Annual Financial Report FY2023-24

HESTA

Super with impact

Issued by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL 235249, the Trustee of HESTA ABN 64 971 749 321.

Contents

Directors' Report FY2023-24

Issued by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL 235249, the Trustee of HESTA ABN 64 971 749 321.

The Directors of H.E.S.T. Australia Ltd (the Trustee), as trustee for HESTA (the Fund), submit herewith the Directors' Report of the Fund for the financial year ended 30 June 2024.

Principal activities

HESTA (the Fund) is a defined contribution fund established on 30 July 1987. The purpose of the Fund is for profit to members and to provide employees primarily in the health, early childhood education and care, aged care and community services sectors with a portable superannuation scheme. However, the Fund is a public offer fund and comprises an accumulation product category and an income stream product category.

Under the terms of the Fund's declaration of trust, H.E.S.T. Australia Ltd, 'the Company' (A.B.N. 66 006 818 695), a company limited by guarantee and incorporated and domiciled in Australia, is appointed Trustee of the Fund.

In the opinion of the Directors there were no material changes to the Fund's principal activities during the year.

Review of operations and results

Overall, the Fund 30 June 2024 Financial Statements demonstrates a strong result including net assets available to members of $85.3bn and operating result before income tax of $398.9m. The strong growth in net assets is attributable to investment performance and net member growth. This has also impacted the operating result through the positive increase in 'changes in fair value of investments'.

The investment policy of the Fund continues to be that detailed in the current product disclosure statements and in accordance with the provisions of the governing documents. There have been no significant changes to the investment strategy of the Fund or to the operational circumstances since the publication of the last Product Disclosure Statement.

The results of operations of the Fund are disclosed in the Income Statement. For details in relation to the performance of the Fund, information can be obtained from the HESTA website.

Changes in state of affairs

The transition of the Fund's current administration services from MUFG to GROW Inc. commenced this financial year and is expected to be complete in 2025.

This strategic partnership and change program aims to enhance our ability to deliver cost-effective services while continuing to invest in personalised digital experiences and automation for our more than one million members, employers and advisers.

Events since the end of the financial year

IFM and ISPT have entered into a Transaction Implementation Deed pursuant to which IFM intends to acquire ISPT by way of scheme of arrangement.

The acquisition is subject to a number of conditions (including the approval of securityholders and the court) and is scheduled to be complete by the end of calendar year 2024.

Other than what has been disclosed above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Future developments / likely developments and expected results of operations

In the opinion of the Directors there are no likely developments to report except as may be stated already elsewhere in this report or in the financial statements.

Environmental regulations

The operations of the Fund are not subject to any particular or significant environmental regulations under a law of the Commonwealth, State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Audit and non-audit services

Directors have accepted a statement from the auditor that it is satisfied that the provision of these services did not breach the independence standards included in the Corporations Act 2001. Based on this statement from the auditor and having regard to the nature and fees involved in the provision of these non-audit services, the Directors are satisfied that the provision of non-audit services during the year by the auditor (or other person or firm on the auditor's behalf) did not compromise the audit independence requirements of the Corporations Act 2001.

Details of the amounts paid to the auditor of HESTA, PwC and its related practices for audit and non-audit services provided during the year are set out below and in note 11 of the Fund Financial Statements.

Auditor's remuneration

PricewaterhouseCoopers	**Jun-24**	**Jun-23**
(i) Audit and Regulatory related assurance services		
Audit of financial statements	287,793	271,700
Regulatory related assurance services	326,952	423,990
Total remuneration for audit and Regulatory related assurance services	**614,745**	**695,690**
*(ii) Taxation services**		
Tax compliance	381,571	344,194
Tax consulting	53,975	-
Regulatory Audit	-	155,661
Total remuneration for taxation services	**435,546**	**499,855**
(iii) Consulting Services	**-**	18,549
Total remuneration for consulting services	-	**18,549**
**This includes payments for international taxation services*		
Total auditor's remuneration	**1,050,291**	**1,214,094**

The Directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence, for the following reasons:

- All non-assurance services have been approved by the Finance Audit and Compliance Committee as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board (APES 110)
- All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

The above Directors' statements are in accordance with the advice received from the Finance Audit and Compliance Committee.

Auditor's independence declaration

The auditor's independence declaration is included and forms part of the Director's Report for the year ended 30 June 2024.

Rounding of amounts

HESTA is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Remuneration report

The Directors present the HESTA remuneration report for the financial year ended 30 June 2024 which outlines key aspects of the remuneration policy and framework, and remuneration awarded this year to key management personnel.

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.

HESTA Board

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 Board performance evaluations for the 2022/23 financial year were undertaken in accordance with its processes and policies.

NB: Evaluations for the 2023/24 financial year are in progress and due to be completed by October 2024.

Remuneration report: Non-Executive Key Management Personnel

Key Management Personnel	Position held	Position commenced	Position ceased	Financial year	Short-term employee benefits: Cash salary and short-term compensated absences	Short-term employee benefits: Other short-term benefits	Post-employment Benefits: Pension & superannuation benefits	Total Remuneration	Recipient
Nicola Roxon	Independent Board Chair and Director	01/01/2019	-	2024	$190,589	-	$20,965	$211,554	Self
Susanne Dahn	Independent Investment Committee Chair and Director	01/07/2023	-	2024	$168,248	-	$4,612	$172,860	Self
Deborah Cole	Director	01/01/2015	-	2024	$98,053	-	$10,908	$108,961	Self
Helen Gibbons	Director	04/02/2016	-	2024	$106,053	-	$11,798	$117,851	United Workers Union
Gary Humphrys	Director	18/05/2015	-	2024	$86,332	-	$9,604	$95,936	Self
Catherine Smith	Director	25/09/2015	-	2024	$72,832	-	$8,103	$80,935	Self
Emeline Gaske	Director	12/02/2020	-	2024	$72,832	-	$8,103	$80,935	Australian Services Union
Alan Morrison	Director	01/03/2021	-	2024	$72,832	-	$8,103	$80,935	Self

Remuneration report: Non-Executive Key Management Personnel (continued)

					Short-term employee benefits		Post-employment Benefits		
Key Management Personnel	**Position held**	**Position commenced**	**Position ceased**	**Financial year**	**Cash salary and short-term compensated absences**	**Other short-term benefits**	**Pension & superannuation benefits**	**Total Remuneration**	**Recipient**
Benjamin Davison	Director	15/09/2021	-	2024	$76,049	-	$8,466	$84,515	Self
Kate Marshall	Director	01/01/2022	-	2024	$60,832	-	$6,768	$67,600	Health and Community Services Union
Jacqueline Bennett	Director	01/01/2023	-	2024	$57,962	-	$6,452	$64,414	Self
Emma Maiden	Director	20/07/2023	-	2024	$65,278	-	$7,267	$72,545	Self
Angela van Vorst	Director	01/10/2023	-	2024	$45,624	-	$5,095	$50,719	Australian Nursing and Midwifery Federation
Robert Bonner	Director	01/01/2024	-	2024	$30,911	-	$3,422	$34,333	Self
Lori-Anne Sharp	Director	01/07/2018	08/12/2023	2024	$26,147	-	$2,876	$29,023	Australian Nursing and Midwifery Federation
Brett Holmes	Director	15/09/2021	26/09/2023	2024	$14,547	-	$1,600	$16,147	Self

Directors' remuneration will vary according to the committees they serve in and if they hold a committee chair position. The Independent Board Chair and Independent Investment Committee Chair do not receive additional fees for participating in or chairing committees. Directors do not receive performance-based pay or retirement allowances.

