



HEALTH SUPER
Securing your lifestyle

March 2003 | your six monthly magazine

why it pays to give your
super a health check

look at your account online
with Health e Super
in your workplace
guidance on the
investment markets
get ahead by planning
your next move
new super rules for
divorcing couples

Talking Super

Ernest's message



Dear members,

Thank you for your support over the past year. As we move into 2003, we are continually striving to improve our service to you.

trust an experienced fund

There is no doubt that 2002 was a difficult year for super. Most super funds performed poorly, and investments suffered on a global scale. Fortunately for us, we have over 35 years experience, a strong

trust structure, \$3 billion available to pay benefits, no long-term liabilities, and a sound investment strategy in place that we believe will deliver over the long term.

give your super a health check

But what I urge you to do is to give your super a health check. Get more informed about your investment choice (see pages 5-6) or if you need more advice, don't forget you can also access quality financial planning services through Health Super Financial Services, at special rates.

making super easier to understand

Our research showed we needed to help you better understand your super. That's why over the last six months we have re-designed all our communications to make super simpler and easier to understand.

new Board appointments

I would like to congratulate our newly-elected and re-elected Directors and thank outgoing Directors for their contribution.

I would particularly like to congratulate Garry Richardson who will be replacing Graham Brooke AM, Health Super's Chair, who has been with Health Super for 11 years. Graham has been instrumental in growing the Fund from a \$300 million fund to a \$3 billion fund; expanding us from the public to the private health sector; and building Health Super to become one of Australia's leading superannuation funds. Thank you Graham for your outstanding contribution.

managing the glitches

You may have noticed last year some of our statements were delivered later than usual. The reason for this is that we upgraded our IT system for accuracy and speed. We're confident our administration system is improving and we're dealing with any glitches.

On behalf of the team at Health Super, we look forward to securing your lifestyle in 2003 and beyond.

Chief Executive Officer

top 10 shares we invest in as at 31 Dec 2002

domestic shares	percentage of assets	sector	country
National Australia Bank	2.40%	Banking	Australia
BHP Billiton Ltd	1.97%	Metals & mining	Australia
ANZ Banking Group	1.52%	Banking	Australia
Telstra Corporation	1.43%	Telecommunications	Australia
Westpac Banking Corp	1.29%	Banking	Australia
Commonwealth Bank Australia	1.15%	Banking	Australia
News Corp Ltd Preference Shares	1.10%	Media	Australia
News Corp Ltd Ordinary Shares	0.66%	Media	Australia
Rio Tinto Ltd	0.65%	Metals & mining	Australia
AMP Limited	0.48%	Insurance	Australia
international shares	percentage of assets	sector	country
Microsoft Corp	0.31%	Software	USA
Vodafone Group PLC	0.24%	Telecommunications	UK
Bank America Corp	0.21%	Banking	USA
Ebay Inc	0.21%	Retail - internet	USA
Lowes Cos Incorporated	0.20%	Retail - speciality	USA
Unilever PLC Ord	0.17%	Food products	UK
Nokia Corp	0.17%	Communication equipment	Finland
Canon Incorporated	0.16%	Office electronics	Japan
Sanofi Synthelabo SA	0.16%	Pharmaceuticals	France
Medtronic Incorporated	0.15%	Healthcare equipment	USA

supporting your industry



From last year's election, Ruth Slocum (above left) has been re-elected and Erryn Cresshull (above right) will be joining the Health Super Board as Member-representative Directors. They are both from your industry.



After a meeting on 18 December 2002, the Health Super Board announced that Garry Richardson (above left), a Health Super Director since January 2001, will be replacing Graham Brooke AM (above right) - Chair of Health Super for 11 years, effective from 1 April 2003.

in your workplace



'I'm very happy with Celtic Care and Health Super. My wages are always paid on-time and my super is always up-to-date. In my 51 years of nursing, I've never been happier.'

Nada Davis, Health Super member

about

Celtic Care is a nursing placement agency and places nurses around Australia, specialising in providing first class nursing placement to rural health centres.



Sue Stanley, Australia's leading aerobics champion, flexes her muscles with Katie Frazer, Health Super Account Manager, at the launch of Southern Health's 'Walk-Run Classic'.

did you know?

