

Financial Inclusion Action Plan (FIAP)

November 2016

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Working towards a financially
inclusive and just society

making a real difference in the retirement outcome of every member.

Foreword

HESTA acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of all Lands on which we come together. At HESTA, we know that Aboriginal and Torres Strait Islander cultures enrich this nation and we pay our respects to Elders, past and present.

HESTA acknowledges the important contribution Aboriginal and Torres Strait Islander peoples make in creating a strong and vibrant Australian society.

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the HESTA commitment

Message of commitment from our CEO

On behalf of our Fund, I am delighted to present our foundation Financial Inclusion Action Plan (FIAP). As the only national superannuation fund dedicated to health and community services, HESTA is proud to work with the FIAP partnership group to build avenues for financial inclusiveness across society.

It is a privilege to work with those in health and community services who make such a significant contribution to our community and to be able to play a role in their financial security. Our story began in 1987, as the industry super fund for health and community services. We have grown to become the only national super fund solely dedicated to the sector, with more than 820,000 members across Australia, over 80% of whom are women. We have over \$37 billion in assets invested around the world. Our mission is to make a real difference in the retirement outcome of every member. Achieving the best possible retirement for each of our members is at the core of all that we do.

We do this because we know that our members can all too often face a shortfall in funding their retirements. We also strive to overcome barriers of complexity, inertia and fear that can stop people engaging with their superannuation and planning for the future.

The amazing work our members do each day has an invaluable impact on the lives of others. While they know their chosen careers are about so much more than money, their calling to support, empower and serve is still vastly undervalued. And disappointingly, in 2016 an Australian woman's story is still one plagued with imbalances and inequalities.

So, our FIAP isn't just about all our members having the opportunity to forge a good life today. It will also help extend greater opportunity to all HESTA members to create a more secure financial future.

By partnering with others in health and community services, we can progress towards our shared goal of a more financially inclusive and just society.



In presenting our FIAP, we strive to build financial inclusiveness across our employees and our membership. We will engage with employers, associations, peak bodies and unions operating within the health and community services sector right across Australia.

We will engage with our stakeholders because we know that they also fight to promote fairness and justice for their employees, members and their families and because we know that by fostering collaboration we have a greater chance to make a real and lasting difference to the lives of many.

At HESTA we're passionate about changing futures, about ensuring all our members have the chance to create a better life now and a tomorrow they can look forward to.

A handwritten signature in black ink that reads "Debby Blakey". The signature is written in a cursive, flowing style.

Debby Blakey,
CEO HESTA

areas of commitment

Focus area	Our commitment to address each FIAP focus area
Relationships	<p>The HESTA values of ownership, passion, leadership, respect and partnerships form the foundation of our FIAP.</p> <p>We commit to engaging with employers, peak bodies and unions across health and community services, and the financial services sectors to share ideas and build a collaborative approach to promoting financial inclusion.</p>
Impact	<p>As one of Australia's leading super funds, HESTA is uniquely positioned to map a typical member's financial journey towards retirement. This activity will allow us to better target initiatives for maximum impact.</p> <p>We are committed to improving access to education and advice to help build the financial resilience of our members. Additionally, we are dedicated to improving the compassionate facilitation of hardship enquiries to understand this area for our members and responsibly influence the outcome.</p>
Learning	<p>HESTA is excited to explore alternative ways of reducing the barriers to financial inclusion. HESTA will actively engage with the FIAP partnership group as well as the FIAP trailblazer community operating across financial services and community services sectors.</p> <p>Our members have a lot to teach us, we commit to listening to their stories and learning from their lives.</p>
Reporting	<p>HESTA commits to an evidence-based approach to our undertakings. We commit to sharing the evidence and outcomes broadly.</p> <p>Through open and transparent reporting and by regularly evaluating our practices, we will ensure the best chance of making a difference to the lives of our members.</p> <p>To celebrate our success, we commit to reporting our progress through our HESTA publications.</p>

our organisation

HESTA is the super fund dedicated to people in health and community services—a fund for those that spend their lives giving to others.

Our main aim is to help our members enjoy the happiness they deserve in retirement. Established in 1987, HESTA now has more than 820,000 members.

Because we are an industry fund and profit-for-members, it means more money stays in member accounts and goes towards building the future they envision. Our \$37 billion in assets is working for them – not just going to shareholders.