FY24 Director Remuneration (excluding superannuation)	
Base Fees:	
Independent Board Chair	$190,589 per annum
Independent Investment Committee Chair	$155,730 per annum
Deputy Chair	$68,553 per annum
Director	$48,832 per annum
Additional Fees:	
Committee Chair:	
Finance Audit and Compliance Committee	$17,500 per annum
Risk Committee	$17,500 per annum
Governance and Remuneration Committee	$17,500 per annum
Committee Member:	
Finance Audit and Compliance Committee	$12,000 per annum
Risk Committee	$12,000 per annum
Governance and Remuneration Committee	$12,000 per annum
Investment Committee	$20,000 per annum

Directors' remuneration was paid by the Trustee and re-charged to the Fund.

HESTA Executive Management team

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. 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:

a) adherence to high standards of integrity, performance and risk management;

b) display of strategic thinking in application to consideration of industry trends, areas of competitive advantage, sustainability and reputation; and

c) contribution to and influence on the long-term direction and purpose of HESTA.

Employees undertake an annual performance review with their manager, and the performance evaluation for our senior management was undertaken in accordance with our processes and policies.

Remuneration report:
HESTA Executive Management team

					Short-term employee benefits				Post-employment Benefits	Other Benefits	
Key Management Personnel	**Position held**	**Position commenced**	**Position ceased**	**Financial year**	**Cash salary and compensated absences****	**Performance payment***	**Other short-term benefits^**	**Non-Monetary benefits *** **	**Pension & superannuation benefits**	**Long-term employee benefits ^^**	**Termination benefits**
Debby Blakey	Chief Executive Officer	02/03/2015	-	2024	$1,208,442	-	$489	$4,983	$27,558	$43,313	-
Lisa Samuels	Chief Experience Officer	02/04/2018	-	2024	$631,591	-	$15,282	$4,983	$30,701	$27,624	-
Sonya Sawtell-Rickson	Chief Investment Officer	24/07/2017	-	2024	$818,174	$320,348	$14,676	$4,983	$27,399	$87,088	-
Stephen Reilly	Chief Operating Officer	24/08/2015	-	2024	$703,901	-	$9,970	$4,983	$27,399	$31,370	-
Andrew Major	Chief Risk Officer (formerly Chief Risk and Compliance Officer)	13/01/2020	-	2024	$580,301	-	$2,794	$4,983	$27,399	$22,824	-
Joshua Parisotto	Chief Engagement and Growth Officer (formerly Chief Member Engagement Officer)	13/01/2020	-	2024	$580,301	-	-$43,557	$4,983	$27,399	-$79,004	-

Remuneration report:
HESTA Executive Management team (continued)

					Short-term employee benefits				Post-employment Benefits	Other Benefits	
Key Management Personnel	**Position held**	**Position commenced**	**Position ceased**	**Financial year**	**Cash salary and compensated absences****	**Performance payment***	**Other short-term benefits^**	**Non-Monetary benefits *** **	**Pension & superannuation benefits**	**Long-term employee benefits ^^**	**Termination benefits**
Sam Harris	Chief Strategy Officer (formerly Chief Growth Officer)	14/06/2022	-	2024	$550,066	-	$17,674	$4,983	$27,399	$25,112	-
Natalie Kelly#	Chief Financial Officer	06/05/2024	-	2024	$198,177	-	$8,293	$1,593	$12,422	$12,602	-
Sally Collins	Former Chief Financial Officer	19/04/2022	16/02/2024	2024	$459,233	-	-	$3,145	$20,549	-	$80,031

*The Chief Investment Officer (CIO) remuneration is delivered using both fixed and variable components.

Fixed remuneration (FR) consists of base salary and superannuation.

Variable remuneration (VR) consists of an annual incentive. The CIO is the only Key Management Personnel eligible to participate in the Investment Performance Incentive Plan (IPIP).

The IPIP incentivises strong individual and Fund performance, based on strategically aligned deliverables, through a variable, at-risk payment.

The maximum incentive opportunity level for the CIO is 80% of FR.

The incentive is paid 100% cash, and is measured against a scorecard consisting of:

- 60% performance measures – see table below.
- 40% strategic objectives, people and leadership measures

Minimum gateways for payment include an annual individual performance rating of 'met', completion of all mandatory compliance requirements and training, and being employed at the time of the initial payment date.

Table: CIO FY24 Incentive Scorecard – Performance Measures:

Weighting	Key Performance Indicator	Target	KPI Target Achieved
20%	Balanced growth return relative to medium term CPI target - 3 year annualised (using average CPI+ headline over 10 years)	Target CPI objective	Yes
20%	Balanced growth relative positioning in SuperRatings SR50 Balanced Index over 3 years	In top quartile	Yes
5%	Percentage of other HESTA Options (incl IS Default strategy) that achieve objectives • 3 year annualised	75%	No
5%	Percentage of other HESTA Options (incl IS Default strategy) that achieve objectives • 5 year annualised	75%	Yes
10%	Reduction of investment management fees (using RG97 methodology)	>2bp reduction in fees successfully	Yes

FY24 Incentive Outcome Summary:

	Incentive Opportunity[1]		Incentive Awarded		Incentive Forfeited[2]
Name	**Target 56%**	**Maximum 80%**	**% FR**	**Cash[3]**	**(%)**
Sonya Sawtell – Rickson	$483,422	$690,603	61.8%	$533,914	22.7%

[1] The incentive opportunity represents a percentage of FR. The minimum incentive opportunity was nil.
[2] As a percentage of Incentive Opportunity. Calculation: Incentive Awarded / Maximum Incentive Opportunity = X. 100% less X = Incentive forfeited)
[3] Per CPS 511, the CIO's FY24 incentive is subject to a 5-year deferral period:

Year	Grant Date	Payment Due	% Total Incentive to be paid	Incentive Amount ($)[4]
1	September 2024	October 2024	60%	$320,348
4	September 2024	October 2027	20%	$106,783
5	September 2024	October 2028	20%	$106,783

[4] Where a person who has deferred amounts outstanding is under notice or ceases employment with HESTA as a result of dismissal, the outstanding deferred amount will:

- not be payable, or;
- Per the Consequence Management Framework, outstanding deferred amount may be adjusted at the GRC's discretion.

** Cash salary and compensated absences includes annual and long service leave paid during the year

^Other short-term benefits include salary packaging arrangements and movement in annual leave provisions for the year.

*** Non-Monetary benefits includes motor vehicle benefits including parking and any associated Fringe Benefits Tax (excluding sacrificed superannuation, which is included in the pension and super benefits).

^^Long-term employee benefits include movement in the annual leave and long service provisions accrued but not taken during the year. This also includes the long-term incentive relating to the deferred bonus of $48,052.

Natalie Kelly was Acting Chief Financial Officer from 6 March 2024 to 5 May 2024. She was appointed Chief Financial Officer on 6 May 2024 and deemed a key management personnel from this date. When setting remuneration, HESTA leverages information from the Financial Institutions Remuneration Group (FIRG). FIRG is the primary source of remuneration and benefits data for financial services and provides independent comprehensive data and thought leadership on remuneration, benefits, human resources and policy trends.

Changes to Director and Executive Management positions

Director / Executive	Position held	Position started	Position ceased
Robert Bonner	Board member	1 January 2024	
Angela van Vorst	Board member	1 October 2023	
Emma Maiden	Board member	20 July 2023	
Susanne Dahn	Board member	1 July 2023	
Lori-Anne Sharp	Board member		8 December 2023
Brett Holmes	Board member		26 September 2023
Sally Collins	Chief Financial Officer (CFO)	19 April 2022	16 February 2024
Natalie Kelly	Chief Financial Officer (CFO)	March 2024 (appointed Acting CFO) 6 May 2024 (appointed CFO)	

All details for Directors are included in the Financial Statements.

Director’s declaration

In the Director’s opinion:

(a) The financial statements and notes are in accordance with the Corporations Act 2001, including:

  a. complying with Accounting Standards and other mandatory professional reporting requirements and the Corporations Regulations 2001; and
  b. giving a true and fair view of the entity’s financial position as of 30 June 2024 and of its performance for the financial year ended on that date, and

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

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

…………………………………………………

Director

…………………………………………………

Director

Dated this 25th day of September 2024.

