

June 2011

# Super Contact

## Highlights inside your newsletter this issue

Fund news –  
merger update

Stronger Super and  
Federal Budget update

Leadership in Nursing and  
Midwifery Awards – now open

Better insurance cover  
for members

The industry fund for the people who care

healthsuper 



# What's inside

CEO update	1	BPAY – an easier way to pay	7
Health Super and First State Super merge	2	Leadership in Nursing and Midwifery awards	8
All publications , brochures and forms are changing	3	Government response to Stronger Super	9
eSuper	3	Federal Budget update	9
Super investment performance	4	Online calculators	10
Market update	5	Mobile technology	10
Introducing the Health Super administration team	6	New insurance offer for members	10
Paying super for over 70's	7	Brand campaign	11
		Employer profile – Royal Freemasons	12

# CEO update

In May we wrote to inform you that the proposed merger with First State Super has been approved by both Boards and the merger agreement is signed. This is a big step for the future of Health Super and one of the biggest mergers within the current Australian superannuation system. The merger is due to take effect on 30 June 2011.

Over the long-term we believe that a larger fund can provide members with access to better services delivered at a lower cost. The merged fund will have over \$30 billion in funds under management and around 750,000 members. Across the merged fund, approximately 320,000 members will work in the Health and Community Services sector and Health Super will continue to service the needs of workers and employers through the Melbourne office.

At Health Super, we pride ourselves on the service and support you've come to expect. We will continue our 'business as usual' activities and your Account Manager will be available when you need help. We will continue to introduce new innovations and additional services for members such as our Mobile technology and online calculators (refer to page 10 for details).

The Melbourne office will eventually house the national call centre for the merged fund. The Health Super brand will be around for the foreseeable future. We remain committed to the Health and Community Services Sector, and expect to build our presence in both NSW and WA in the near future.

You can find more information about the merger on page 2.

## You're with a Top 10 performing fund as ranked by SuperRatings<sup>1</sup>

The financial year to 31 May 2011 saw Health Super's Long-Term Growth Option return 15.12%, ranking it number one out of 89 comparison growth options. For the same period, the Long-Term Growth option was ranked in the top quartile over 1, 3, 5 and 7 years.

Overall, strong returns have been recorded across all of Health Super's investment options in the 2010/2011 financial year. This is a great result for Health Super members.

From all of us at Health Super, we'd like to thank you for your ongoing support as we look forward to the exciting and busy times ahead.



**Chris Clausen**



the fund for  
your  
industry

# Health Super and First State Super merge



## When will the merger take place?

Health Super and First State Super will, subject to certain conditions being met, merge with effect from 30 June 2011. From this date, there will be a transition period to fully merge the operations of the two funds and it is not expected that the merger will be complete until October 2012. The new Board will ensure that throughout the transition period, all decisions continue to be made in the best interest of all members.

## Who is First State Super?

First State Super is one of Australia's largest and most successful super funds, and like Health Super returns all profits back to members.

Most First State Super members work in the public sector in NSW and are predominately in healthcare or similar caring occupations within teaching and emergency services.

## Committed to the Health and Community Services sector

At Health Super, we pride ourselves on the service and support you've come to expect. The Health Super Melbourne office will remain open permanently to service the needs of members and employers. Health Super Account Managers will maintain workplace visits and will continue to work closely with members and employers into the future.

The Health Super Financial Planning (HSFP) office will also remain and will continue to provide financial planning services for all members of the new combined Fund.

## The benefits

From 30 June 2011, it is expected that the merged fund will be one of the five largest superannuation funds in Australia.

It is expected that over time, many benefits will be delivered to Health Super members in the merged fund, including:

- Reduced fees
- Better value for money insurance cover
- A broader range of member services and
- More flexible investment options.

It is expected that members and employers will experience significant benefits from mid to late 2012 after full integration.

## Contribution payments

The merger agreement also provides for the participation agreements of each employer contributing to Health Super to be 'novated' to First State Super. This means that from 1 July 2011, contributions for your employees will need to be made to the Health Super Division of First State Super.