With client relationship managers, superannuation advisers and member education managers in every state and territory, HESTA is also a truly national fund.

What we will work towards

We have developed this FIAP because we're committed to taking real action to realise financial inclusion – especially for women. That's why we have identified the actions needed to help our large female membership base become financially resilient. Our FIAP also aims to reduce the number of people experiencing financial exclusion and hardship, seeking to empower them to experience better social, emotional and health-related outcomes.

Our vision for financial inclusion

Our vision is: To be the super fund for Australian health and community services and prepare and empower our members for wellbeing in retirement. This includes building a financially inclusive society by extending greater opportunities to our members. We believe in taking real action to promote financial resilience, especially for women. Through the FIAP program, we aim to contribute to advancing economic outcomes for women, who statistically face a significantly higher risk of experiencing

financial exclusion and poverty.

To achieve this, we are committed to:

- promoting financial inclusion by building relationships with our partner organisations: employers, peak bodies, unions and financial service providers
- making a positive impact on every member's financial journey
- actively listening to members and learning from their experiences
- holding ourselves accountable by regularly evaluating our practices and reporting on the outcomes.

Our Financial Inclusion Action Plan

Our FIAP was formed through a working group consisting of team members from across our organisation including: People & Culture, Risk & Compliance, Administration & Insurance, Investments, Marketing, and Engagement Strategy. Our working group live the HESTA values and were seen to be able to make a positive contribution to HESTA's commitment to financial inclusion.

The working group participated in a series of workshops facilitated by Good Shepherd Microfinance. This assisted in identifying the appropriate actions to combat the issues around financial exclusion that confront some of our members and employees.

Representatives from national and state-based community sector organisations and leaders will be invited to participate in the implementation of our foundation FIAP.

Our FIAP working group

Martine Calache

Business Development and Policy Coordinator

Mary Delahunty

General Manager – Business Development and Policy

Martin Grubb

General Manager – Risk

Sarah Kelly

Media and Communications Consultant

Joanne Klaaysen

HR Business Partner

Tom Moloney

Business Development Manager

Daz Monnekulame

Superannuation Adviser

Neil Saxton

Executive – Engagement Strategy

Sam Thompson

Member Education Manager

Josephine Toral

Senior Investment Analyst – Unlisted Assets

Sarah Watson

Operations Initiatives Manager

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Our partnerships and current activities

HESTA is involved in a number of initiatives that aim to foster financial resilience.

1. 10thousandgirl

10thousandgirl is a not-for-profit organisation that was started by a group of women in a Sydney pub in 2009. Their campaign plan over 2011-2015 was to inspire and educate 10,000 women (typically 18-45) across Australia, with a specific focus on reaching remote and regional communities.

HESTA has partnered with 10thousandgirl, and our Money Makeover Workshops form part of their free one-day investing workshops.

For further information go to 10thousandgirl.com

2. Australia's National Financial Literacy Strategy

HESTA is a supporter of Australia's National Financial Literacy Strategy 2014 - 17, which is led and co-ordinated by the Australian Securities and Investments Commission (ASIC). The strategy is a framework for collective action which aims to improve the financial wellbeing of Australians by advancing their financial literacy/capability. In support of this national strategy we deliver our Money Makeover Workshop series. The workshops are designed to provide practical, easy tips to help people achieve their goals, focusing on how a few changes can make a big difference over the long term.

3. Welfare Rights

We have a partnership with Welfare Rights, a free service for members that claim income protection. The service provides advice on maximising Centrelink benefits and can put them in touch with other referral services.

4. HESTA Reconciliation Action Plan

We value commitment, integrity, forward thinking and responsibility. With these core ideals in mind, we have established our first Reconciliation Action Plan (RAP) to demonstrate our dedication to reconciliation with Aboriginal and Torres Strait Islander peoples and organisations.

Our Reflect RAP has seen us take the first step in a long journey and we:

- are committed to fostering community partnerships built on RESPECT
- strive to increase CONFIDENCE and choice in retirement for all members including Aboriginal and Torres Strait Islander peoples
- continue to advocate for EQUITY outcomes between non-Aboriginal and Aboriginal and Torres Strait Islander peoples.

Although structurally unique, both our RAP and FIAP overlap in their attempts to promote equity and fairness for all Australians.