Melbourne, Victoria

Auditor's independence declaration

As lead auditor for the audit of HESTA ("the RSE") for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of HESTA.

George Sagonas
Partner
PricewaterhouseCoopers

Melbourne
25 September 2024

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

Financial Statements

for the year ended 30 June 2024

Issued by H.E.S.T. Australia Ltd ABN 66 006 818 695 AFSL 235249, the Trustee of HESTA ABN 64 971 749 321.

HESTA
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Statement of Financial Position
As at 30 June 2024

	Notes	Jun-24 $'000	Jun-23 $'000
Assets			
Cash at Bank	12	79,834	75,430
Receivables and other assets	4	120,650	130,131
Financial Investments			
Cash and Short Term Deposits		12,810,356	12,119,243
Derivative assets	18	771,777	690,522
Australian equities		19,895,825	17,426,076
International equities		25,050,034	21,133,317
Global Debt		11,177,414	8,695,526
Alternatives		347,661	846,169
Property		4,776,060	4,894,578
Infrastructure		8,853,307	8,148,367
Private equity		4,023,342	3,897,033
Property, plant and equipment		25,406	24,913
Deferred tax assets	8	5,435	53,806
Total assets		**87,937,101**	**78,135,111**
Liabilities			
Payables and other liabilities	5	(93,720)	(88,969)
Income tax payable		(287,164)	(98,266)
Derivative liabilities	18	(215,110)	(504,831)
Deferred tax liabilities	8	(2,037,996)	(1,639,050)
Total liabilities excluding member benefits		(2,633,990)	(2,331,116)
Net assets available for member benefits		**85,303,111**	**75,803,995**
Member liabilities			
Allocated to members		(84,986,087)	(75,393,041)
Unallocated to members		(6,139)	(6,559)
Total member liabilities		(84,992,226)	(75,399,600)
Net assets		**310,885**	**404,395**
Equity			
Fund development reserve	2(m)	(112,296)	(101,451)
Investment account	2(m)	1,132	(126,108)
Operational risk reserve	2(m)	(199,721)	(176,836)
Total equity		**(310,885)**	**(404,395)**

The above statement of financial position should be read in conjunction with the accompanying notes.

HESTA
Income Statement
For the year ended 30 June 2024

	Notes	Jun-24 $'000	Jun-23 $'000
Superannuation activities			
Interest		524,504	226,223
Dividend income		1,141,806	1,262,195
Distributions from unit trusts		999,988	760,617
Changes in fair value of financial investments	6	4,768,326	4,749,063
Other investment income		34,703	26,106
Other income		15,141	13,872
Total superannuation activities income		**7,484,468**	**7,038,076**
Investment expenses	9	(206,446)	(154,207)
Administration expenses		(54,049)	(50,030)
Operating expenses	10	(165,852)	(138,983)
Total expenses		**(426,347)**	**(343,220)**
Net result from superannuation activities		**7,058,121**	**6,694,856**
Add/(less): Net benefits allocated to members' accounts		(6,659,202)	(6,163,891)
Operating result before income tax		**398,919**	**530,965**
Income tax expense/(benefit)	8	492,429	345,173
Operating result after income tax		**(93,510)**	**185,792**

The above income statement should be read in conjunction with the accompanying notes.

HESTA
Statement of Changes in Member Benefits
For the year ended 30 June 2024

	Notes	Jun-24 $'000	Jun-23 $'000
Opening balance of member benefits		75,399,600	64,996,558
Contributions:			
Employer		5,848,181	5,025,585
Member		1,288,141	1,085,133
Transfer from other superannuation plans		1,323,749	1,300,833
Government co-contributions		5,475	6,231
Low income superannuation contributions		38,156	38,420
Successor fund transfer*		-	1,649,817
Income tax on contributions		(902,016)	(789,532)
Net after tax contributions		**7,601,686**	**8,316,487**
Benefits paid to members/beneficiaries		(4,500,525)	(3,883,932)
Insurance premiums charged to members' accounts		(255,945)	(262,149)
Death and disability insurance benefits credited to members' accounts		88,208	68,745
Benefits allocated to members' accounts, comprising:			
Net investment income		6,831,134	6,304,607
Administration fees		(171,932)	(140,716)
Closing balance of member benefits	3	**84,992,226**	**75,399,600**

*On 30 November 2022, the Fund acquired by successor fund transfer ('SFT') all the assets and liabilities of Mercy Super Fund, a fully defined contribution fund.

The above statement of changes in member benefits should be read in conjunction with the accompanying notes.

HESTA
Statement of Changes in Equity
For the year ended 30 June 2024

	Fund development reserve $ '000	Investment account $ '000	Operational risk reserve $ '000	Total equity/ reserves $ '000
Opening balance as at 1 July 2023	101,451	126,108	176,836	404,395
Net transfers to/from reserves				
Transfer to the Operational Risk Reserve	(12,674)	-	12,674	-
Net allocations to/from Income Statement	23,519	(127,240)	10,211	(93,510)
Closing balance as at 30 June 2024	**112,296**	**(1,132)**	**199,721**	**310,885**

	Fund development reserve $ '000	Investment account $ '000	Operational risk reserve $ '000	Total equity/ reserves $ '000
Opening balance as at 1 July 2022	96,851	(49,848)	158,274	205,277
Net transfers to/from reserves				
Mercy Successor Fund Transfer to Reserve	5,931	3,053	4,342	13,326
Transfer to the Operational Risk Reserve	(4,731)	-	4,731	-
Net allocations to/from Income Statement	3,400	172,903	9,489	185,792
Closing balance as at 30 June 2023	**101,451**	**126,108**	**176,836**	**404,395**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

HESTA
Statement of Cash Flows
For the year ended 30 June 2024

	Notes	Jun-24 $'000	Jun-23 $'000
Cash flows from operating activities			
Interest received		530,812	303,006
Distributions		1,005,258	769,024
Dividends		1,140,220	1,200,807
Group life insurance proceeds		88,208	68,745
Other general administration expenses		(212,806)	(182,676)
Acquisition/disposal of property, plant and equipment		(2,004)	(2,723)
Group life insurance premiums		(260,072)	(241,731)
Other income		48,679	26,297
Income tax received/(paid)		143,787	292,012
Net cash inflows from operating activities	12	**2,482,082**	**2,232,761**
Cash flows from investing activities			
Purchase of investments		(39,917,785)	(42,962,025)
Proceeds from sale of investments		34,541,445	38,141,051
Investment expenses		(202,499)	(187,984)
Net cash outflows from investing activities		**(5,578,839)**	**(5,008,958)**
Cash flows from financing activities			
Employer contributions		5,848,181	5,025,585
Member contributions		1,288,141	1,085,133
Transfers from other superannuation plans received		1,323,749	1,300,833
Government co-contributions received		5,475	6,231
Low income superannuation contributions received		38,156	38,420
Mercy Successor Fund Transfer		-	13,502
Benefits made to members/beneficiaries		(4,500,525)	(3,883,932)
Income tax paid on contributions received		(902,016)	(789,532)
Net cash inflows from financing activities		**3,101,161**	**2,796,240**
Net increase in cash		4,404	20,043
Cash at Bank at the beginning of the financial year		75,430	55,387
Cash at Bank at the end of the financial year		**79,834**	**75,430**

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. Description of the Fund

HESTA (the Fund) is a defined contribution fund established on 30 July 1987. The purpose of the Fund is for profit to members and to provide employees primarily in the health, early childhood education and care, aged care and community services sectors with a portable superannuation scheme. However the Fund is a public offer fund and comprises an accumulation product and an income stream product. Under the terms of the Fund's declaration of trust, H.E.S.T. Australia Ltd, 'the Company' (A.B.N. 66 006 818 695), a company limited by guarantee and incorporated and domiciled in Australia, is appointed Trustee of the Fund. The address of H.E.S.T. Australia Ltd's registered office is Level 20, 2 Lonsdale Street, Melbourne, Victoria, Australia.