Southern Health's 'Walk-Run Classic' will be held on 16 March from 9.00am. You can register online at www.ausrun.com.au

did you know?

If you're a Defined Benefit member and thinking about salary sacrificing, call Health Super on **1800 33 17 19** first. There are some important things that you should know.



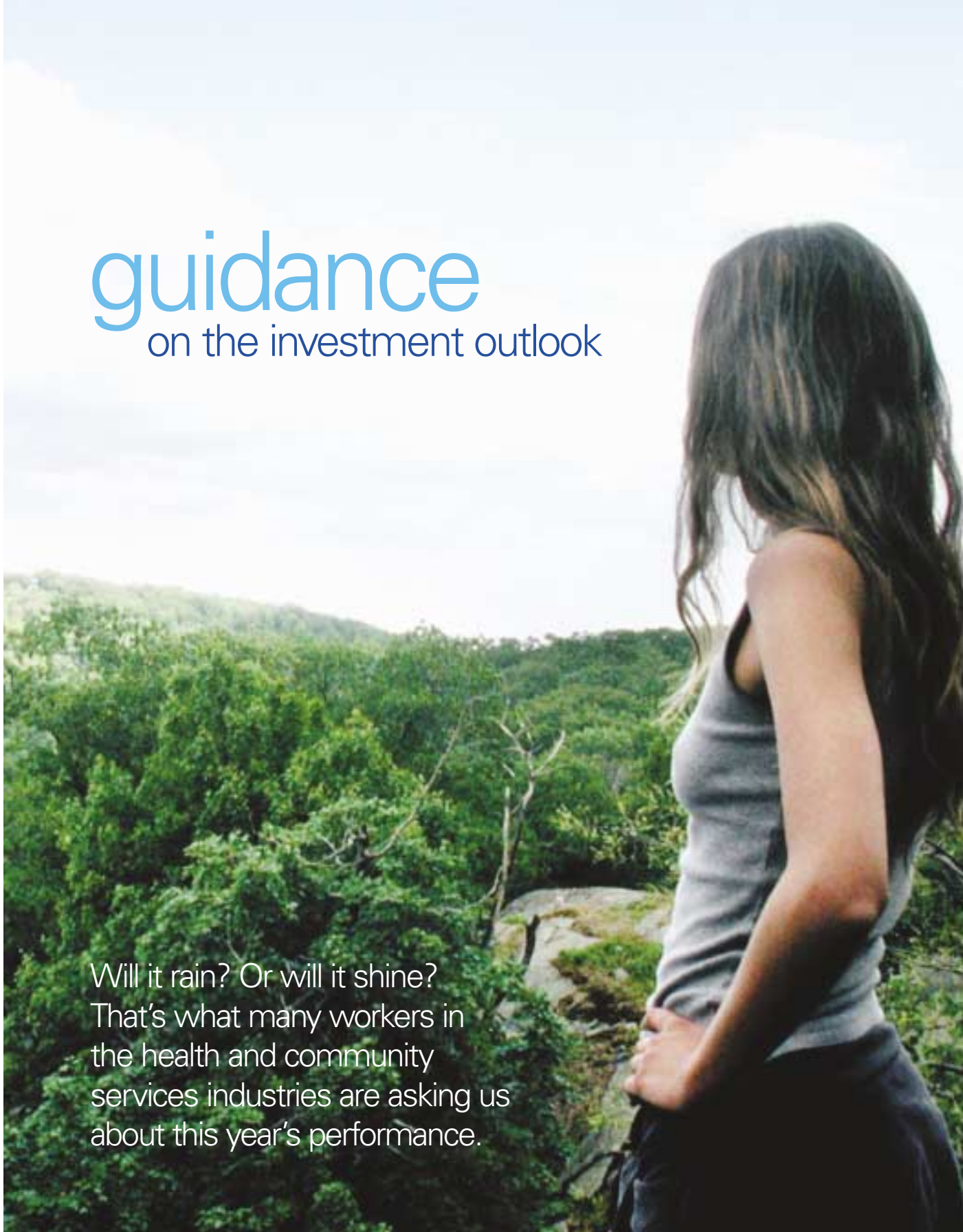
good news!