5. Workplace Gender Equality Agency - Pay Equity Ambassadors

By signing the Pay Equity Pledge in 2016, our organisation recognises the impact that gender bias can have in relation to performance, recruitment, employee development and pay decisions. This can ultimately result in gender pay gaps.

As part of our duty as an ambassador, HESTA is analysing and monitoring our talent management data, including pay by gender.

Internally, there is an expectation that people managers address gender bias in their decision making. We do this because we know we can't attract and retain the best people and improve workplace productivity if there is any unfairness or perception of unfairness in our workplace.

products and services

At HESTA, we are developing collaborative partnerships to help those who may be at risk of financial exclusion. We seek referral channels to promote financially inclusive opportunities for our members, employees and stakeholders. By leveraging existing relationships, while fostering new partnerships, products and services, we are striving to build a financially resilient society.

Icon Legend



community and partners



customers (current and potential)



suppliers



employees

Stakeholder	Committed Action Statement	Output	Outcome	Responsibility	Timeframe
	<p>1. Continue to strengthen partnerships within health and community services to explore best practice referral processes to external providers including;</p> <ul style="list-style-type: none"> • Good Shepherd Microfinance (GSM) • 10thousandgirl • Financial Counsellors of Australia (FCA) 	Development of referral pathways to external providers.	Increased access to appropriate financial products and services for members to promote financial resilience and financial inclusion.	Executive – Engagement Strategy	December 2017
	2. Ensure that as a part of continuing improvements in our insurance products we understand the impact on potential financial exclusion and resilience.	Third party commitment to financial resilience outcomes as a part of insurance provision.	Targeted and market-leading products and services for members most at risk of financial exclusion through access to low-cost Income Protection (IP) Cover, Death Cover and lump-sum Total and Permanent Disablement (TPD) Cover.	Chief Operating Officer	Ongoing
	3. Explore innovative ways that help members to proactively contribute to their retirement savings, particularly those on low incomes.	Develop analysis using data and insights identifying potential innovations.	Access to products and services that are geared to build the financial capabilities of our members, particularly those on low incomes.	Executive – Marketing Strategy	Ongoing
	4. Maintain above-industry standard employee benefits that include, but are not limited to; 15% superannuation contributions for employees, five days extra paid leave over Christmas /New Year, 14 weeks paid parental leave for the primary carer and superannuation contributions on unpaid parental leave for up to one year and access to long service leave entitlement after five years' service.	Continue to offer additional provisions to employees that promote responsible personal financial management.	Empower employees to access professional and responsible advice that's in their best interest, and deliver above-industry standard superannuation and leave entitlements.	Executive – People Strategy	Ongoing

Stakeholder	Committed Action Statement	Output	Outcome	Responsibility	Timeframe
	5. Maintain a culture that promotes and values continuous professional development and education by offering discounted fees for personal financial planning, an annual individual professional development budget and opportunities for all employees to develop broader business capability.	High employee engagement; annual analysis of the uptake of employees accessing financial planning and other additional benefits; current diversity and inclusion strategy.	Continuous opportunities for professional development to empower and build employees confidence.	Executive - People Strategy	Ongoing

capabilities, attitudes and behaviours

As one of Australia's leading super funds, we are uniquely positioned to map a typical member's financial journey towards retirement. This unique position is built by listening and responding to the needs of our members, while analysing the challenges and opportunities faced by health and community services.

The following actions will enable us to maintain this position, assisting us in developing a more concentrated view on exactly how financial exclusion impacts our members. By doing this, we can compassionately and proactively implement innovative strategies and processes that promote financial inclusion, and ultimately assist our members to achieve a dignified retirement.