2. Summary of material accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act, Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board, the Superannuation Industry (Supervision) Act 1993 and regulations and the provisions of the Trust Deed.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments, derivative liabilities and net assets available for member benefits.

These financial statements cover the Fund as an individual entity. The financial statements of the Fund were authorised for issue by the Board of Directors of the Trustee H.E.S.T. Australia Ltd on 25 September 2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

(b) New accounting standards and interpretations

There are no standards, interpretations or amendments to standards that are effective for the first time in the financial year commencing on 1 July 2023 that have a material impact on amounts recognised in the prior or current periods or that will affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not been early adopted by the Fund. None of these are expected to have a material effect on the financial statements of the Fund.

Other Material Accounting Policies

(c) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprises cash held with banking institutions and is subject to an insignificant risk of changes in value.

Cash equivalents are held for the purposes of meeting short-term cash commitments rather than for investment or other purposes.

Cash and short term deposits in the statement of financial position represents cash products that comprise the Fund's cash portfolio mix, are highly liquid investments with original maturities of three months or less and are held for investment purposes on behalf of members.

These products have been assessed against the Fund's accounting policy and criteria of AASB 107 and are deemed to not fall under the definition of a 'cash and cash equivalent' as these products are not drawn upon to meet any short term commitments of the Fund.

(d) Financial assets and liabilities

(i) Classification

The Fund's investments and derivative liabilities are measured at fair value in accordance with AASB1056.

(ii) Recognition/derecognition

The Fund recognises financial assets and liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

2. Summary of material accounting policies (continued)

(d) Financial assets and liabilities (continued)

(iii) Measurement

At initial recognition, the Fund measures financial assets and liabilities at fair value. Transaction costs for financial assets and liabilities carried at fair value are expensed in the income statement.

Subsequent to initial recognition, all financial assets and liabilities are measured at fair value. Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of financial investments.

For further details on how the fair values of financial instruments are determined refer to note 17.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to Note 18 of the financial statements for further information.

(e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The last sale price is used by the Fund to value listed equity valuations. Fixed income securities are priced at the mid-price. For unlisted assets managed by an external manager, the investment will be valued by the manager in accordance with their valuation policy. If there is no external manager, the Fund will use an independent valuation. The appropriate quoted market price for financial liabilities is the last sale price.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to Note 17.

HESTA values investments on a daily basis, producing a daily unit price for each investment option. Investment switching is also daily priced. The change provides our members with more regular and up to date valuation of their investment portfolio.

(f) Receivables and payables

Receivables may include amounts for dividends, interest and trust distributions and are measured at fair value. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(d) above. Amounts are generally received within 30 days of being recorded as receivables.

Payables are carried at nominal amounts which approximate fair value. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid when the Fund becomes obliged to make future payments in respect of the purchase of these goods or services. Payable amounts are unsecured and are normally settled on 30 day terms.

(g) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses, which is considered to approximate fair value.

Depreciation is calculated using the straight line method to allocate an asset's cost over its estimated useful life. The assets residual values and useful lives are reviewed at the end of each reporting year, and adjusted if required.

Any gain or loss on disposal of an item is recognised in the Income Statement.

2. Summary of material accounting policies (continued)

(h) Employee entitlements

Liabilities for wages and salaries including annual leave and long service leave are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The streams of revenue are recognised below:

Interest revenue from financial instruments that are held at fair value is determined based on the contractual coupon interest rate and includes interest from cash and cash equivalents.

Dividend and distributions income are recognised gross of withholding tax in the income statement within dividend income and distribution income when the Fund's right to receive payment is established.

Other changes in fair value for financial instruments are recorded in accordance with the policies described in note 2(e) above.

(j) Income tax

Under the Income Tax Assessment Act, the Fund is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net investment earnings with deductions allowable for administrative and operational expenses. Financial investments held for less than 12 months are taxed at the Fund's rate of 15%. For financial investments held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

Current tax is the expected tax payable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the Australian Taxation Office (ATO) during the year and by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amounts of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

(l) Foreign currency

The functional and presentation currency of the Fund is Australian Dollars, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses arise from the settlement of such transactions and from the translations at year end exchange rates of monetary items denominated in foreign currencies. Amounts are recognised in the period in which they arise within other income.

2. Summary of material accounting policies (continued)

(l) Foreign currency (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at balance date. Translation differences on assets and liabilities carried at fair value are reported in the income statement on a net basis within net changes in fair value of financial instruments.

(m) Reserves

Transfers in and out of the reserves are made only at the authorisation of the Company and in accordance with the Fund's Reserving Policy.

Operational Risk Reserve
The Fund maintains an Operational Risk Reserve, in accordance with the requirements established by the Australian Prudential Regulatory Authority under Superannuation Prudential Standard SPS 114 Operational Risk Financial Requirement.

The purpose of the Operational Risk Reserve is to provide protection to the Fund in the event that a loss is incurred from an operational risk event occurring. The use of the Operational Risk Reserve is governed by the requirements of SPS 114, which is applicable to all APRA-regulated funds. The current Operational Risk Reserve represents approximately 0.23% as at 30 June 2024. In 2023, the ORR was measured as 0.23% of the net assets available for member benefits. The Trustee has a tolerance limit set at 80% (2023: 80%) of the ORR target amount, to assist in maintaining the reserve at 0.25% (2023: 0.25%). The Trustee is within the tolerance limit for the year ended 30 June 2024.

Fund Development Reserve
The Fund Development Reserve is primarily used to fund the operations of the Fund, planning for significant projects that are not business as usual or to respond to any initiatives that arise that will benefit the members of HESTA, including seeding new investment options.

The Company maintains Trustee indemnity in its personal capacity due to Sections 56 and 57 of the Superannuation (Industry) Supervision Act (1993(Cth) (SIS Act). Superannuation fund trustees are prohibited from accessing superannuation fund assets to pay criminal, civil or administrative penalties incurred by the Company or its directors in relation to a contravention of any Commonwealth law. The Trustee received Court approval to amend the HESTA Trust Deed to authorise it to charge an appropriately limited trustee fee.

Administration fees and costs includes the trustee fee. All administration costs (including the trustee fee) are paid out of the Fund Development Reserve. The Trustee fee is paid into the Trustee Capital Reserve and is not part of the Fund assets. On 11th December 2023, $7,300,000 was paid from the Fund Development reserve to the Trustee Capital Reserve and treated as an expense in the Income Statement. The Trustee Capital Reserve (TCR) represents the balance of funds held by H.E.S.T. Australia Limited (the Company) as capital on its own account to address the risks associated with its role as trustee of the HESTA (Trust).

Investment Account
The Investment Account is maintained for the purpose of accumulating the investment earnings of the Fund's assets prior to allocation to member accounts. The Investment Account comprises the difference between the cumulative amount of investment income earned (net of expenses and tax) and the cumulative amount of investment income allocated to members' accounts, including timing differences between the investment valuations and tax provisions. These timing differences can result in large movements year on year.

(n) Use of estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

Fair Value of Financial Instruments
When the fair values of the financial instruments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques such as the discounted cash flow model (DCF model). The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility, details of which are set out in note 17.

Changes in assumptions about these factors could affect the reported fair value of these investments.

(o) Consolidation

The Trustee has determined that the Fund qualifies as an 'investment entity' under AASB 10 Consolidated Financial Statements and has applied the exception under that standard to measure subsidiaries at fair value through the income statement rather than consolidate them.

2. Summary of material accounting policies (continued)

(p) Rounding

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3. Member liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members, or their beneficiaries, in the future as a result of the membership up to the end of the reporting period.

Member account balances are determined by unit prices that are based on the underlying investment values.

Members bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Unit prices are updated daily.

As at 30 June 2024 $6,139,000 (2023: $6,559,000) has not been allocated to members. The amount not yet allocated to members' accounts consists of contributions received by the Fund that have not been able to be allocated to members as at balance date.

