E.S.T AUSTRALIA LTD  
A.B.N. 66 006 818 695**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2021**

<b>CONTENTS</b>	<b>PAGE NO.</b>
Directors' Report	1 to 9
Auditor's Independence Declaration to H.E.S.T. Australia Ltd	10
Statement of Financial Position	11
Statement of Comprehensive Income	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes of the Financial Statements	15 to 21
Directors' Declaration	22
Independent Report by Approved Auditor	23

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**

The Directors present the financial statements of H.E.S.T. Australia Ltd (the Company) for the year ended 30 June 2021 and report as follows:

**Directors**

The names of the Directors in office during the financial year and up to the date of this report are:

N. Roxon (Independent Chair)	
M. Burgess (Independent Director & Chair of Investment Committee)	
<b>Employer Appointed</b>	<b>Employee Appointed</b>
D. Cole * (Deputy Chair from 01/01/2021)	L. Williams * (Deputy Chair)
K. Zimmermann*(ceased Deputy Chair 31/12/2020)	H. Gibbons
G. Humphrys	A. Claude** (ceased 16/07/2021)
C. Smith*	L. Sharp*
D. Sims (ceased 31/12/2020)	S. Ismail* (ceased 24/08/2021)
S. Cooke	E. Gaske
A. Morrison (appointed 01/03/2021)	B. Davison (appointed 15/09/2021)
	B. Holmes* (appointed 15/09/2021)

\*Members of Health Employees Superannuation Trust Australia (the Fund).

\*\*A. Claude's position as Board Director ceased on 16 July 2021 and she has been appointed to a non-executive position (Head of Strategy) at HESTA as of 2nd August 2021.

**Principal Activity**

H.E.S.T. Australia Ltd (the Company) was established on 1 August 1987 and is a company limited by guarantee that is incorporated and domiciled in Australia. Under the terms of the Fund's declaration of trust, H.E.S.T. Australia Ltd (A.B.N. 66 006 818 695) is appointed Trustee of the Health Employees Superannuation Trust of Australia (the Fund). The address of H.E.S.T. Australia Ltd's registered office is Level 20, 2 Lonsdale Street, Melbourne, Victoria, Australia.

The Company did not trade in its own right during the year. The Company also holds an Australian Financial Services Licence ("AFSL") and a Registrable Superannuation Entity (RSE) Licence. No significant change in the nature of this activity occurred during the year.

**Results**

The Company does not trade and received no income during the year.

**Dividends**

No amounts have been paid or are recommended to be paid by way of dividend during the financial year (2020:nil).

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**DIRECTORS' REPORT (Continued)**

**State of Affairs**

In the opinion of the Directors there were no significant changes in the state of affairs of the Company during the financial year under review.

**Events Subsequent to Balance Date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

**Likely Developments**

The Company will continue to act solely as Trustee of the Fund and, at the date of this report, the Directors believe the Company will not carry out any business actively on its own behalf in the foreseeable future. However the Company may be required to maintain Trustee indemnity in its personal capacity due to changes to Sections 56 and 57 of the *Superannuation (Industry) Supervision Act (1993(Cth))* (SIS Act), effective 1 January 2022.

**Environmental Regulation**

The Company is not subject to significant environmental regulation.

**Indemnification and Insurance of Officers**

To the extent not covered by a contract of insurance, the Company indemnifies:

- (a) its officers against liabilities to persons (other than the Company or a related body corporate), unless the liability arises out of conduct involving lack of good faith, and
- (b) its officers against a liability for costs and expenses incurred in successfully defending civil or criminal proceedings.

During the year premiums were paid for superannuation fund trustees liability insurance, which among others, provides insurance cover for the Directors and the Secretary of the Company in respect of any breach of trust, breach of duty or any other act, wrongfully committed in executing any of the functions of the schemes of which the Company is Trustee.

The premium was paid by the Fund of which the Company is Trustee.

**Indemnity of auditors**

The auditors of the Company are in no way indemnified out of the assets of the Company.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

**H.E.S.T. AUSTRALIA LTD**  
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**DIRECTORS' REPORT (Continued)**

**Director's Benefits**

During the year ended 30 June 2021, no Director of the Company has received or become entitled to receive a benefit (other than remuneration shown at Note 4 or reimbursement of expenses for attending meetings) by reason of a contract made by the Company with the Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest.