If your contributions are currently being made electronically, there will be no change to your arrangements. However, if you pay your contributions by cheque, the cheque will need to be made out to First State Super.

## What does it mean for investment returns?

As a larger fund, with more buying power and the ability to negotiate lower investment costs, we expect to continue delivering strong investment returns into the future.

With the substantial size of the investments held by Health Super and First State Super, it will take time to harmonise the portfolios into the best investment structure.

*i*

We'll keep all Health Super employers up-to-date as the merger progresses and information about the merger will be available at [healthsuper.com.au](http://healthsuper.com.au)

Your Health Super Account Manager is available to answer any questions you may have about the merger. Alternatively, you can call a member of our Customer Relations Team on 1800 331 719 between 8.30am – 6.00pm Monday to Friday AEST or email [employers@healthsuper.com.au](mailto:employers@healthsuper.com.au)

## All publications, brochures and forms are changing

**As at 30 June 2011, all Health Super brochures, forms, Product Disclosure Statements, etc. will be updated to reflect our merger with First State Super.**

All previous documents will be outdated and we request that you destroy any old versions you may have.

Account Managers will supply employers with new material from 1 July 2011 onwards. You will also have access to the new documents and be able to order copies via our website.

From 1 July 2011, we'll be launching a new webpage dedicated to the Health Super Accumulation Product Disclosure Statement (PDS) at [healthsuper.com.au/pds](http://healthsuper.com.au/pds). Here you will be able to view, download or order copies of the PDS and related documents.

It's important that your employees have access to the most recent information about Health Super products and services, including forms. This will help avoid any delays in processing their requests.

Contact your Account Manager if you have any questions or call us on 1800 331 719 or email [employers@healthsuper.com.au](mailto:employers@healthsuper.com.au) to request additional publications and brochures.

## eSuper

### What is eSuper?

**eSuper is Health Super's secure online super service introduced in 2010. eSuper can help make administering your super a simpler process. We recently helped Brad Tarr from the Northern District Community Health Service get set up on eSuper. Here's what Brad had to say.**



The Northern District Community Health Service was one of our employers affected during the Victorian floods earlier in the year. We're glad we could help in some way by making administering super easier during a tough time. We greatly appreciate Brad taking the time to keep in touch with us during the floods.

### ✓ Improved admin

"In one word, eSuper is FANTASTIC. It's so easy to use, very user friendly, fast and efficient. We pay our super fortnightly, so it's a lot easier now. Our payroll software exports a file which I upload, check and submit. eSuper prints a report for our auditor to cross check so it ticks all the boxes."

### ✓ Improved management of new employees

"When entering new staff into our payroll system, I just have to choose Health Super and when I export for the first time and import into eSuper, it knows it's a new employee and they are automatically set up as a new member with Health Super."

### ✓ Saving time

"It literally takes me 10 minutes at most including exporting from payroll, importing to Health Super and then doing the internet banking transfer (the longest part)."

### ✓ Extra support

"The support is great. Health Super came out to our office and walked us through the steps to get up and going. They left us a great user manual which is easy to understand."

**If you want to make your super admin simpler, it's easy with eSuper. Just call us on 1800 133 050 or email [employers@healthsuper.com.au](mailto:employers@healthsuper.com.au) and we'll help you to start using eSuper.**

# Super investment performance

The financial year to 31 May 2011 saw strong returns recorded across all of Health Super's investment options. The Long-term Growth, Medium-term Growth, Balanced and Short-term Conservative standard investment options continue to perform extremely well. These options are ranked in the top quartile when compared to other funds over 1, 3, 5 and 7 years (as rated by SuperRatings<sup>1</sup>).

## Changes to Socially Responsible Investment options

As at 1 July 2011, the Long-term Growth SRI, Balanced SRI and Short-term Conservative SRI options are no longer available to existing members who were not invested in the option on 30 June 2011, or to any new members to the fund. Investment switching between these options will no longer be permitted.