Refer to Note 16 for the Fund's management of the investment risks.

Member liabilities vest 100% to members.	Jun-24 $'000	Jun-23 $'000
Members liability at end of the financial year	84,992,226	75,399,600
As compared to net assets available for member benefits	**85,303,111**	**75,803,995**

4. Receivables and other assets

	Jun-24 $'000	Jun-23 $'000
Receivable within 12 months		
Investment income receivable	114,845	125,075
GST receivable	1,587	1,083
Prepayments	3,906	3,898
Sundry Debtors	312	75
	120,650	**130,131**

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

5. Payables and other liabilities

	Jun-24 $'000	Jun-23 $'000
Due within 12 months		
Group life premiums payable	18,560	23,852
Investment manager fees payable	27,005	23,058
Operating expenses payable	14,935	17,697
Provision for employee benefits	21,974	18,276
Sundry creditors	11,246	6,086
	93,720	**88,969**

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

6. Changes in fair value of financial investments

	Jun-24 $'000	Jun-23 $'000
Cash and Short Term Deposits	258,899	241,413
Derivative Assets and Liabilities	15,159	(521,814)
Australian equities	1,512,199	1,465,416
International equities	3,650,319	3,450,626
Global Debt	49,950	61,964
Alternatives	(36,567)	(16,350)
Property	(665,255)	(350,981)
Infrastructure	219,945	504,598
Private equity	(236,323)	(85,809)
Changes in fair value of financial investments	**4,768,326**	**4,749,063**

7. Funding arrangements

During the year ended 30 June 2024, the employers contributed to the Fund on behalf of members as part of the Trust Deed, Award and Superannuation Guarantee of 11.00% (2023: 10.50%). Member and additional employer contributions are paid to the Fund at a rate determined by the member and/or employer.

Additionally, eligible members have received government super contributions during the year including super co-contributions and low income super tax offset payments.

8. Income tax

(a) Major components of income tax expense/(benefit) are:

	Jun-24 $'000	Jun-23 $'000
Income statement		
Current tax expense		
Current tax charge	93,425	(112,988)
Adjustments in respect of current income tax of previous years	(48,314)	(80,135)
Deferred tax		
Relating to origination and reversal of temporary differences	447,318	538,296
Total tax expense/(benefit) as reported in the income statement	**492,429**	**345,173**

(b) Reconciliation between income tax expenses/(benefit) and the accounting profit before income tax

	Jun-24 $'000	Jun-23 $'000
Net result from superannuation activities	7,058,121	6,694,856
Income tax at 15%	1,058,718	1,004,228
Non-deductible expenses	186	168
Capital (gains)/losses not (assessable)/deductible	(194,338)	(271,421)
Exempt pension income	(84,393)	(92,387)
Net imputation and foreign tax credits	(239,430)	(199,098)
Under/(over) provision in the previous year	(48,314)	(80,135)
Mercy successor fund transfer	-	(16,182)
	492,429	**345,173**

(c) Deferred Tax

Jun-24	Opening Balance $'000	(Charged)/Credited to income $'000	Closing Balance $'000
Deferred tax assets			
Insurance premiums payable	3,522	(793)	2,729
Realised capital loss	47,509	(47,509)	-
Other expenses payable	2,775	(69)	2,706
	53,806	**(48,371)**	**5,435**
Deferred tax liabilities			
Income receivable	(16,246)	(404)	(16,650)
Unrealised foreign currency losses / (gains)	(10,853)	(44,317)	(55,170)
Unrealised losses / (gains) on investments	(1,611,951)	(354,225)	(1,966,176)
	(1,639,050)	**(398,946)**	**(2,037,996)**
Net deferred tax (liability) / asset	**(1,585,244)**	**(447,317)**	**(2,032,561)**

Jun-23	Opening Balance $'000	(Charged)/Credited to income $'000	Closing Balance $'000
Deferred tax assets			
Insurance premiums payable	2,567	955	3,522
Realised capital loss	-	47,509	47,509
Other expenses payable	-	2,775	2,775
	2,567	**51,239**	**53,806**
Deferred tax liabilities			
Income receivable	(15,563)	(683)	(16,246)
Unrealised foreign currency losses / (gains)	65,226	(76,079)	(10,853)
Unrealised losses / (gains) on investments	(1,099,179)	(512,772)	(1,611,951)
	(1,049,516)	**(589,534)**	**(1,639,050)**
Net deferred tax (liability) / asset	**(1,046,949)**	**(538,295)**	**(1,585,244)**

The Fund offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets.

9. Investment Expenses

	Jun-24 $'000	Jun-23 $'000
External investment expenses	111,416	69,490
Internal investment expenses	95,030	84,717
	206,446	**154,207**

10. Operating Expenses

	Jun-24 $'000	Jun-23 $'000
External and internal audit fees	1,490	433
Trustee fees and reimbursements	2,099	2,313
Trustee fee*	6,935	8,360
Sponsorship and advertising expenses	13,124	13,270
Marketing and communication expenses	6,281	6,663
Professional fees	12,669	13,432
Personnel expenses	80,824	60,326
Regulatory levies	3,402	3,059
Technology and telecommunication expenses	23,930	17,427
Premises expenses	7,115	5,802
Other expenses	7,983	7,898
	165,852	**138,983**

* On the 11th December 2023, $7,300,000 was paid from the Fund Development reserve to the Trustee Capital Reserve and treated as an expense in the Income Statement. The Trustee Capital Reserve (TCR) represents the balance of funds held by H.E.S.T. Australia Limited (the Company) as capital on its own account to address the risks associated with its role as trustee of the HESTA (Trust).
The TCR has been funded by a Trustee Fee payable by the Fund to the Company.

11. Auditors' remuneration

	Jun-24	Jun-23
(a) PricewaterhouseCoopers		
(i) Audit and Regulatory related assurance services		
Audit of financial statements	287,793	271,700
Regulatory related assurance services	326,952	423,990
Total remuneration for audit and Regulatory related assurance services	**614,745**	**695,690**
*(ii) Taxation services**		
Tax compliance	381,571	344,194
Tax consulting	53,975	-
Regulatory Audit	-	155,661
Total remuneration for taxation services	**435,546**	**499,855**
(iii) Consulting services	-	18,549
Total remuneration for consulting services	**-**	**18,549**
**This includes payments for international taxation services*		
Total auditors' remuneration	**1,050,291**	**1,214,094**

12. Cash flow statement reconciliation

Cash at bank at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Jun-24 $'000	Jun-23 $'000
Cash at bank	79,834	75,430

Reconciliation of net cash from operating activities to net profit/(loss) after income tax

	Jun-24 $'000	Jun-23 $'000
Profit / (loss) after income tax	(93,510)	185,792
Adjustments for:		
(Increase) / decrease in assets measured at fair value	(4,561,879)	(4,594,856)
(Increase) / decrease in insurance	(167,737)	(193,404)
(Increase) / decrease in receivables	8,827	10,122
Increase / (decrease) in depreciation and impairment	(493)	(1,468)
Increase / (decrease) in payables	1,457	25,500
Increase / (decrease) in income tax payable	636,215	637,184
Allocation to members' accounts	6,659,202	6,163,891
Net cash inflows from operating activities	**2,482,082**	**2,232,761**

13. Key management personnel

(a) Key Management Personnel

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

N. Roxon (Independent Chair) (appointed 01/01/2019)
S. Dahn (Independent Director & Chair of Investment Committee) (appointed 01/07/2023)

Employer Appointed	Employee Appointed
D. Cole* (Deputy Chair) (appointed 01/01/2015)	H. Gibbons (Deputy Chair) (appointed 04/02/2016)
G. Humphrys (appointed 18/05/2015)	E. Gaske (appointed 12/02/2020)
C. Smith* (appointed 25/09/2015)	B. Davison (appointed 15/09/2021)
A. Morrison (appointed 01/03/2021)	K. Marshall* (appointed 01/01/2022)
J. Bennett (appointed 01/01/2023)	A.van Vorst (appointed 01/10/2023)
E. Maiden* (appointed 20/07/2023)	R. Bonner* (appointed 01/01/2024)
	L. Sharp* (ceased 08/12/2023)
	B. Holmes* (ceased 26/09/2023)