Stakeholder	Committed Action Statement	Output	Outcome	Responsibility	Timeframe
	6. Survey the HESTA Insights Community to develop an understanding of how and where our members are facing financial exclusion, including the causes and effects of their financial exclusion.	Report that builds analysis which focuses on details of experiences of hardship and financial exclusion.	We as a Fund will have a greater understanding of what is causing financial exclusion among our members, as well as the common behaviours or actions they are taking during.	Executive - Marketing Strategy	Create and conduct surveys - June 2017
	7. Use the insights to generate informed scripting for our contact centre, including but not limited to building a resource which contains common trigger words or themes that consultants can use to identify moments when they may be speaking with a member who is facing financial exclusion.	Informed scripting for contact centre employees.	Increased capacity of contact centre employees to identify and support members who are facing financial exclusion.	Executive - Marketing Strategy General Manager - Administration and Insurance	December 2017

Stakeholder	Committed Action Statement	Output	Outcome	Responsibility	Timeframe
	8. Build our understanding of the drivers of financial hardship claims.	Analysis to aid our processes and capability.	Greater understanding of how and why members are presenting with financial hardship claims, as well as a consistent referral channel for members who need further assistance to escape financial hardship.	General Manager – Administration and Insurance	December 2017
	9. Maintain traditional member-facing visits with members through workplaces to combat risks associated with digital exclusion. These visits range from formal education sessions, informal workplace visits, workshops including our Money Makeover workshop*, external seminars, industry conferences and employee orientation sessions.	Deliver 3,000 member-facing visits to approximately 55,000 members FY 2016/17.	Members feel confident in attending these sessions and feel empowered to ask questions and make enquiries about their own personal circumstances.	Executive – Engagement Strategy	July 2017
	10. Review member interactions, to ensure empathy and respect are central themes particularly for those who may be facing financial hardship or exclusion.	Assessment framework and training.	Improved capacity to address members’ needs in an efficient and empathetic manner.	General Manager – Administration and Insurance	December 2017
	11. Review and streamline process so it is easier for individuals when facing potential financial hardship.	Improved financial hardship process for individuals.	Providing individuals in financial hardship a greater level of support when making a financial hardship claim.	General Manager – Administration and Insurance	March 2017

*This initiative is delivered in support of the National Financial Literacy Strategy 2014-17, led and co-ordinated by the Australian Securities and Investments Commission.

awareness and understanding of culture and diversity

HESTA embraces cultural and ethnic diversity and we recognise that at times language, cultural values and religious beliefs can impact on members' financial behaviour. To ensure inclusion and financial resilience, we are committed to improving access to education and advice to all members to help build not only their confidence, but a sense of control when it comes to their own financial situation.

We will continue to promote reconciliation between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians, promoting awareness, understanding, appreciation and respect both internally and externally. Reconciliation is another important way to channel inclusion and eradicate disadvantage based on exclusion.

Stakeholder	Committed Action Statement	Output	Outcome	Responsibility	Timeframe
	12. Continue to engage with members aged between 30-40 to promote insurance as part of their superannuation, particularly those from culturally and linguistically diverse (CALD) backgrounds.	Communication which focuses on insurance, savings plans and other relevant concepts* including a webinar.	Appropriate products and education opportunities that meet the needs of this cohort of members, ensuring they have access to professional and responsible advice that's in their best interest.	Executive - Member Advice Executive - Marketing Strategy	December 2017
	13. Continue to deliver financial literacy to students graduating or having recently graduated in health and community services based courses.	Deliver 530 orientation sessions to approximately 15,000 attendees.	Increase confidence, knowledge and engagement levels of younger women.	Executive - Engagement Strategy	December 2017
	14. Continue to deliver financial literacy to mature-aged members who may be approaching retirement.	Deliver 10 mature aged workshops.	Mature-aged members who understand the options that are available to them as they contemplate retiring or transitioning out of the workforce.	Executive - Engagement Strategy	December 2017
	15. Develop our Innovate Reconciliation Action Plan (RAP), the purpose of which is to reduce the gap between the average super balances of Indigenous and non-Indigenous Australians.	Annual report on HESTA RAP implementation. Continued participation in the Australian Institute of Superannuation Trustees (AIST) Indigenous Super Working Group.	Reduce the gap that exists between the average super balances of Indigenous and non-Indigenous Australians.	Reconciliation Action Plan Working Group Executive - Engagement Strategy	Developed by June 2017
	16. Develop a deeper understanding of the mental ill-health across the HESTA membership and understand how it contributes to financial exclusion.	Deeper analysis of claims history and HESTA insights survey data, overlaid with broader insight data which can inform potential new partnerships with organisations who demonstrably target the drivers of mental ill-health.	Members have access to holistic support networks to address not only financial wellness but also mental ill-health.	General Manager - Business Development and Policy	December 2017

*This initiative is delivered in support of the National Financial Literacy Strategy 2014-17, led and co-ordinated by the Australian Securities and Investments Commission.

economic participation and status

As a trusted custodian of our members' money, advocacy and equity are key drivers when it comes to promoting wellbeing in retirement. Because we are a national organisation, we believe it's our duty on behalf of our members to be a leading voice when it comes to promoting structural change that can lead to fairer outcomes for all.

