

# relevant disclosures

## H.E.S.T. Australia Ltd

12 November 2021

We seek to maintain the highest standards of fund governance. Good governance requires strong control mechanisms that encourage robust decision-making, accurate and timely execution of decisions, clear and effective accountability, regular review and assessment of governance policies and procedures, and transparency.

HESTA is run by a trustee company — H.E.S.T. Australia Ltd. The Trustee Directors and staff put all their efforts into maximising the retirement incomes of HESTA members, most of who work in health and community services. We do this through our investment strategy, high quality services and education and advice programs.

H.E.S.T. Australia Ltd, is an APRA and ASIC licensed trustee company with Guarantors (who don't receive dividends). Guarantors represent employee and employer organisations and some are eligible to nominate Directors to the Board.

## Trustee Directors

There are 14 Trustee Directors on the Board, with an Independent Chair, an Independent Director who serves as the Chair of the Investment Committee, and equal appointments from employee and employer organisations in the health and community services sector. This ensures the voices of both employers and members are heard and that their views are taken into account when decisions are made.

The rules relating to the nomination, appointment and removal of Trustee Directors can be found in our Constitution, available at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)

The Board meets up to eight times a year, overseeing every aspect of the Fund including investments, administration, communications and service delivery.

Specialised responsibilities are delegated to Board-appointed committees consisting of Directors who report to the full Board Meeting. The committees comprise the Finance Audit & Compliance Committee, Risk Committee, Governance and Remuneration Committee, Investment Committee and the Executive Committee. In addition to Board Committee Members, two Independent External Advisers also sit on the Investment Committee.

We are required to disclose information about Trustee Directors' attendance at Board and Committee meetings for the last seven financial years. This information is available at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)

The role of the Board is to determine strategic direction and to monitor operations, ensuring the Fund is administered in accordance with the Trust Deed, relevant legislation and regulations.

More information about our individual Trustee Directors, their qualifications and experience is available at [hesta.com.au/aboutus](https://hesta.com.au/aboutus)

The Trustee holds professional indemnity insurance to protect itself and the Directors, in the event of legal action.

## **Trust Deed and Constitution**

HESTA is governed by a Trust Deed, a legal document that outlines the way HESTA is managed. The Trustee has a Constitution, which together with the Trust Deed, forms the governing rules for HESTA and the Trustee. Copies of the Trust Deed and Constitution are available at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)

## **Executive Management Team**

The day-to-day management of HESTA is the responsibility of our highly skilled and experienced Chief Executive Officer and team of seven Executives. More information about our individual Executives, their qualifications and experience is available at [hesta.com.au/aboutus](https://hesta.com.au/aboutus)

## **Payments and benefits relating to executive officers**

As an industry super fund, HESTA is run only to benefit members and our remuneration practices reflect this, together with the need to ensure we have adequate resources to provide quality benefits and services to members.

## Trustee Director Assessment and Remuneration:

Our Board is responsible for the overall governance and strategic direction of HESTA to ensure we meet our obligations to members. Accordingly, the Board and individual Directors are subject to an internally conducted annual assessment of its performance, with an independent external consultant engaged every three years to perform this assessment process. The Board is assessed against its functions as outlined in the Board Charter whilst Directors are also assessed against their performance and contributions at Board meetings and general compliance with any other applicable policies.

Key areas evaluated as part of annual review include:

- a) Governance and composition of the Board;
- b) Effectiveness of Board Meetings, Board Agendas and Reports;
- c) Board and Management relationships;
- d) Strategy of organisation; and
- e) Monitoring and evaluation

HESTA confirms that the performance evaluations for 2020/21 year were undertaken in accordance with its processes and policies.