*Members of HESTA the Fund

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

Executive Team	Position Held
D. Blakey*	Chief Executive Officer
L. Samuels*	Chief Experience Officer
S. Sawtell-Rickson*	Chief Investment Officer
S. Reilly*	Chief Operating Officer
A. Major*	Chief Risk Officer
J. Parisotto*	Chief Engagement and Growth Officer (formerly Chief Member Engagement Officer)
S. Harris*	Chief Strategy Officer (formerly Chief Growth Officer)
N. Kelly	Chief Financial Officer (appointed 06/05/2024) (formerly Acting Chief Financial Officer from 06/03/2024 to 05/05/2024)
S. Collins	Chief Financial Officer (ceased 16/02/2024)

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

(b) Key Management Personnel Compensation

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

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

13. Key management personnel (continued)

(b) Key Management Personnel Compensation (continued)

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

	Jun-24 $'000	Jun-23 $'000
Short-term employee benefits	7,301	6,978
Post-employment benefits	352	330
Other long term benefits	51	-
Termination benefits	80	-
	7,784	**7,308**

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

	Jun-24 $'000	Jun-23 $'000
Short-term employee benefits	372	375
Post-employment benefits	-	-
Other long term benefits	1,798	1,524
	2,170	**1,899**
Total	**9,954**	**9,207**

14. Related party disclosures

Related Party Investments and Transactions

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

Frontier Advisors Pty Ltd

A 31% (2023: 31%) shareholding of ordinary shares valued at $2,399,400 (2023: $1,599,600) in Frontier Advisors Pty Ltd.
Frontier receives fees from the Fund for investment consulting services. These fees were $1,986,281 (2023: $1,362,577).
Ms D. Cole is a director of Frontier Advisors Pty Ltd and received fees of $17,164 for the year ended 30 June 2024 (2023: $16,434). This is inclusive of superannuation.

Industry Super Holdings Pty Ltd

A 18.90% (2023: 18.90%) shareholding in Industry Super Holdings Pty Ltd (ISH) valued at $412,314,293 (2023: $307,053,719).
IFM Investors Pty Ltd is a subsidiary of ISH and manages investments totalling $14,227,017,565 (2023: $14,468,729,889) on behalf of the Fund. IFM Investors Pty Ltd received direct fees for the management of these portfolios of $2,970,926 (2023: $2,509,158) and advisory fees of $40,000 (2023: $ nil). This does not include fees deducted from investments.
Industry Super Australia Pty Ltd (ISA) is a subsidiary of ISH. The Fund paid ISA $2,181,991 (2023: $4,626,738) for marketing and research services.
Industry Fund Services Pty Ltd (IFS) is a subsidiary of ISH. The Fund paid IFS $145,486 (2023: $113,287) for financial planning services.

ISPT Pty Ltd

A 8.0% (2023: 8.0%) shareholding in ISPT Pty Ltd valued at $2 (2023: $2) and a 14.6% (2023: 14.6%) unitholding in the ISPT Operations Trust valued at $740,544 (2023: $1,324,471).
ISPT Pty Ltd in its capacity as trustee and ISPT Operations Pty Ltd in its capacity as service entity, managed investments totalling $2,188,927,481 (2023: $2,444,383,574) on behalf of the Fund.
ISPT Pty Ltd received nil direct fees during 2024 (2023: $240,000) for the management of these portfolios. This does not include fees deducted from investments.
HESTA has a Director appointment on the ISPT Board.
The Fund paid ISPT $7,578,676 (2023 : $6,351,627, includes $258,000 in investment fees) in rent and outgoings in relation to ISPT office space leased by HESTA.

The Fund has the following investments:

Investment	Equity Holding 2024	2023
	%	%
Assemble HoldCo 1 Pty Ltd	40.4	-
Castle Living SCSp (Castleforbes)	39.0	39.0
EQT Angle Unit Trust	100.0	-
Land Services WA Holdings Trust (LSWA)	10.0	15.0
Land Services WA Holdings Pty Limited (LSWA)	10.0	15.0
Land Services SA Holding Trust (LSSA)	10.0	-
Land Services SA Holding Pty Limited (LSSA)	10.0	-
SHP Housing Fund 1	99.8	97.5
Utilities Trust Australia Pty Ltd (UTA)	7.1	7.1

These investments are included in the relevant investment categories in the statement of financial position.

14. Related party disclosures (continued)

Related Party Investments and Transactions (continued)

For Land Services WA and SA, HESTA had representation on the board of directors as at 30 June 2024.
For Utilities Trust Australia (UTA), HESTA had a representative on the board of directors of the trustee of UTA, being Utilities of Australia Pty Ltd, as at 30 June 2024.
During the year, Super Housing Partnerships (HoldCo) Pty Ltd merged with Assemble HoldCo 1 Pty Ltd. HESTA has appointed two directors on the board as at 30 June 2024.

During the financial year ended 30 June 2024, the following Directors and Executives also held other roles relevant to Related Parties:

Director / Executives (Positions held)	Other Shareholdings and transaction
D. Blakey (Chief Executive Officer)	• Member of the ISA Advisory Council • Alternative member of the IFM Investors Shareholder Advisory Board
N. Roxon (Board Chair)	• Director of Super Members Council of Australia
D. Cole (Deputy Chair)	• Director of Frontier Advisors Pty Ltd
H. Gibbons (Deputy Chair)	• Member of the IFM Investors Shareholder Advisory Board
C. Smith (Director)	• Director of Utilities of Australia Pty Ltd
S. Sawtell-Rickson (Chief Investment Officer)	• Member of the IFM Investors Shareholder Advisory Board
L. Samuels (Chief Experience Officer)	• Director of Industry Super Australia Pty Ltd (ISA)
A. Major (Chief Risk Officer)	• Director of ISPT Pty Ltd and ISPT Operations Pty Ltd

All transactions noted in 14 were made on normal commercial terms, under normal conditions and at market rates. Transactions relating to dividends, investment income and subscription for new ordinary shares were on the same terms and conditions that applied to other shareholders.

15. Controlled Entities

The Fund has determined that it is an investment entity under the definition in AASB 10 as it meets the control definition criteria:
- Power over the investee;
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

The Fund does not consolidate these investments but accounts for them at fair value.

The Fund's exposure to the fair value of investments held in the controlled entities and commitments to these entities are shown below:

30 June 2024	No. of Controlled Entities	Fair Value of Controlled Entities $'000	Commitments to Controlled Entities $'000
Asset Class			
Global Debt	2	173,677	390,724
Alternatives	1	67,644	91,000
Property	3	301,932	1,332,576
Infrastructure	2	336,677	223,000
Private Equity	6	1,173,794	1,815,651
Total	**14**	**2,053,724**	**3,852,951**

30 June 2023	No. of Controlled Entities	Fair Value of Controlled Entities $'000	Commitments to Controlled Entities $'000
Asset Class			
Global Debt	2	207,259	428,424
Alternatives	1	80,418	301,321
Property	3	350,647	1,256,100
Infrastructure	2	344,767	223,000
Private Equity	5	1,419,336	1,412,341
Total	**13**	**2,402,427**	**3,621,186**

15. Controlled Entities (continued)

The fund has control or significant influence of the following controlled entities:

Name of Entity	Equity Holding	
	2024	2023
Global Debt		
HESTA Relative Value Debt Trust	100%	100%
Westbourne Yield Fund No.7	100%	100%
Alternatives		
Social Impact Investment Trust	100%	100%
Property		
Eureka Property Fund 5	100%	100%
HESTA Healthcare Property Trust	100%	100%
HESTA Int Opp Property Trust	100%	100%
Infrastructure		
HESTA AI (Port) Trust	100%	100%
HESTA Palisade Infrastructure Trust	100%	100%
HESTA Palisade Sustainable Infrastructure Trust	100%	100%
Private Equity		
Blackbird Purple Trust	100%	100%
HESTA Investment Partner Trust	100%	100%
HESTA QP Trust	100%	100%
HESTA Sustainable Capital Investment Trust	100%	100%
Brandon BCP CO Investment Trust	100%	0%

The fair values of these investments are included in the relevant investment asset class in the statement of financial position.