Health Super – great value for money

In a recent 'Value for money' survey by independent actuarial firm, Rice Walker Actuaries, Health Super was ranked the least expensive fund when compared with over 30 super funds, including ANZ and HESTA.

guidance

on the investment outlook



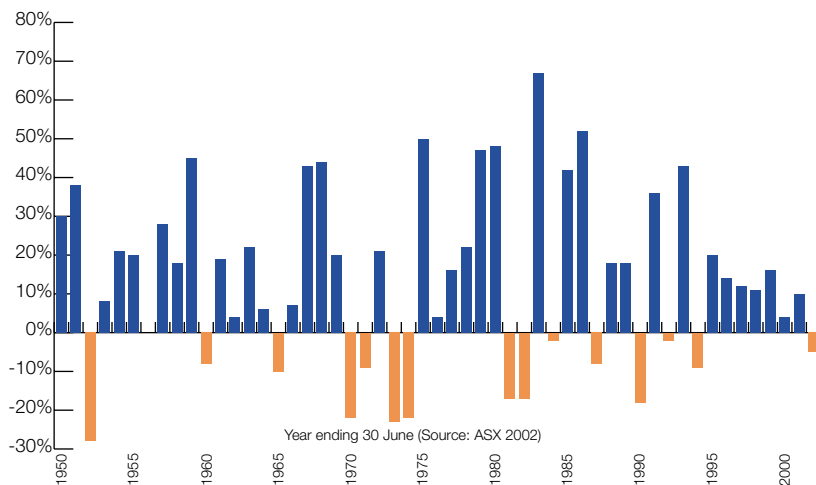
Will it rain? Or will it shine?
That's what many workers in
the health and community
services industries are asking us
about this year's performance.

Before we talk about the investment climate of 2003, let's look at 2002. It was stormy weather. Corporate frauds were exposed. Reports of terrorism were uncovered. And investment markets around the world shook.

history shows markets do recover

You may be asking: 'What happens now?'; 'Will my super be safe?'. The truth is: even the investment experts are finding it difficult to

predict what will happen in 2003. But what we can tell you is that history shows markets do recover. And the good news is that the last 2002 quarter showed positive returns (see page 6).



Look at the blue bars on this graph. It shows that the Australian share market recovered in 1988, 1991, 1993 and 1995. If history is to repeat itself, then our markets should bounce back at some point.



Neil Gunn,
Investments Manager
Health Super

'History shows that markets do recover. If you look long-term, you can see the strength of your return. And remember even if you have retired or are close to retiring, your money has to remain invested to last another 10-20 years or more...'

more insight and perspective

Luckily at Health Super we've got 35 years experience in super. This gives us more perspective and insight when managing the peaks and troughs of investment markets.

You see, we're confident our investment strategy can deliver strong returns over the long-term.

What's more, we believe we should:

- not change our investment strategy because of one year's performance;
- continue to closely monitor underperforming areas;
- introduce more investment options to give you greater control over your superannuation.

To see the latest quarterly returns, jump online to **www.healthsuper.com.au**

some investment tips

- ✓ Check what type of investor you are – risky or conservative? Fill out the Investor Profile questionnaire on **www.healthsuper.com.au**
- ✓ Look at your investment choice options and see which one matches your investor profile.
- ✓ Put history to the test – you'll see that markets do recover.
- ✓ Talk to a Financial Planner about your investments inside and outside of super and get a financial plan prepared. **Call Health Super Financial Services on 1300 78 02 23.**



three
reasons why a super account isn't a bank account

1. Bank accounts don't tend to deliver high returns. Your super account is designed to meet your varying investment needs over the long-term.
2. Bank accounts tend to charge high account keeping fees and they charge you transaction fees. Your Health Super account charges only \$1.00 a week and has no transaction fees.
3. With your bank account, you can't choose where your money is invested. With your Health Super account, you can make an investment choice (see pages 5-6).

why

Ang gave her super a health check

When Angela Casey, a registered nurse, got her Health Super Annual Statement last year, she was a little concerned that her super had gone backwards. That's when she decided to check out her options.

check out your options

'I didn't know much about super really,' says Ang. 'When I got my Statement, I realised that I did have investment options. So I went to the Health Super website, discovered my investor profile, and changed my investment choice. I also topped up my super with another account I had lying around from my studying days.'

choose what's right for you

Investment choice allows you to choose an investment strategy from a range of investment options that invest in a range of asset classes. Looking for a growth strategy? A conservative strategy? It's your choice.