**Meeting Attendance of the Directors**

<b>Director</b>	<b>Board of Directors</b>	<b>Audit and Risk Committee</b>	<b>Governance and Remuneration Committee</b>	<b>Investment Committee</b>	<b>Impact Committee</b>
N. Roxon	7/7	-	5/5	5/6	-
M. Burgess	7/7	-	-	6/6	4/4
D. Cole*	7/7	4/4	5/5	-	-
K. Zimmermann	7/7	5/5	-	6/6	-
G. Humphrys	7/7	5/5	-	6/6	-
C. Smith	7/7	-	5/5	-	4/4
D. Sims (ceased 31/12/2020)	4/4	3/3	-	-	-
S. Cooke	7/7	5/5	-	-	4/4
A. Morrison (appointed 01/03/2021)*	1/2	2/2	-	-	-
L. Williams *	7/7	2/2	4/4	-	-
H. Gibbons*	7/7	1/1	1/1	6/6	-
A. Claude (ceased 16/07/2021)	7/7	-	-	6/6	4/4
L. Sharp	7/7	-	5/5	-	-
S. Ismail (ceased 24/08/2021)	7/7	4/5	-	-	-
E. Gaske	7/7	-	-	-	4/4

\* Committee changes for year ended 30 June 2021 - Helen Gibbons replaced Lloyd Williams as Chair on the Governance and Remuneration Committee from 18 February 2021. Deborah Cole replaced Helen Gibbons as a member of the Audit and Risk Committee from 29 July 2020. Lloyd Williams and Alan Morrison joined the Audit and Risk Committee from 18 February 2021 and 1 March 2021 respectively.

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**DIRECTORS' REPORT (Continued)**

**Qualifications of the Directors**

The qualifications of the Directors of H.E.S.T. Australia Ltd (A.B.N 66 006 818 695) as appointed Trustee of the Fund, in office at the date of this report are:

<b>Director and other responsibilities</b>	<b>Other Roles</b>	<b>Qualifications</b>
<p><b>Nicola Roxon</b></p> <ul style="list-style-type: none"> <li>• Independent Board Chair</li> <li>• Member, Governance and Remuneration Committee</li> <li>• Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Dexus Fund Management Limited (&amp; ESG Committee Chair)</li> <li>• Director, Dexus Holdings Limited</li> <li>• Director, Lifestyle Communities Ltd (and Remunerations Committee Chair)</li> <li>• Director, Health Justice Australia Limited</li> <li>• Director, Victorian Health Promotion Foundation</li> <li>• Member, Chief Executive Women</li> <li>• Member, Patron BreastWest Foundation</li> <li>• Member, ISA Advisory Council</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Arts/Law LLB (Hons), University of Melbourne</li> <li>• Graduate, Australian Institute of Company Directors</li> </ul>
<p><b>Mark Burgess</b></p> <ul style="list-style-type: none"> <li>• Independent Investment Committee Chair</li> <li>• Member, Impact Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Chair, Jamieson Coote Bonds Advisory Board</li> <li>• Executive Director, Emerging Policy Pty Ltd</li> <li>• Non-Executive Director, UK Company, Official Monetary and Financial Institutions Forum Ltd (OMFIF)</li> <li>• Chair - David Burgess Foundation</li> <li>• Chair - Melbourne Girls Grammar School</li> <li>• Investment Committee member, AMB Holdings</li> <li>• Advisory Board member, IP Group PLC (Australia)</li> <li>• Chair - Melbourne Girls Grammar School Endowment Committee</li> <li>• Governor, Cerebral Palsy Foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Commerce (Honours)</li> <li>• Honorary Enterprise Professor, Business and Finance (University of Melbourne)</li> </ul>

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**DIRECTORS' REPORT (Continued)**