Name	Position held	Position commenced	Position ceased	Financial year	Short-term employee benefits	Post-employment Benefits	Recipient
					Cash salary and short-term compensated absences	Pension and superannuation benefits	
Nicola Roxon	Director	01/01/2019	-	2021	\$178,824	\$16,988	Self
				2020	\$178,897	\$16,995	Self
Mark Burgess	Director	03/04/2017	-	2021	\$146,136	\$13,883	Self
				2020	\$146,194	\$13,889	Self
Deborah Cole	Director	01/01/2015	-	2021	\$70,068	\$6,759	Self
				2020	\$52,400	\$4,978	Self/Dental Health Services Victoria to 31/12/2020
Klaus Zimmermann	Director	01/01/2012	-	2021	\$72,815	\$7,002	Self
				2020	\$80,730	\$7,669	Self
Gary Humphrys	Director	18/05/2015	-	2021	\$71,400	\$6,876	Self
				2020	\$72,400	\$6,878	Self
Catherine Smith	Director	25/09/2015	-	2021	\$59,400	\$5,729	Self
				2020	\$58,400	\$5,548	Self
Saranne Cooke	Director	1/01/2018	-	2021	\$57,400	\$5,529	Self
				2020	\$57,400	\$5,453	Self
Alan Morrison	Director	1/03/2021	-	2021	\$17,550	\$1,733	Self
Lloyd Williams	Director	01/01/2012	-	2021	\$69,853	\$6,721	Health Services Union
				2020	\$73,230	\$6,957	Health Services Union
Helen Gibbons	Director	4/02/2016	-	2021	\$62,643	\$6,044	United Workers Union*
				2020	\$58,479	\$5,555	United Workers Union*
Anna Claude	Director	01/01/2017	16/07/2021	2021	\$63,400	\$6,104	Australian Nursing and Midwifery Federation (NSW Branch)
				2020	\$63,900	\$6,071	Australian Nursing and Midwifery Federation (NSW Branch)
Lori-Anne Sharp	Director	1/07/2018	-	2021	\$53,900	\$5,194	Australian Nursing and Midwifery
				2020	\$52,900	\$5,026	Australian Nursing and Midwifery
Sophie Ismail	Director	1/03/2019	24/08/2021	2021	\$52,900	\$5,094	Australian Council of Trade Unions
				2020	\$52,400	\$4,978	Australian Council of Trade Unions
Emeline Gaske	Director	12/02/2020	-	2021	\$47,400	\$4,566	Australian Services Union
				2020	\$17,829	\$1,694	Australian Services Union

\* On 11 November 2019, United Voice was renamed United Workers Union.

## Executive Management Team Assessment and remuneration:

HESTA's CEO's performance is assessed annually by the Board (through the Board's Executive Committee). HESTA Executives are also assessed annually by the CEO, with input from the Board Chair and Deputy Chairs. Each Executive's performance is assessed against the documented organisational framework developed in our performance management system against their position responsibilities and Key Performance Indicators which are tied to organisational strategic objectives. Assessment covers:

- adherence to high standards of integrity, performance and risk management;
- display of strategic thinking in application to consideration of industry trends, areas of competitive advantage, sustainability and reputation; and
- contribution to and influence on the long term direction and purpose of HESTA.

All employees undertake an annual performance review with their manager, and the performance evaluation for our senior management was undertaken during the 2020/21 year in accordance with our processes and policies.

Name	Position held	Position commenced	Position ceased	Financial Year	Short-term employee benefits			Post-employment Benefits	Other Benefits	
					Cash salary and short-term compensated absences	Performance Payment*	Other short-term benefits ***	Pension and superannuation benefits	Long-term employee benefits ^	Termination benefits
Debby Blakey	Chief Executive Officer	02/03/2015	-	2021	\$887,981	-	-	\$25,000	-	-
				2020	\$915,690 **	-	-	\$21,003	-	-
Andrew Major	Chief Risk and Compliance Officer	13/01/2020	-	2021	\$483,195	-	-	\$21,694	-	-
				2020	\$211,056	\$38,255	-	\$10,097	-	-
Joshua Parisotto	Chief Advice Officer	13/01/2020	-	2021	\$439,868	-	-	\$21,694	-	-
				2020	\$208,653	-	-	\$10,097	-	-
Lisa Samuels	Chief Experience Officer	02/04/2018	-	2021	\$436,566	-	-	\$24,996	-	-
				2020	\$406,344	-	-	\$21,003	-	-
Megan Bolton	Chief Financial Officer	02/04/2018	-	2021	\$455,085	-	-	\$21,694	-	-
				2020	\$419,206	-	-	\$21,003	-	-
Neil Saxton	Chief Partnerships Officer	02/04/2018	30/06/2021	2021	\$395,195	-	\$11,198	\$21,694	-	-
				2020	\$367,679	-	\$11,664	\$21,003	\$4,627	-
Sonya Sawtell-Rickson	Chief Investment Officer	24/07/2017	-	2021	\$779,700	\$296,187	-	\$21,694	-	-
				2020	\$705,883	\$217,092	-	\$21,003	-	-
Stephen Reilly	Chief Operating officer	24/08/2015	-	2021	\$500,734	-	-	\$21,694	-	-
				2020	\$470,766	-	-	\$21,003	-	-

\*The Chief Investment Officer position is eligible to participate in the Investment Incentive Performance Plan. The plan rewards performance with an incentive linked to the medium and long-term investment outcomes for our members, as well as the CIO's performance against objectives. Apart from the CIO, no other Executives are entitled to participate in an Incentive Plan. The incentive applicable for FY2021 performance was approved by the Governance and Remuneration Committee post 30 June and paid in October 2021. For FY2021 performance the CIO received an incentive of 36.4% of total remuneration package. The Chief Risk and Compliance officer position commenced on 13 January 2020 and an incentive of 18.4% prorated for FY 2020 performance relating to his previous role as General Manager – Unlisted, in the Investment Management team, was paid in relation to the FY2020 financial year. The CRCO will not be eligible to participate in the incentive plan in future years.