16. Financial risk management objectives and policies

Inflation remains at elevated levels, with Interest rates set to tighten financial conditions. There remains uncertainty as to how long it will take for inflation to ease and interest rates to decline. Changes in interest rates may have a material impact on earnings generated from the Fund’s investments and the prevailing economic conditions. Management actively manages the financial risks that the Fund is exposed to, with the approach outlined further below and the fair value of the Fund's investments continue to be valued in accordance with the frequency set out in the Fund's valuation policy, applying valuation methodologies reflective of the prevailing market conditions.

The Fund's principal financial investments, other than derivatives, comprise Cash and Short Term Deposits, Alternatives, Australian Equities, International Equities, Global Debt, Infrastructure, Property and Private Equity. The main purpose of these financial investments is to generate a return on investment.

The Fund also has various other financial investments such as financial assets and liabilities, which arise directly from its operations.

The Fund also enters into derivative transactions, principally fixed interest and equity futures and foreign exchange contracts. The main purpose is to manage financial risks associated with the Fund's investment transactions, and as a means of effecting a change in the asset mix.

The main risks arising from the Fund's financial instruments are market risk (interest rate risk, price risk and foreign currency risk), credit risk, climate change risk and liquidity risk. The Trustee reviews and agrees policies for managing each of these risks and they are summarised below. The Fund also monitors the market price risk arising from all financial investments.

16. Financial risk management objectives and policies (continued)

The Fund's accounting policies in relation to derivatives are set out in Note 2(d).

Sensitivity Analysis

The following tables in this note summarise the sensitivity of the Fund's net assets attributable to interest rate risk, price risk and currency risk. A reasonable possible range of risk variables has been determined in conjunction with the Fund's investment consultant. The methodology employed analysed historical data and considered the 90th percentile range of outcomes for one year rolling outcomes for each factor. The analysis of each factor has been limited to a timeframe considered to be representative of the environment at the time and was dependent on the availability of historical data. Outcomes were very time dependent so where possible simplified assumptions have been applied. However actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including large market shocks. As a result, historical variations in risk variables are not a definitive indicator of future variations in the risk variable.

(a) Market Risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Fund is exposed, particularly through its equity portfolio, to market risks influencing investment valuations. In addition to the effects of movements in interest rates, the Fund is exposed to price risk and currency risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of asset classes, regions, industry sectors and individual securities. Futures or Options contracts on indices or Securities may be used to manage specific aspects of market risk on equity investments and debt securities. It is also possible over the counter contracts may be used to manage specific aspects of market risk. The selection of high quality counterparties, brokers and financial institutions minimises market risk that may occur through the failure to settle transactions in a timely manner.

(a)(i) Interest Rate Risk

Interest rate risk represents the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing securities (other asset classes are also affected). This risk is measured using a sensitivity analysis disclosed in the tables below.

The Fund's approach is to manage this risk primarily through asset allocation changes. The Fund's exposure to interest rate movements on those investments at 30 June is set out in the below table. These disclosures present interest rate risk based on underlying assets and liabilities (at fair value) within the Fund's investments.

2024	Floating Interest Rate $'000	Fixed Interest Rate $'000	Total $'000
Investments			
Cash and Short Term Deposits	11,225,464	1,584,892	12,810,356
Global debt	4,201,037	6,976,377	11,177,414
Derivative Assets*	182,232	5,678,089	5,860,321
Derivative Liabilities*	(264,857)	(2,065,304)	(2,330,161)
Total	**15,343,876**	**12,174,054**	**27,517,930**

2023	Floating Interest Rate $'000	Fixed Interest Rate $'000	Total $'000
Investments			
Cash and Short Term Deposits	10,142,546	1,976,697	12,119,243
Global debt	2,990,279	5,705,247	8,695,526
Derivative Assets*	178,445	4,873,094	5,051,539
Derivative Liabilities*	(197,102)	(1,345,022)	(1,542,124)
Total	**13,114,168**	**11,210,016**	**24,324,184**

* Represents market notional exposure

16. Financial risk management objectives and policies (continued)

(a)(i) Interest Rate Risk (continued)
Based on an assessment of historical longer term movements in cash and bond rates over rolling twelve month periods, this analysis assumes +1.50% or -1.50% (2023: +1.50% or -1.50%) on fixed interest securities and +1.50% or -1.50% (2023: +1.50% or -1.50%) on floating interest securities for the 2023-24 reporting period. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

An increase (or decrease) in interest rates at the reporting date would have decreased or (increased) the change for the year in net assets available for member benefits by the amount shown below respectively.

	Change for the Year in Net Assets Available for Member Benefits	
	+1.50% $'000	-1.50% $'000
30 June 2024		
Floating Interest Securities	(44,614)	44,614
	+1.50% $'000	-1.50% $'000
Fixed Interest Securities	(1,120,543)	1,122,319
Total Interest Rate Risk	**(1,165,157)**	**1,166,933**
	+1.50% $'000	-1.50% $'000
30 June 2023		
Floating Interest Securities	(36,685)	36,685
	+1.50% $'000	-1.50% $'000
Fixed Interest Securities	(1,078,230)	1,080,164
Total Interest Rate Risk	**(1,114,915)**	**1,116,849**

(a)(ii) Other Price Risk

Price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

The Fund is exposed to price risk on all investments in the portfolio; this arises from investments held by the Fund for which the prices in the future are uncertain.

Price risk is minimised by ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. This risk is measured using a sensitivity analysis detailed below, as recommended by the investment advisor.

Following analysis of historical data the following assumptions are based on an expected range of outcomes for the 2023-24 reporting period:

	Range	
Australian equities	+32.4%	-18.5%
International equities	+29.2%	-16.9%
Global Debt	+10.0%	-1.5%
Alternatives	+18.3%	-5.6%
Property	+17.5%	-6.6%
Infrastructure	+24.2%	-9.0%
Private equity	+37.0%	-19.0%

The AASB7 sensitivity inputs specify that volatility factors are to be calculated by considering what is "reasonably possible" and should not include remote or "worst case" scenarios or "stress tests". The volatility factors provided reflect a spread of outcomes where 1 in 10 years returns are expected to be outside the range provided for each asset class. Long-term equilibrium after-tax capital market assumptions are reviewed annually and have been used to determine the ranges. Return and volatility factors have been determined after considering long-term historical data series complemented by a forward-looking view of expected returns.

16. Financial risk management objectives and policies (continued)

(a)(ii) Other Price Risk (continued)

The increase/decrease in the market price against the investments of the Fund at 30 June would have increased/ decreased the change for the year in net assets available for member benefits by the amount shown below. This analysis assumes that all other variables, in particular, interest rates and foreign exchange rates remain constant. The analysis was performed on the same basis for both 2023 and 2024.

	Change for the Year in Net Assets Available for Member Benefits	
	Increase $'000	Decrease $'000
30 June 2024	19,409,168	(9,977,766)
30 June 2023	17,779,025	(7,931,038)

(a)(iii) Currency Risk

Currency risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund holds both monetary and non-monetary assets denominated in currencies other than the Australian Dollar. The currency risk relating to non-monetary assets and liabilities is a component of price risk. Currency risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. This risk is measured using a sensitivity analysis disclosed in the table below.

Foreign exchange contracts are used by the Fund to reduce exposure to adverse foreign currency movements in the value of underlying International listed equities and other international investments.