**Qualifications of the Directors (continued)**

Director and other responsibilities	Other Roles	Qualifications
<p><b>Deborah Cole</b></p> <ul style="list-style-type: none"> <li>• Deputy Chair</li> <li>• Member, Governance and Remuneration Committee</li> <li>• Member, Audit and Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Frontier Advisors Pty Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Dental Surgery</li> <li>• Master of Business Administration</li> <li>• Graduate Diploma of Health Administration</li> <li>• Graduate Certificate in Leadership and Catholic Culture</li> <li>• Fellow of the Australian Institute of Company Directors (FAICD)</li> <li>• Graduate of the Australian Institute of Superannuation Trustees Directors' Course (Adv) (GAIST)</li> </ul>
<p><b>Klaus Zimmermann</b></p> <ul style="list-style-type: none"> <li>• Member, Audit and Risk Committee</li> <li>• Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Applied Professional Services Pty Ltd</li> <li>• Director, ISPT</li> <li>• Director, ISPT Operations Pty Ltd and IGPT</li> <li>• Non-Executive Director, Commonage Association for the Ageing Pty Ltd</li> <li>• Deputy Chair, Southern Cross Aged Care (SA/NT/VIC) Inc.</li> <li>• Independent Chair, Masonic Care Tasmania Inc</li> <li>• Committee Member, Southern Cross Aged Care (SA &amp; NT) Inc Board Audit and Finance Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Business (Accounting)</li> <li>• Business Certificate of Accounting</li> <li>• Diploma in Corporate Management</li> <li>• Justice of the Peace (South Australia)</li> </ul>
<p><b>Gary Humphrys</b></p> <ul style="list-style-type: none"> <li>• Chair, Audit and Risk Committee</li> <li>• Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Trustee Director, Mary Aikenhead Ministries</li> </ul>	<ul style="list-style-type: none"> <li>• Post-graduate Diploma of Business Administration, University of Queensland</li> <li>• Chartered Accountant</li> <li>• Member and Graduate of Australian Institute of Company Directors (GAICD)</li> <li>• Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST, Adv)</li> <li>• Diploma of Commerce, NSW Institute of Technology (now University of Technology)</li> </ul>

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**DIRECTORS' REPORT (Continued)**

**Qualifications of the Directors (continued)**

<b>Director and other responsibilities</b>	<b>Other Roles</b>	<b>Qualifications</b>
<p><b>Catherine Smith</b></p> <ul style="list-style-type: none"> <li>• Member, Impact Committee</li> <li>• Member, Governance and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Utilities of Australia Pty Ltd</li> <li>• Director, Australian Communities Foundation</li> <li>• Director, The New Daily Pty Ltd</li> <li>• Chair, Australian Communities Foundation Philanthropy and Impact Committee</li> <li>• Committee Member, Australian Communities Foundation Nominations Committee</li> <li>• Life Member, Victorian Council of Social Services</li> <li>• Member, Country Needs People</li> <li>• Member, Climate and Health Alliance</li> <li>• Member, Gender Equity Victoria</li> <li>• Chair, Energy Charter End Users Consultative Group</li> </ul>	<ul style="list-style-type: none"> <li>• Master of Strategic Foresight</li> <li>• Bachelor of Natural Environmental Science</li> <li>• Fellow of the Institute of Public Administration Australia IPAA (Vic Branch)</li> <li>• Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> <li>• RG 146</li> </ul>
<p><b>Saranne Cooke</b></p> <ul style="list-style-type: none"> <li>• Member, Audit and Risk Committee</li> <li>• Member, Impact Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Fisheries Research and Development Corporation</li> <li>• Director, Western Health Alliance (Western NSW Primary Health Network)</li> <li>• Director, Leading Age Services Australia</li> <li>• Chair, Financial Council - Catholic Diocese of Bathurst</li> <li>• Board Member, Racing NSW</li> <li>• Deputy Chancellor, Charles Sturt University</li> <li>• Board Member, Royal Flying Doctor Service (South Eastern Section)</li> </ul>	<ul style="list-style-type: none"> <li>• Doctor of Philosophy, School of Law, University of New England</li> <li>• Master of Commercial Law, Deakin University</li> <li>• Master of Business (Marketing), Charles Sturt University</li> <li>• Bachelor of Commerce, Australian National University</li> <li>• Fellow Certified Practising Accountant (FCPA)</li> <li>• Fellow, Australian Institute of Company Directors (FAICD)</li> <li>• Fellow, Australian Marketing Institute (FAMI)</li> <li>• Certified Practising Marketer (CPM)</li> <li>• Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> </ul>
<p><b>Alan Morrison</b></p> <ul style="list-style-type: none"> <li>• Member, Audit and Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>• CEO, sportsmed Hospital &amp; Orthopaedics</li> <li>• Director and Treasurer, Australian Private Hospitals Association</li> <li>• State President &amp; Treasurer, Australian Private Hospitals Association SA Branch</li> <li>• Director, Novita Children's Services</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Accounting (Hons), Dundee University UK</li> <li>• Chartered Accountant, Institute of Chartered Accountants of Scotland (ICAS) (Non Member)</li> <li>• Graduate of Australian Institute of Company Directors (GAICD)</li> </ul>