Health Super introduced the SRI options in 2003 however, member engagement with these options has remained very low. We believe it is beneficial to rationalise these options over time into one Medium-Term Growth SRI option.

Members currently invested in the option can continue to receive contributions into the option. By mid 2012, it is expected that the options will be closed and any assets invested in these options will be transferred to an alternative investment option.

The Medium-term SRI option will remain open to new and existing members.

### Standard investment options to 31 May 2011

Investment option	Financial year to date (%)	3 year compound average (% p.a.)	5 year compound average (% p.a.)	10 year compound average (% p.a.)
Long-term growth	15.12	1.47	3.70	5.27
Medium-term growth	13.16	2.91	4.39	5.39
Balanced	11.06	4.01	4.82	n/a
Short-term conservative	8.71	4.70	5.00	4.92
Stopover	4.25	4.32	4.89	4.98

### Socially responsible investment (SRI) options to 31 May 2011

Investment option	Financial year to date (%)	3 year compound average (% p.a.)	5 year compound average (% p.a.)
Long-term growth	10.97	2.72	3.22
Medium-term growth	10.25	3.75	3.99
Balanced	9.06	4.53	4.52
Short-term conservative	7.60	4.91	4.79

**Note:** Past performance is not a reliable indicator of future performance. Returns are shown for Health Super Accumulation accounts only, net of fees, costs and taxes. See Health Super's Member Guide for more information. Returns can be positive or negative.

SRI options were introduced in 2003. As a consequence, a 10 year average is not available.

n/a: These returns are not available because these options were not in existence at the time.

1. www.superratings.com.au an independent ratings agency which compares the performance of superannuation funds. As at 31 May 2011.

# Market update

Financial markets have performed strongly during the first 11 months of the 2010/11 financial year, however volatility remains high. While returns have remained positive, the strength of investment markets has begun to weaken in recent months.



As at 31 May 2011, the Australian share market has returned in excess of 13% for the financial year, while international share markets have been even stronger. Share markets have continued to recover from the downturn experienced during the global financial crisis. Share markets have been supported by improved world economic growth and central banks across the world keeping interest rates at historically low levels. More recently, lingering concerns over sovereign debt problems in Europe, the United States budget deficit and the earthquake in Japan have all led to periods of volatility and losses on share markets.

Returns for Australian investors in international shares have been reduced by the strong Australian dollar.

Australia's link to China and its comparatively high interest rates have been a key factor in the strength of the Australian dollar. The Australian dollar has hit all time highs against a number of currencies, but in particular against the US dollar.

Fixed interest markets have produced solid single digit returns over the past 11 months as central banks around the world continue to keep interest rates low. The Reserve Bank of Australia has been one of the few exceptions, with the current cash rate of 4.75% being amongst the highest of developed nations globally. The Australian economy continued to perform well on the back of its link to China and strong commodity prices.

Inflation has become a concern in recent months following a number of severe weather issues and higher oil prices.

In property, capital growth has been subdued, with the majority of returns coming from rental income.

Performance of Health Super's Member Investment Choice options has been strong, with the Long-Term Growth, Medium-Term Growth and Balanced options currently producing double digit returns in the financial year to 31 May 2011.

“...improved world economic growth”

# Introducing the Health Super administration team

If you've ever called Health Super it's likely you would have spoken with a staff member from our administration team. It's nice to put a face to the people you talk to so we'd like to introduce this dedicated team.



**“We are a one-stop shop that answers all employer phone queries”**

## What do we do?

The administration team is one of the main contacts (along with our Account Managers) for employers. The team allocates all incoming money (processing approximately 22,000 items every month) and sets up all new employers and members in our system.

## Getting to know us

Administration is a fantastic team. We've got a great demographic of people who are friendly, helpful, reliable and energetic. We work really well together like a well-oiled machine and are the engine room of Health Super.

And we have a lot of fun. The admin team has four sections and we often run competitions to help inspire staff to achieve great results. We often base the competitions around an event like the footy, Spring Carnival or Christmas. It's all about keeping the team motivated!