By participating in working groups, including the Indigenous Superannuation Working Group, we are a part of the discussion when it comes to addressing system-wide challenges and issues. Through our membership with the Australian Institute of Superannuation Trustees and Industry Superannuation Australia, we participate in the collective discussions that may bring about industry or system-wide change. Equally as important, where we believe there are equity issues or structural inadequacies that directly impact our members, we commit to standing alone and advocating on their behalf. A recent example of this was when we produced a submission into the Senate inquiry on the Economic Security of Women in Retirement.

Stakeholder	Committed Action Statement	Output	Outcome	Responsibility	Timeframe
	17. Commit to drive meaningful change in terms of gender equity issues that may currently be resulting in financial exclusion. These conversations will include, but not be limited to, the introduction of a Low Income Superannuation Tax Offset (formerly Low Income Superannuation Contribution) and the removal of the \$450 threshold.	Ongoing participation in Industry Super Australia and Australian Institute of Superannuation Trustees working group meetings. Development of a comprehensive PR strategy to promote strategic and purposeful participation in conversations across a range of contemporary issues, for example the gender equity debate.	Create a legacy for multi-generational change aimed at empowering members for financial resilience and ultimately wellbeing in retirement.	General Manager – Business Development and Policy General Manager – Stakeholder Marketing	Ongoing
	18. Continue to seek new direct and indirect investments that can have measurable social impact through the Social Impact Investment Trust established by HESTA and Social Ventures Australia.	Investments in organisations or enterprises that may include senior and/or subordinated debt, equity capital and Social Impact Bonds.	Delivering both sound financial returns and a demonstrable social impact in sectors such as health, housing and community services.	Chief Investment Officer General Manager – Unlisted Assets	Ongoing
	19. Develop a deeper understanding of potential home ownership data of HESTA members.	Home ownership report that overlays our understanding of members' assets to build resilience.	Maintaining an informed view of the overall financial position of HESTA members which will help shape future advocacy efforts.	General Manager – Business Development and Policy	December 2017

statement from the FIAP partnership group

On behalf of the FIAP Partnership Group, I would like to acknowledge and congratulate HESTA for your ongoing public commitment to financial inclusion and financial resilience.

Together we are embarking on a journey to explore, learn and grow – both as a program through this foundation FIAP and as trailblazers undertaking the important process of reducing inequalities and promoting inclusive growth in our communities.

Financial hardship can impact us all, at any stage in our lives – through the FIAP, our hope is that every organisation will be able to respond in time and every time to ensure financial hardship can be identified early, managed and overcome. By building capacity, awareness and greater access to appropriate products and services, organisations will see the social and economic benefits in their engagement, outcomes and prosperity of customers and employees.

The FIAP Partnership Group exists to support the growing community of practice to identify opportunities to better respond to financial risks, develop meaningful actions across key stakeholders and measure the social and economic impact. Drawing on our individual expertise, the FIAP Partnership Group will provide implementation,

evaluation and quality assurance support to ensure the key actions you have identified are (i) on track to achieve the intended impact and (ii) engaging those stakeholders in most need of support. We are proud to be on this important journey with HESTA.

At the heart of the FIAP program is the belief that together we can achieve more. HESTA joins the growing community of organisations that understand they play a critical role in Australia's financial future – together we can reduce inequalities and realise inclusive growth for all Australians.

Sincerely,



Vinita Godinho

General Manager, Advisory
Good Shepherd Microfinance
On behalf of the FIAP
Partnership Group.



Glossary of terms

Financial exclusion

Financial exclusion exists where individuals lack access to appropriate and affordable financial services and basic financial products (a transaction account, credit card and/or basic insurance).

Financial inclusion

The process of delivering affordable financial services, particularly to people on low incomes and a key enabler for reducing poverty and boosting shared prosperity.

Financial resilience

The ability of an individual to access and draw on internal capability to withstand life events that impact on them financially. Such life events include unemployment, divorce, disability, or health problems.

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