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**DIRECTORS' REPORT (Continued)**

**Qualifications of the Directors (continued)**

<b>Director and other responsibilities</b>	<b>Other Roles</b>	<b>Qualifications</b>
<p><b>Lloyd Williams</b></p> <ul style="list-style-type: none"> <li>• Deputy Chair</li> <li>• Member, Audit and Risk Committee</li> <li>• Member, Governance and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• National Secretary, National Executive Officer and Delegate to National Council - Health Services Union</li> <li>• Executive Member, ACTU</li> <li>• Member, Shareholder Advisory Panel, Industry Funds Management</li> <li>• Member, Interim Governance Committee of the Victorian Branch of the Australian Labor Party</li> </ul>	<ul style="list-style-type: none"> <li>• Diploma of Occupational Health &amp; Safety</li> <li>• Diploma of Superannuation</li> <li>• RG 146</li> </ul>
<p><b>Helen Gibbons</b></p> <ul style="list-style-type: none"> <li>• Chair, Governance and Remuneration Committee</li> <li>• Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director, United Workers Union</li> <li>• Member Council, United Workers Union</li> </ul>	<ul style="list-style-type: none"> <li>• Diploma of Teaching</li> <li>• Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> </ul>
<p><b>Anna Claude (ceased 16/07/2021)</b></p> <ul style="list-style-type: none"> <li>• Chair, Impact Committee</li> <li>• Member, Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Strategy &amp; Transformation, Australian Nursing and Midwifery Federation (NSW Branch)</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Economics (Honours)</li> <li>• Certificate in Superannuation Policy and Practice</li> <li>• ASFA Trust Law Introductory Course</li> <li>• University of Sydney Continuing Professional Education: Project Management Course</li> <li>• Graduate Australian Institute of Superannuation Trustees (GAIST Adv.)</li> </ul>
<p><b>Lori-Anne Sharp</b></p> <ul style="list-style-type: none"> <li>• Member, Governance and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Board Member, Members Connect ACTU</li> <li>• Board Member, Australian People for Health, Education and Development Abroad (APHEDA)</li> <li>• Assistant Federal Secretary, Federal Executive Australian Nursing &amp; Midwifery Federation (ANMF)</li> <li>• Federal Council ANMF</li> <li>• Executive member, ACTU</li> <li>• Executive member, ANMF Finance and Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Nursing, RMIT</li> <li>• Graduate Australian Institute of Superannuation Trustees (GAIST)</li> </ul>

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**DIRECTORS' REPORT (Continued)**