“We will work to meet the needs of all our employers, **large or small.**”



## How can we help you?

We are a team of highly skilled individuals whose sole focus is to streamline administration for employers.

We continually look for new technology or services to make super as efficient as possible.

Of course, we understand that not all employers want to be the first to adopt new technology so we'll work with those wanting more online services as well as those that want to take longer to transition.

We are always happy to take your call and help you in any way possible. No issue is too big or too small. We will always go out of our way to help you out.

## Paying super for over 70s


We have received enquiries about the proposed legislation around paying super for employees over 70 years of age. We'd like to remind you that currently employers only have to pay Superannuation Guarantee (SG) contributions for employees up to age 70.

The Government has proposed that from 1 July 2013, employers will be required to make SG contributions for employees up to 75 years of age. However, this is still to be legislated.

## BPAY® – an easier way to pay

**If you're not paying your super contributions by BPAY®, it's easy to start.**

Super payments via BPAY are processed and allocated to your employee's accounts more quickly than other forms of payment.



Contact us on 1800 133 050 and we'll be happy to provide you with your personalised BPAY reference number. Then you can start paying by BPAY straight away. It's that easy!

# Leadership in Nursing and Midwifery awards

presented by  
Deakin University  
and Health Super



**Robynne Cooke, 2010 major award winner.**

## 2011 awards now open across Australia – nominate a great leader today

Health Super celebrates the outstanding work of nurses and midwives in the annual Leadership in Nursing and Midwifery Awards held in conjunction with Deakin University. The 2011 awards are now open and the next winner could be from your workplace.

We have had some outstanding winners in the past such as the 2010 major award winner Robynne Cooke from Northern Health, pictured above.

As a growing national award, we are sure we will continue to receive a diverse range of worthy applications and can reward the exceptional work of many more deserving nurses and midwives in the future.

With a \$20,000 major prize and two minor \$6,000 prizes, the awards will help the winner to further their leadership activities.

We encourage nurses and midwives from all organisations across the Health and Community Services sector to nominate.



# Government response to Stronger Super

On 16 December 2010 the Government provided a response to the Super System Review, commonly known as Stronger Super or the Cooper Review.

Stronger Super is a review into the governance, efficiency, structure and operation of Australia's superannuation system. The Government supports 139 of the report's 177 recommendations for the superannuation system. These aim to deliver better outcomes for members and employers.

A consultation period will be held to discuss the review and recommendations will still need to pass legislation. Some of the main initiatives that may impact you include:

## MySuper

As at 1 July 2013, default super funds will be allowed to offer a new simple, low cost product for members that do not make a choice. To qualify as a MySuper product, a super fund will need to meet certain criteria to be set out in legislation. The new MySuper product will also make it easier for members and employers to compare super funds based on cost, investment performance and insurance cover.

After a transition period (yet to be determined) only MySuper products will be allowed as a default product.

Health Super already has a low cost default product for members and we will continue to adapt our products to ensure we are meeting the needs of our members and complying with MySuper regulations.

## SuperStream

If passed by Parliament, Tax File Numbers (TFNs) will become the primary identifier for a member's super account and can be used for this purpose from 1 July 2011.



This will help to streamline administration and quickly identify lost accounts. TFNs will help match members' accounts across multiple funds.

Make sure you supply us with valid TFNs for all your employees as it may help identify any lost super your employees have and ensure they are not paying unnecessary tax.

## Employee payslips

If passed by Parliament, as at 1 July 2012 employers will need to include information about how much super has been paid on employee payslips. Super funds will also be required to tell employers and members if regular super payments are not being made.

*i*

For more detailed information on all recommendations visit: [strongersuper.treasury.gov.au](http://strongersuper.treasury.gov.au).

## Federal Budget update

The Federal Budget for the 2011/12 financial year was announced by the Government on 10 May 2011.

Superannuation was not at the forefront of this year's Federal Budget. However, the Budget includes health care reforms committing increased funding across mental and regional health, skills, education and training.