\*\* Includes accrued leave paid but not taken.

\*\*\* Other short term benefits include salary packaging arrangements (excluding salary sacrificed superannuation, which is included in pension and superannuation benefits).

^ Long-term employee benefits includes payment for Long Service Leave taken in the period.

The movement in long service leave entitlements that have accrued but not yet been paid are as follows:

Debby Blakey FY21 \$30,333, FY20 \$62,733; Andrew Major FY21 \$14,912, FY20 \$29,203; Joshua Parisotto FY21 \$11,288, FY20 \$5,196; Lisa Samuels FY21 \$12,757, FY20 \$18,927; Megan Bolton FY21 \$12,808, FY20 \$17,342 ; Neil Saxton FY21 \$12,537, FY20 \$21,701 ; Sonya Sawtell-Rickson FY21 \$21,442 , FY20 \$27,680; Stephen Reilly FY21 \$14,478, FY20 \$19,744.

## Trustee Director and Executive Management Team termination information:

Name	Position held	Position commenced	Position ceased	Financial year	Short-term employee benefits		Post-employment benefits	Recipient
					Cash salary and short-term compensated absences	Other short-term benefits *	Pension and superannuation benefits	
Daniel Sims	Director	01/01/2016	31/12/2020	2021	\$26,200	-	\$2,489	Self
				2020	\$52,900	-	\$5,026	Self
David Smith	Director	01/01/2018	Deceased - 22/11/2019	2021	-	-	-	Australian Services Union
				2020	\$21,894	-	\$2,080	Australian Services Union
Matthew Halpin	Chief Advice Officer	02/07/2018	15/12/2019	2021	-	-	-	-
				2020	\$190,689	-	\$11,169	-
Rob Fowler	Executive - Investment Execution	24/04/2017	09/08/2019	2021	-	-	-	-
				2020	\$73,513	-	\$24,500	-

\* Other short term benefits include salary packaging arrangements (excluding salary sacrificed superannuation, which is included in pension and superannuation benefits)

^ Long-term employee benefits includes payment for Long Service Leave taken in the period.

## Changes to Director and Executive Positions

Director / Executive	Position held	Position Started	Position Ceased
Anna Claude	Director	1/1/2017	16/7/2021
Sophie Ismail	Director	1/3/2019	24/8/2021
Tim Mitchell-Adams	Chief Growth Officer	23/8/2021	
Brett Holmes	Director	15/09/2021	
Benjamin Davison	Director	15/09/2021	

## Register of relevant interests

The Trustee maintains a Register of Relevant Duties and Relevant Interests for itself and its responsible persons including all Directors and Executive Managers.

A relevant duty is, for example, other directorships or employment that an individual may hold, and a relevant interest is, for example, major shareholdings.

Go to [hesta.com.au/disclosure](https://hesta.com.au/disclosure) to find out more about the relevant duties and interests of our Trustee Directors and Executive Managers, or read the *HESTA Conflicts Management Summary* available at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)

## Financial statements

The financial statements of the Trustee can be viewed at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)

An extract of the *Statement of Financial Position and Operating Statement* for the Fund, for the year ended 30 June 2021 is available in our *Annual Report* at [hesta.com.au/annualreport](https://hesta.com.au/annualreport)

## Responsibility to members

### Significant event notices

We notify members about any material change to a matter, or significant event that affects a matter, being a matter that would have been required to be specified in a Product Disclosure Statement. This could be a change to fees and costs, a change to insurance cover offered, or where a member's benefit may be transferred without their consent.

The message we send to affected members, advising them of these changes and their possible impact on retirement savings is known as a *Significant Event Notice*.

For a summary of significant event and material change notices issued in the past two years go to [hesta.com.au/disclosure](https://hesta.com.au/disclosure)

## Other documents and information

- We produce four Product Disclosure Statements (PDS): HESTA, HESTA Personal Super, HESTA Corporate Super and HESTA Income Stream. The most recent copies of each PDS is available at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)
- The most recent Annual Report is available at [hesta.com.au/annualreport](https://hesta.com.au/annualreport) together with Annual Reports from previous years.
- Our Financial Services Guide (FSG) is available at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)
- Information about our outsourced service providers, who provide a service which may affect a material business activity of the Fund is available at [hesta.com.au/disclosure](https://hesta.com.au/disclosure)
- Our share voting policies are available [hesta.com.au/disclosure](https://hesta.com.au/disclosure)