**Qualifications of the Directors (continued)**

<b>Director and other responsibilities</b>	<b>Other Roles</b>	<b>Qualifications</b>
<p><b>Sophie Ismail (ceased 24/08/2021)</b></p> <ul style="list-style-type: none"> <li>• Member, Audit and Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and Industrial Officer, Australian Council of Trade Unions</li> <li>• Member, Security of Payments Working Group</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Arts/ Law LLB, University of Queensland</li> <li>• Graduate Diploma of Legal Practice, Queensland University of Technology</li> <li>• Master of Employment and Labour Relations Law LLM, University of Melbourne</li> <li>• Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> </ul>
<p><b>Emeline Gaske</b></p> <ul style="list-style-type: none"> <li>• Member, Impact Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Assistant National Secretary, Australian Services Union</li> <li>• Executive Member, ACTU Executive</li> <li>• Member, UNI APRO Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Arts (Hons)</li> <li>• Bachelor of Laws (Hons)</li> <li>• Graduate of the Australian Institute of Superannuation Trustees Directors' Course (GAIST)</li> </ul>
<p><b>Benjamin Davison</b></p> <ul style="list-style-type: none"> <li>• Committee membership will commence from 1st Oct 2021</li> </ul>	<ul style="list-style-type: none"> <li>• Founder &amp; CEO of Ben Davison Consulting (sole trader)</li> <li>• Board Member, Ballarat Cemetery Trust</li> <li>• Board Member, Central Highlands Group Training Inc. trading as BGT</li> <li>• Vice Chair, ACTU Education Inc</li> <li>• Board Member, ACTU Member Connect</li> <li>• Committee Member Ballan and District Chamber of Commerce</li> <li>• Member ASU Victorian Private Sector Branch</li> <li>• Life Member Deakin University Student Association</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Arts majors in Journalism, Politics &amp; Policy - Deakin University</li> <li>• MBA (Professional), Melbourne University</li> </ul>
<p><b>Brett Holmes</b></p> <ul style="list-style-type: none"> <li>• Committee membership will commence from 1st Oct 2021</li> </ul>	<ul style="list-style-type: none"> <li>• General Secretary, New South Wales Nurses and Midwives Association</li> <li>• Branch Secretary, Australian Nursing and Midwifery Federation NSW Branch</li> <li>• Executive Member, ACTU</li> <li>• Executive Member, Unions NSW</li> <li>• Member, Finance and Governance Committee, Unions NSW</li> <li>• Director, NEW Law Pty Ltd</li> <li>• Chairperson, Edith Cavell Trust</li> <li>• Member, ANMF FARMAC Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Registered Nurse</li> <li>• Non Practising Midwife</li> <li>• Graduate Harvard Trade Union Program</li> <li>• Graduate Sydney University Project Management Course</li> </ul>

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**DIRECTORS' REPORT (Continued)**

This report has been made in accordance with a resolution of Directors.



.....  
Director



.....  
Director

Dated this 23<sup>rd</sup> day of September 2021.

Melbourne, Victoria.



## *Auditor's Independence Declaration*

As lead auditor for the audit of H.E.S.T. Australia Ltd for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Nicole Osborne', is written over a light grey horizontal line.

Nicole Osborne  
Partner  
PricewaterhouseCoopers

Melbourne  
23 September 2021

**H.E.S.T. AUSTRALIA LTD**  
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**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 June 2021**

	NOTE	2021 \$	2020 \$
<b>ASSETS</b>		<u>-</u>	<u>-</u>
<b>LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>-</u>	<u>-</u>
<b>EQUITY</b>			
Contributed Equity	3	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>		<u>-</u>	<u>-</u>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 15 to 21.

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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Profit for the period</b>	-	-
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 15 to 21.

H.E.S.T. AUSTRALIA LTD  
A.B.N. 66 006 818 695  
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 June 2021

	2021 \$	2020 \$
<b>Total equity at the beginning of the financial year</b>	<u>-</u>	<u>-</u>
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>
Transactions with equity holders in their capacity as equity holders	-	-
<b>Total equity at the end of the financial year</b>	<u><u>-</u></u>	<u><u>-</u></u>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 15 to 21.

H.E.S.T. AUSTRALIA LTD  
A.B.N. 66 006 818 695  
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 June 2021

	2021 \$	2020 \$
<b>Cash flow from operating activities</b>	<u>-</u>	<u>-</u>
<b>Cash flow from investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flow from financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	<u><u>-</u></u>	<u><u>-</u></u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 15 to 21.



**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following explains the significant accounting policies which have been adopted in the preparation of these financial statements. These policies have been consistently applied unless otherwise indicated.

**(a) Basis of Preparation**

**(i) General purpose financial statements**

These general purpose financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. They contain disclosures that are mandatory under the Accounting Standards and those considered necessary by the Directors to meet the needs of members.

The financial statements comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

**(ii) Historical cost convention**

These financial statements have been prepared under the historical cost convention.

**(iii) New accounting standards and interpretations**

There are no new standards or amendments to standards that are mandatory for the first time in the financial year beginning 1 July 2020 that affect the Company's financial statements and are not likely to affect future periods. The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2020.