Proposed changes to superannuation include:

- a one-off refund of excess concessional (before-tax) contributions for members who exceed the cap by up to \$10,000.
- From 1 July 2012, the Government will permanently increase the concessional contributions cap from \$25,000 to \$50,000, for individuals aged 50 and over with total superannuation balances of less than \$500,000.
- The Government will phase out the pension drawdown relief that has been provided over the last three years. Minimum payment amounts will return to pre-relief minimum amounts in two stages starting from 1 July 2011, returning to normal from 1 July 2012.

All the proposed changes must be passed by both the House of Representatives and the Senate before they are written into law.

*i*

For more detailed information about the Federal Budget please see our budget update report at [healthsuper.com.au](http://healthsuper.com.au)

# Online calculators

Members are sometimes unsure of how much money they will have or need in retirement. While they know their super balance now, what will this mean in retirement?

Health Super has developed two new online calculators to help members address these common questions.

## The super projections calculator

Members can obtain a quick projection of what their super balance will be at retirement and when their super will run out.

**The calculators are available at [healthsuper.com.au](http://healthsuper.com.au). Check your own projections today!**



## The extra contributions calculator

Members can find out the Government Co-contribution amount they'll receive by making extra after-tax (personal) contributions. The calculator also let's members work out the tax savings they can receive by salary sacrificing into their super.

## Mobile technology

### Super in your pocket

Health Super has introduced Mobile technology for members.

Once members register for eSuper, they'll automatically have access to their account through their mobile. Members will be able to view details about their account balance, transactions, investment allocation and insurance levels.

It's an easy-to-use service that works with most smart phones. Plus, Mobile technology uses your phones browser, so there's no lengthy downloading or new passwords to remember.

**It's just another way we are making super more convenient. Members can register for eSuper at [healthsuper.com.au](http://healthsuper.com.au)**

# New insurance offer for members

## Insurance cover for members is getting better

Working in Health and Community Services can be demanding. We understand how important it is to make sure members are covered financially should something affect their ability to work, or their family's ability to meet living expenses.

That's why we've delivered better insurance benefits and more flexibility – so members can rest easy knowing that their family will be looked after, should the worst happen. On 1 February 2011, Health Super members aged between 26 and 46 automatically received more Death and Total and Permanent Disablement (TPD) cover (excludes members with fixed cover).

The benefit increase is included in the default level of cover and premiums for most members remains at \$3.30 per week.

From 1 February 2011, new Health Super members can apply to increase their Automatic Acceptance Limits (AALs) without providing medical evidence, providing they meet certain conditions. Members can increase their cover up to \$1million for Death and TPD (subject to 10 times their annual salary) and \$8,000 per month for Income Protection cover (subject to 85% of their monthly income).

## More flexibility for members

From 1 February this year, Health Super members can apply to change their Income Protection benefit period from 2 years to 5 years or even up to age 65. We've also extended the 'own occupation' assessment for TPD cover to include most workers. This means that any claim for TPD will be assessed with regard to a member's ability to resume their own occupation (not any occupation).

*i*

For more details on the improvements to the insurance cover offered through Health Super, visit [healthsuper.com.au](http://healthsuper.com.au) or call us on 1800 133 050 between 8.30am and 6.00pm Monday to Friday AEST.

# Brand campaign

In the second year of our revitalised brand, we are still receiving a fantastic response from across the industry.

Thank you for your continued feedback. It helps us to improve our services for members and employers.

The Health Super brand aims to reflect the caring people that work within the Health and Community Services sector.



You may have noticed the recent brand campaign featured on trams across Melbourne and other outdoor media across Victoria.

We are proudly featuring our very own members in the campaign including:

**Megan** Clinical Nurse Specialist from the Alfred Hospital

**Rhiannon** Psychologist from the Monash Medical Centre



**Jayne** (above) Foundation Administration Executive from Epworth Healthcare

**Tim** Surgeon from the Royal Melbourne Hospital

**Colleen** Nurse from the Royal Melbourne Hospital

**Shane** (left) Consultant from Southern Health

**Shae** RN1 Clinical Educator from Ramsay Health Care

# Employer profile – Royal Freemasons



## Coppin Centre – a new benchmark development in aged care

Nestled between the Prahran and St Kilda precincts, the Coppin Centre will set a new benchmark in residential aged care allowing residents to enjoy a quality lifestyle in an idyllic location.