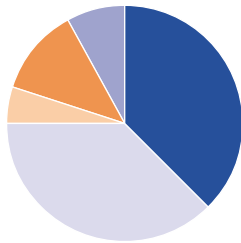
'I really like being able to make my own decisions,' says Ang. 'It gives me a sense of freedom and control.'

Want more information?
Call **1800 33 17 19** for a FREE booklet.

'It really pays to look at the ways you can invest your super...'

the four options you can choose from

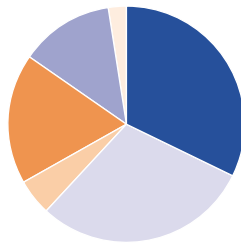
1. Long Term



■ Australian Shares	37.5%
■ International Shares	37.5%
■ Property	5.0%
■ Australian Fixed Interest	12.0%
■ Inflation-Linked Securities	8.0%

This is the highest risk option designed to produce the highest returns over the long-term. It is suitable if you have more than 7 years to realise your return.

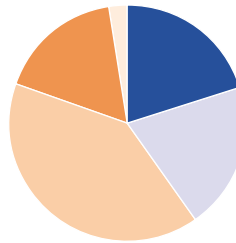
2. Medium Term



■ Australian Shares	32.5%
■ International Shares	30.0%
■ Property	5.0%
■ Australian Fixed Interest	18.0%
■ Inflation-Linked Securities	12.0%
■ Cash	2.5%

Did you know this is the option your super is automatically placed in if you don't make a choice? It is suitable if you have 5-7 years to realise your return.

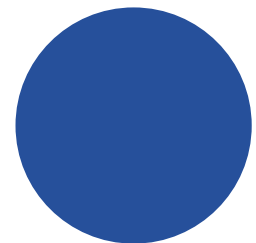
3. Short Term



■ Australian Shares	20.0%
■ International Shares	20.0%
■ Australian Fixed Interest	40.0%
■ Inflation-Linked Securities	17.5%
■ Cash	2.5%

This option carries low risk, and is suitable if you have 2-5 years until retirement.

4. Stopover



■ Cash	100%
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This option is for the conservative investor who wants to minimise risks with their super.

tips

1. If you don't make an investment choice, you'll be automatically placed in the 'Medium Term' investment option.
2. You can change your option quarterly, FREE of charge, online at **www.healthsuper.com.au** or by calling **1800 33 17 19**.
3. Need more information? Speak to a Health Super Financial Services Planner by calling **1300 78 02 23**.
4. Don't make any rash decisions. Make sure your decision is an informed one.

coming soon

- ✓ new investment options
 - ✓ socially responsible options
 - ✓ monthly switching policy
- revolutionary default investment strategy

latest returns

Your Investment Choice	Health Super Scheme, Shelter and Spouse		Health Super Allocated Pension	
	Quarter: Oct - Dec 2002	4 year average 30 June 2002	Quarter: Oct - Dec 2002	3 year average 30 June 2002
Long Term	2.63%	5.9%	2.89%	4.7%
Medium Term	2.50%	5.8%	2.77%	5.2%
Short Term	2.36%	5.5%	2.65%	5.7%
Stopover	1.17%	5.1%	1.38%	6.2%

Look long term to see the strength of your return!

If you'd like to find out about your quarterly return rates, visit **www.healthsuper.com.au**

get ahead

by planning your next move



What are your plans this year? Is it to pay off the credit card? Buy a house? Maybe just to spend more time with your family? Luckily with Health Super Financial Services and Health Super Member Privileges, you can get ahead by planning your next move.

choosing your planner carefully

In a recent joint report of the financial planning industry by ASIC and the Australian Consumer Association (ACA), many people were unhappy with their financial planners. Commenting on the finding, Doug Allan, Manager Health Super Financial Services, said:

‘This survey proves that people should be careful when choosing a planner. Make sure the advice you get is objective and improves your circumstance or situation.’



Doug Allan, Manager HSFS, says it pays to find a good financial planner

Doug’s advice on choosing a planner

1. There is no such thing as free advice. Ask yourself, what commissions are your planner getting from you?
2. Check that your planner is certified by the Financial Planning Association.
3. Make sure your planner is giving you quality advice (not just using you to promote their own products).