**2. TRUSTEE LIABILITIES AND RIGHT OF INDEMNITY**

The Company acts solely as Trustee of the Fund. These financial statements have been prepared for the Trustee Company (H.E.S.T. Australia Ltd) and as such do not record assets and liabilities of the Fund as the Trustee will only be liable for obligations of the Fund if it has committed a breach of its fiduciary duties or to the extent that the Fund has insufficient assets to settle its obligations. At balance date, the assets of the Fund are sufficient to meet its liabilities, and there has been no breach of fiduciary duties of the Company in its capacity as Trustee.

The Net Asset position of The Health Employees Superannuation Trust (the Fund) at the end of the financial year was \$364,209,000 (2020: \$301,929,000).

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2021**

**3. MEMBERS' GUARANTEE**

H.E.S.T. Australia Ltd was incorporated as a company limited by guarantee. In accordance with the Company's Memorandum of Association each member of the Company undertakes to contribute to the property of the Company in the event of it being wound up while that member is a member or within one year after that member ceases to be a member for payment of the debts and liabilities of the Company contracted before that member ceases to be a member and the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves such amount as may be required not exceeding one dollar.

**4. KEY MANAGEMENT PERSONNEL**

**(a) Key Management Personnel**

The Directors of the Company during the year were:

N. Roxon (Independent Chair) M. Burgess (Independent Director & Chair of Investment Committee)	
<b>Employer Appointed</b>	<b>Employee Appointed</b>
D. Cole *(Deputy Chair from 01/01/2021)	L. Williams * (Deputy Chair)
K. Zimmermann*(ceased Deputy Chair 31/12/2020)	H. Gibbons
G. Humphrys	A. Claude** (ceased 16/07/2021)
C. Smith*	L. Sharp*
D. Sims (ceased 31/12/2020)	S. Ismail* (ceased 24/08/2021)
S. Cooke	E. Gaske
A. Morrison (appointed 01/03/2021)	B. Davison (appointed 15/09/2021)
	B. Holmes* (appointed 15/09/2021)

\*\*A. Claude's position as Board Director ceased on 16 July 2021 and she has been appointed to a non-executive position (Head of Strategy) at HESTA as of 2<sup>nd</sup> August 2021.

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2021**

**4. KEY MANAGEMENT PERSONNEL (continued)**

In addition to the above named Directors of the Fund Trustee, the following individuals were also key Management personnel of the Fund during the year:

<b>Executive Team</b>	<b>Position Held</b>
D. Blakey *	Chief Executive Officer
A. Major*	Chief Risk and Compliance Officer
J. Parisotto*	Chief Advice Officer
L. Samuels*	Chief Experience Officer
M. Bolton*	Chief Financial Officer
N. Saxton *	Chief Partnerships Officer**
S. Sawtell-Rickson*	Chief Investment Officer
S. Reilly*	Chief Operating Officer

\*Certain Directors and Executives are members of the Fund. Their membership terms and conditions are the same as those available to other members of the Fund.

\*\*Effective 1<sup>st</sup> July 2021, the Chief Partnerships Officer position ceased and has been replaced with a Chief Growth Officer. Tim Mitchell-Adams commenced in the role on the 23rd August 2021.

During the year the Board of Directors agreed to pay fees or remuneration to:

- (a) Individual Directors; or
- (b) Where requested by the Director, the organisation employing the relevant Director (such payments recognise that the organisation has allowed their employee paid time to contribute to the operation of the Fund); and
- (c) Executive Personnel.

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2021**

**4. KEY MANAGEMENT PERSONNEL (continued)**

Total remuneration received and receivable by Directors and Executives as at the reporting date was:

	<b>2021</b>	<b>2020</b>
	\$	\$
Short-term employee benefits	5,656,504	5,540,186
Post-employment benefits	280,870	291,580
Other long term benefits	776,710	811,156
Termination benefits	-	63,304
<b>Total Remuneration</b>	<b>6,714,084</b>	<b>6,706,226</b>

Total remuneration received and receivable by Directors and/or relevant organisations during the year was:

<b>Director</b>	<b>2021</b>	<b>2020</b>	<b>Remuneration Paid/Payable To</b>
	\$	\$	
N. Roxon (Independent Chair)	195,812	195,893	Self
M. Burgess	160,019	160,083	Self
D. Cole	76,828	57,378	Self
K. Zimmermann	79,817	88,399	Self
G. Humphrys	78,276	79,278	Self
C. Smith	65,129	63,948	Self
D. Sims (ceased 31/12/2020)	28,689	57,926	Self
S. Cooke	62,929	62,853	Self
A. Morrison (appointed 01/03/2021)	19,283	-	Self
L. Williams	76,575	80,187	Health Services Union
H. Gibbons	68,687	64,034	United Voice
A. Claude (ceased 16/07/2021)	69,504	69,971	Australian Nursing and Midwifery Federation (NSW Branch)
L. Sharp	59,094	57,926	Australian Nursing and Midwifery
S. Ismail (ceased 24/08/2021)	57,994	57,378	Australian Council of Trade Unions
E. Gaske	51,966	19,523	Australian Services Union
D. Smith (deceased 22/11/2019)	-	23,974	Australian Services Union
<b>Total</b>	<b>1,150,602</b>	<b>1,138,751</b>	

The above remuneration received/receivable by Directors and/or relevant organisations during the year includes superannuation. The remuneration paid to an organisation is after relevant superannuation is deducted and paid/payable to the relevant superannuation fund.

Directors' remuneration is paid by the Fund, on behalf of the Company.

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2021**

**4. KEY MANAGEMENT PERSONNEL (continued)**

**(b) Key Management Personnel Compensation (continued)**

Total remuneration received and receivable by Executives during the year was:

<b>Compensation Band</b>	<b>Number of Executives in Band*</b>
\$100,001 - \$200,000	0
\$200,001 - \$300,000	0
\$300,001 - \$400,000	0
\$400,001 - \$500,000	1
\$500,001 - \$600,000	4
\$600,001 - \$700,000	1
\$700,001 - \$800,000	0
\$800,001 - \$900,000	0
\$900,001 - \$1,000,000	0
\$1,000,001-\$1,100,000	1
\$1,100,001-\$1,200,000	1

\* Includes accrued Long Service Leave.

**5. RELATED PARTIES**

**(a) Related Party Investments and Transactions**

The Company, as Trustee of the Fund, has disclosed below the related parties of the Fund.

- A 31% (2020: 31%) shareholding of ordinary shares valued at \$2,038,793 (2020: \$2,038,793) in Frontier Advisors Pty Ltd.
- Frontier receives fees from the Fund for investment consulting services. These fees were \$2,539,435 (2020: \$3,234,505).
- Ms D. Cole is a director of Frontier Advisors Pty Ltd and received fees of \$16,187 for the year ended 30 June 2021 (2020: \$15,401).

There were no transactions between the Company and the Fund during the year (2020: \$nil).

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2021**

**5. RELATED PARTIES cont'd**

**(b) Other Shareholdings and Transactions**

As at 30 June 2021 the Fund had:

- A 17.8% (2020: 17.8%) shareholding in Industry Super Holdings Pty Ltd (ISH) valued at \$216,480,990 (2020: \$176,709,108).

IFM Investors Pty Ltd is a subsidiary of ISH and manages investments totalling \$6,018,341,003 (2020: \$9,998,078,972) on behalf of the Fund.

ISH has other subsidiaries with which the Fund transacts. Industry Fund Services Pty Ltd provides financial planning and debt collection services to the Fund. IFS Insurance Solutions Pty Ltd provides insurance services to the Fund. Industry Super Australia Pty Ltd (ISA) provides marketing, advocacy, policy development and research services to the Fund. The New Daily Pty Ltd is also a subsidiary of ISH and provides online news.

Ms C. Smith is a director of The New Daily Pty Ltd.

Ms D. Blakey, as a nominee of H.E.S.T. Australia Ltd, was a Director of ISA as of 30 June 2021. Subsequently on 26 August 2021 her position as Director ceased.

Ms D. Blakey and Ms N. Roxon are members of the ISA Advisory Council.

Mr L. Williams is a member of the Shareholder Advisory Panel with Industry Funds Management.