Due for completion in October, a new four storey multi-purpose residential aged care facility, named after philanthropist, theatrical entrepreneur, politician and Freemason George Selth Coppin, will officially open later this year.

The corner of Punt Road and Moubray Street in Melbourne has been the centre of one of Victoria's largest and most respected aged care providers, The Royal Freemasons Homes of Victoria, for over 140 years.

Now known simply as 'Royal Freemasons', this charitable organisation remains true to the founding principles of care, compassion and respect that have been part of its service ethic since 1867.

"These principles embody the commitment of Royal Freemasons, For You For Life" explains Chief Executive, Felix Pintado.

"This state-of-the-art facility will set a new benchmark for aged care accommodation in the not-for-profit sector and is a tangible expression of our mission to provide high quality residential aged care."

"We have designed our services, facilities and models of care to accommodate changing needs, with a range of care options available on the one site to facilitate a continuum of care for residents."

The building has been under construction since November 2009. When the facility opens, it will accommodate 137 residents and include an atrium at the main reception entrance, a café, gift shop, hairdresser and a courtyard garden.

The décor will provide an elegant environment making the Coppin Centre a home of choice. A Day Therapy service will help to restore independence and improve the general health and well-being of clients in a setting that is stimulating and supportive.

The historic façade of the former Coppin Hall, the Chapel and the two Cottages constructed on the Moubray site in 1910 to provide care and almshouse accommodation for aged and needy Victorian Freemasons and their wives will form part of the precinct.

"A point of difference today is that our facilities are open to the broader community to help meet the growing needs of ageing Victorians" Mr Pintado said.

"With the completion of the new facility fast approaching, planning is well underway for a new retirement living development on the remainder of the site - all part of Royal Freemasons' ongoing commitment *For You For Life*."

Health Super is a proud supporter of Royal Freemasons staff.

# Our Account Managers are here to help you.

## Account Manager contact details



**Grant Daubeny**  
Senior Account Manager  
0417 574 206  
gdaubeny@healthsuper.com.au



**Claude Savino**  
0419 343 908  
csavino@healthsuper.com.au



**Simon Blanks**  
0418 313 421  
sblanks@healthsuper.com.au



**Melissa Bodycoat**  
0427 682 123  
mbodycoat@healthsuper.com.au



**Mark Morris**  
0417 542 560  
mmorris@healthsuper.com.au

## We're here to help

It's important to get your super right. We understand that everyone has different needs. Contact us to see how we can help you make the most of your super.

**1800 133 050**

Monday to Friday 8:30am – 6.00pm AEST

**[employers@healthsuper.com.au](mailto:employers@healthsuper.com.au)**

Log on to our eSuper service

**[healthsuper.com.au](http://healthsuper.com.au)**

Locked Bag 2900  
Collins Street West VIC 8007

---

## We're an industry fund



---

## We're recognised



---

## We care



FSC



---

This publication is printed on Titan Plus Satin, an FSC certified and carbon neutral paper stock.

This document is issued by Health Super Pty Ltd ABN 97 084 162 489 AFSL 246492 the Trustee of the Health Super Fund ABN 88 293 440 675 (Health Super). The information contained in this document is of a general nature only. It should not be considered as a substitute for reading Health Super's Member Guide (Product Disclosure Statement) that contains detailed information about Health Super products, services and features. Before making a decision about a Health Super product, you should consider the appropriateness of the product to your personal objectives, financial situation and needs. It may also be beneficial to seek professional advice from a licensed financial planner or adviser. A Health Super Member Guide (Product Disclosure Statement) is available at [healthsuper.com.au](http://healthsuper.com.au) or by calling 1800 133 050.