For more information, call **1300 78 02 23**.

home and contents insurance

Why pay more than you have to? As the rush of Christmas and the New Year has passed us once more, you will not be alone if your attention now turns towards the bills that are left behind. Most of us are looking for ways that we can remove this added burden. As a thought to consider, instead of temporarily removing the small luxuries from your life, why not find ways you can save on your existing expenses?

As part of the Health Super Member Privileges Program, you have access to discounts and special offers on home and contents insurance through Australian Unity. Now, you can receive the quality cover you'd expect, at specially negotiated rates for members. This could be just the saving you've been looking for.

here's how the offer works...

- ✓ If you purchase a new home and contents policy through Australian Unity, you will receive 14 months cover for the price of a 12 month policy[^]. That's a great incentive that you can benefit from straight away.
- ✓ Australian Unity offers a range of retail discounts that can save you as much as 30% on your premium. Health Super members also receive an automatic 5% discount. Add these together and your discount could add up to as much as 35%*. That's a great saving you can enjoy throughout the term of your policy.
- ✓ Select a cover that suits you. Every policy will cover you for new for old replacement; flood cover; computer and home office equipment; fusion/power surge; and much more.

- ✓ You can even select a policy that will give you accidental damage coverage. That's real protection for your home and true peace of mind for you.

Please refer to the policy wordings for full details of the cover provided.

[^] 2 months bonus cover are the 13th and 14th months, following 12 months of continuous cover (only available to Health Super members who do not have an existing Australian Unity Home and Contents policy).

* Discount of up to 35% is inclusive of all other retail discounts, including the 5% Health Super member discount.

Australian Unity General Insurance Limited
(ABN 47 004 125 268)



will making services

Having an up-to-date will is very important. It's the best way to ensure that the assets you have worked hard to accumulate, are distributed according to your wishes when you die.

The benefits of making your will with State Trustees...

- ✓ **experience** - We've been helping Victorians with their wills and estate planning needs for over 60 years.
- ✓ **expertise** - Dedicated solicitors and paralegal staff will ensure the most effective distribution of your assets and help you avoid some of the pitfalls of 'do-it-

yourself' wills. You will be assured that your will complies with the law and is valid.

- ✓ **personalised service** - Your will is specially designed to take into account your own individual circumstances and needs of you and your family.
- ✓ **permanence** - As an enduring organisation, you know that your will will be safe, secure and easy to locate. Your will is added to our will register which is one of the largest in Australia.
- ✓ **peace of mind** - Without a will, your estate could be distributed according to a rigid legal

formula and not necessarily as you wished.

Health Super Members receive great discounts. Prices start from \$27.50 per person where State Trustees is nominated as executor – a great saving on the price of \$125 for non-members.

To find out more, visit
www.statetrustees.com.au



Interested in any service you see here? Call 1800 24 77 73 now.

divorcing?

you can now split your super

Did you know that if you get divorced or separated from your spouse, either of you could be entitled to claim part of the other's super? From 28 December 2002, if you're divorcing or separating from your spouse new laws give the Family Court and federal magistrates the power to split your super, or your spouse's super...

ways to divide it up

Divorcing couples can create a legal agreement on how their super can be divided at the payment stage (ie. when you retire) or during the accumulation phase (ie. as it grows).

planning for it helps

Commenting on the new legislation, Ernest Bennett, Chief Executive Officer said:

'The new laws will affect many Health Super members and adds yet another complexity for you to understand your super. Many members with large balances, or those of you who will accumulate large balances over time, may need financial advice from a financial planner to ensure you understand how the legislation may affect your super if you get divorced.'

**'Divorcing or separating?
From 28 December 2002,
your super can be divided
up between you and
your spouse...'**

the new laws: at a glance

Under the new laws, if you're married and getting separated, your super:

- ✓ will be treated as 'property of the parties to a marriage';
- ✓ can be split by a Family Court order or by agreement with the spouse you're separating from;*
- ✓ account balance information can be accessed by your spouse (even if they're not a member of Health Super).**

The law does not relate to de-facto nor same-sex couples, nor is it retrospective.