- A 18.7% (2020: 18.7%) shareholding in ME Bank valued at \$243,213,281 (2020: \$216,203,592). ME Bank is the manager of the Super Members Home Loan program and the Super Loans Trust. The investment in the Super Loans Trust was sold during the year and is valued at \$nil (2020: \$4,592,720). The Fund also had \$66,080,411 (2020: \$56,216,419) invested in cash and term deposits with ME Bank at year end.

On 22 February 2021, the Fund entered into a Share Sale and Purchase Deed to sell its interest in Members Equity Bank Limited (ME Bank) to Bank of Queensland Limited. Completion of the sale took place on 1 July 2021, following regulatory approval under the Financial Sector (Shareholdings) Act 1998 (Cth). Refer to note 7 for subsequent event details.

- A 4.0% (2020: 4.0%) shareholding in ISPT Pty Ltd valued at \$1 (2020: \$1) and a 15.8% (2020: 15.7%) unitholding in the ISPT Operations Trust valued at \$1,280,417 (2020: \$854,538).

ISPT Pty Ltd is the trustee of four unlisted direct investment property trusts which the Fund invests in and ISPT Operations Pty Ltd is the service entity of four unlisted direct investment property trusts and one unlisted direct investment property mandate which the Fund invests in.

ISPT Pty Ltd in its capacity as trustee and ISPT Operations Pty Ltd in its capacity as service entity, managed investments totalling \$2,499,307,608 (2020: \$2,458,695,033) on behalf of the Fund.

**H.E.S.T. AUSTRALIA LTD**  
**A.B.N. 66 006 818 695**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2021**

**5. RELATED PARTIES cont'd**

**(b) Other Shareholdings and Transactions (continued)**

Mr K.Zimmermann, as a nominee of H.E.S.T. Australia Ltd, is a Director of ISPT Pty Ltd and ISPT Operations Pty Ltd and IGPT.

- (c)** All transactions noted in 5(a) and (b) were made on normal commercial terms, under normal conditions and at market rates. Transactions relating to dividends, investment income and subscription for new ordinary shares were on the same terms and conditions that applied to other shareholders.

**6. AUDITORS' REMUNERATION**

The Company's auditor is PricewaterhouseCoopers.

The following remuneration was paid or is payable to the auditor firm in relation to the Company:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Audit of Financial Statements	2,618	2,543
Other Assurance Services	6,595	6,402
	<u><b>9,213</b></u>	<u><b>8,945</b></u>

Auditors' remuneration is paid by the Fund, on behalf of the Company.

**7. SIGNIFICANT EVENTS AFTER BALANCE DATE**

On 1 July 2021, Bank of Queensland Limited (BOQ) completed the acquisition of Members Equity Bank Limited (ME Bank), in which HESTA held an interest of 18.7%. Under the terms of the Share Sale and Purchase Deed with each of the previous shareholders of ME Bank (including HESTA), the shareholders remain responsible for liabilities relating to certain conduct of ME Bank that may have occurred prior to completion of the sale, subject to monetary caps and time limits on BOQ bringing claims. The Potential liability of shareholders for such conduct (if any) is not currently known, as it is dependent upon (among other things) whether the applicable conduct occurred and the quantum of any losses arising from such conduct. However, the liability of each shareholder will equal their proportionate interest in ME Bank prior to completion of the sale (in HESTA's case, 18.7%) and will not exceed, in aggregate across all shareholders, the applicable monetary cap.

H.E.S.T. AUSTRALIA LTD  
A.B.N. 66 006 818 695  
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DIRECTORS' DECLARATION

**In the Directors' opinion:**

(a) the financial statements and notes set out on pages 11 to 21 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards and other mandatory professional reporting Requirements and the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Directors.



.....  
Director



.....  
Director

Dated this 23<sup>rd</sup> day of September 2021.





## *Independent auditor's report*

To the members of H.E.S.T. Australia Ltd

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### *Our opinion*

In our opinion:

The accompanying financial report of H.E.S.T. Australia Ltd (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### ***What we have audited***

The financial report comprises:

- the statement of financial position as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Independence***

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

*PricewaterhouseCoopers.*  
PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Nicole Osborne', written over a light blue horizontal line.

Nicole Osborne  
Partner

Melbourne  
23 September 2021