Want more information? **Call 1800 33 17 19.**

* For Health Super Defined Benefit Scheme members, the splitting of your defined benefit entitlements will only occur at the time you become eligible for payment and not before.

** Health Super will charge a fee of \$100 (plus GST for non-members) for each transaction relating to the splitting, valuing or flagging of super in connection with orders or agreements for divorcing spouses.

ways we will pay your spouse

How we pay your spouse will depend on the type of account you have.

<p>Health Super Scheme, Shelter and Spouse accounts</p>	<p>Your super will be split in accordance with any Family Court order or super agreement between you and your divorcing spouse.</p> <p>A record will be created for the non-member spouse to facilitate payment.</p> <p>If your spouse is a non-member and no payment instructions are received within the required time, we will transfer their entitlement into a new Health Super Shelter account.</p>
<p>Health Super Defined Benefit</p>	<p>If you are a member of the Health Super Defined Benefit Scheme, your spouse can only claim your super in the 'payment' phase (ie. as soon as the defined benefit is to be paid to you, your spouse can have it split).</p>

married? moved house?

ask your boss to change your 'superannuation details'

Got married? Moved house? Changed your personal details? If the answer's yes, you must tell your employer and get them to tell us.

Need more help? Call **1800 33 17 19** for more assistance.

just
the two of us...



Got two accounts and wondering why? Well when you have a break in service (say leave the industry or you take a couple of years off to have kids), we will put your super into a Health Super Shelter account. So if you return to the health industry, your employer will send us your details and we will open a new, active account for you. This means you may have two Health Super accounts.

two extra options

When you re-commence work for a registered employer, you have the option to combine your two accounts into one or keep both of them.

other reasons why you may get two accounts

- abbreviated first names (eg. one employer provides your name as Elizabeth and another employer provides your name as Liz)
- maiden name vs married name
- different date of birth or address
- breaks in service (eg. move jobs, have a break to have kids)

Need it fixed? Call **1800 33 17 19** for more assistance.



look

at your Health ^e Super account online

Now you can check your Health Super account* whenever you want.

With Health e Super, you can:

- ✓ **check** your account online;
- ✓ view and **change** your personal details and investment choice option;
- ✓ **check** your employer and personal contributions, including any amounts you have transferred in from other funds;
- ✓ **calculate** the benefits entitled by you on resignation, death or disability;
- ✓ **provide** your Tax File Number (if you haven't already done so).

Interested? Jump online to www.healthsuper.com.au to find out how to register.

*applies to accumulation accounts only

did you know?

While you're at www.healthsuper.com.au, you can also:

- ✓ view our quarterly and annual returns;
- ✓ find your lost super accounts;
- ✓ apply for increased Death and Disability insurance cover; and
- ✓ visit the Health Super Financial Services website, www.hsf.com.au, and make an appointment to see a financial planner.

contact at your fingertips



HEALTH SUPER

click

Website www.healthsuper.com.au
Email info@healthsuper.com.au

call

Superline 1800 33 17 19
Fax (03) 9813 3392
Monday to Friday
(8.30am to 5.00pm AEST)

Manager Superannuation Services
Health Super Pty Ltd
ABN 97 084 162 489
SFN 4859/719/97
Trustee of Health Super Fund

come in or post

Victoria
697 Burke Road (Locked Bag 27)
Camberwell Victoria 3124
Telephone (03) 9811 9444

New South Wales
PO Box 1611
Ground Floor
Unit 7, 25-27 Crescent Street
Rozelle New South Wales 2039
Telephone (02) 9818 3012

South Australia
PO Box 2064
Adelaide South Australia 5001
Telephone (08) 8351 8511

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If there is any conflict between this newsletter and the Health Super Fund Trust Deed, the Trust Deed must be followed.

Health Super Pty Ltd strongly recommends that you seek advice from a professional adviser before making any decisions based on the information contained herein. Past investment performance is no guarantee of similar future returns.

The Health Super Member Privileges program is a facility arranged for Health Super Fund members. Any product or service offered through the program is provided either by State Trustees Limited, Australian Unity Limited or Remcon Group Pty Ltd and not the Health Super Fund. Health Super Pty Ltd does not endorse nor does it warrant that any of the products or services offered under the program are suitable for you. You should seek independent advice if necessary. Past investment performance is no guarantee of similar future returns.

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