The Fund's total net exposure at 30 June to foreign exchange rate movements on its international investments was as follows:

	Total Currency Exposure					
	USD $'000	EUR $'000	JPY $'000	GBP $'000	Other $'000	Total $'000
30 June 2024	11,767,253	1,638,631	55,488	282,646	2,148,597	15,892,615
30 June 2023	9,416,134	1,873,646	(155,878)	616,630	2,258,340	14,008,872

Following analysis of historical data, a 16.8% movement in the Australian Dollar is considered reasonably possible for the 2023-24 reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for both 2023 and 2024.

A 16.8% strengthening/(weakening) of the AUD against the currencies listed in the table below at 30 June would have decreased/ (increased) the change for the year in net assets available for member benefits by the amount shown below:

		Change for the year in net assets available for member benefits					
		USD $'000	EUR $'000	JPY $'000	GBP $'000	Other $'000	Total $'000
30 June 2024	+16.8%	(1,692,550)	(235,693)	(7,981)	(40,655)	(309,045)	(2,285,924)
30 June 2023	+16.8%	(1,354,376)	(269,497)	22,421	(88,693)	(324,830)	(2,014,975)
		USD $'000	EUR $'000	JPY $'000	GBP $'000	Other $'000	Total $'000
30 June 2024	-16.8%	2,376,080	330,877	11,204	57,073	433,852	3,209,086
30 June 2023	-16.8%	1,901,334	378,332	(31,475)	124,512	456,011	2,828,714

(a)(iv) Climate Risk

As responsible investors, the Fund manages a broad range of risks and opportunities that have the potential to affect the performance of its investment portfolio, and ultimately, the returns that can be delivered to its members.

The Fund assesses the exposure of its investments to climate-related financial risks on a regular basis through top-down scenario analysis, updated to reflect the latest climate science, transition progress and evolving stakeholder expectations. The Fund also conducts bottom-up assessment of investments identified at highest risk based on carbon footprint, exposure to revenues from fossil fuels and geographic exposure.

The fund has implemented the following controls and processes to manage the impact of climate-related financial risks:
- Climate risks are overseen by the Investment Committee (a sub-committee of the Board) which receives regular reporting on climate risk management.
- Management of climate-related risks is delegated to relevant executives, and roles and responsibilities have been defined for investment management and risk management teams.

16. Financial risk management objectives and policies (continued)

(a)(iv) Climate Risk (continued)

- Formal processes are in place to identify climate-related risks and integrate them into strategic processes. Substantively, in order to support a timely and orderly transition to a low carbon economy and manage climate-related risks, the Fund has committed to net zero carbon emissions across the investment portfolio by 2050. This is supported by an interim emissions reduction target of a 50% reduction in normalised scope 1 and 2 emissions below the 2020 baseline, by 2030.
- Climate-related risks are addressed in the Fund's risk management framework through the risk appetite statement and risk management strategy.
- Qualitative and quantitative metrics are monitored on a regular basis and targets have been set to manage key risks.
- The Fund publicly discloses progress in implementing its Climate Change Transition Plan in accordance with the recommendations of the Task Force for Climate-related Financial Disclosure (TCFD).

Management has reviewed climate-related risks at the Fund operational level and has implemented the above controls to manage these risks. The residual climate-related risks are considered to be within an acceptable range of the current risk appetite.

(b) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

With respect to credit risk arising from the financial assets of the Fund, other than derivatives, the Fund's exposure to credit risk arises from the potential default of the counterparty, with a maximum exposure equal to the carrying amount of these investments.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The risk associated with these contracts is minimised by undertaking transactions with a large number of counterparties, including counterparties on recognised exchanges where practicable, and holding collateral against these exposures where practicable.

The credit quality of financial assets is managed by the Fund using Standard & Poor's and Moody's rating categories in accordance with the investment mandate of the Fund. The Fund's exposure in each grade is routinely monitored. The review process allows the Trustee to assess the potential loss as a result of risks and take corrective action. An analysis of debt securities by rating is set out in the table below. There are circumstances where not all debt securities have been rated by Standard & Poor's/Moody's for example, directly held private debt securities which are assessed and rated by the Fund's appointed investment managers. In these circumstances, the investment manager assigned credit rating has been converted into the equivalent Standard & Poor's/Moody's rating for the purposes of the below table.

	AAA to AA- $'000	A+ to A- $'000	BBB+ to BBB- $'000	BB+ to B- $'000	CC & Below $'000	Total $'000
2024	7,648,958	1,635,438	1,792,445	87,175	13,398	11,177,414
2023	6,280,580	1,150,724	1,225,425	24,358	14,439	8,695,526

The Trustee has excluded cash and cash like instruments from this analysis where the instruments/investments do not have a credit rating. The Trustee is comfortable that these positions have a very low risk of loss based on 1) the liquidity of the instruments (eg cash held at call), 2) the minimum credit quality requirements for cash instruments, and 3) counterparty credit quality limits.

Securities Lending
The Fund maintains a securities lending program with JP Morgan Chase Bank NA (Sydney Branch) under which legal title to certain investments is transferred to another entity. The lending program is restricted to Australian Equities, International Equities and fixed interest securities. The terms of the arrangement require the borrower to post collateral with JP Morgan Chase Bank NA (Sydney Branch) equal to at least 102% of the value of the investments subject to the lending arrangement. Whilst legal title transfers to another entity, the terms of the arrangement provides that the risks and benefits of ownership of the securities remain with the Fund and the securities on loan are not derecognised. The Fund allows a limited amount of securities to be lent on a term basis which restricts the redelivery until the term period concludes. For those securities not lent on term, the Fund may, at any time, call for the redelivery of any or all of the securities in the ordinary course of business. However sufficient notice of not less than the standard settlement period for the relevant exchange on which the securities are traded is required. The collateral held at reporting date as security, consisted of cash, equity and fixed interest securities with a fair value of $2,416,205,373 (2023: $1,809,974,828).

The total value of investments subject to securities lending as at 30 June 2024 was $2,253,925,154 (2023: $1,672,610,459).

(c) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous.
The Fund's Liquidity Management Policy (LMP) provides an overview of the Fund's approach to liquidity management.

16. Financial risk management objectives and policies (continued)

(c) Liquidity Risk (continued)

The LMP is supported by procedures that are in place to ensure the Fund meets its obligations as and when they fall due by ensuring it:
- has sufficient cash and liquid assets to sell to minimise the risk of needing to dispose of assets on terms that are disadvantageous;
- maintains sufficient cash and liquid investments to meet its obligations to members and counterparties in both orderly markets and in periods of stress.

The Investment Committee periodically monitors the Fund's liquidity position and reviews the results of liquidity stress testing across a number of different scenarios. These tests assess the impact on the liquidity of the investment portfolio and any consequential impact on asset allocations for a range of stressed market events taking into account potential adverse impacts on cash flows resulting from investment switching by members, rollover and benefit requests, settling foreign currency transactions and funding capital call commitments.

The Fund's significant financial liabilities are benefits payable to members, as disclosed in Note 3. The Fund considers it highly unlikely that all members will request to withdraw/roll over their superannuation fund account at the same time.

2024	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-5 years $'000	Total $'000
Financial Liabilities					
Payables and other liabilities	93,720	-	-	-	93,720
Income tax payable	-	287,164	-	-	287,164
Derivative liabilities	100,140	70,552	3,498	40,920	215,110
Member liabilities	84,992,226	-	-	-	84,992,226
Total Financial Liabilities	**85,186,086**	**357,716**	**3,498**	**40,920**	**85,588,220**

2023	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	1-5 years $'000	Total $'000
Financial Liabilities					
Payables and other liabilities	88,969	-	-	-	88,969
Income tax payable	-	98,266	-	-	98,266
Derivative liabilities	46,762	342,096	13,786	102,187	504,831
Member liabilities	75,399,600	-	-	-	75,399,600
Total Financial Liabilities	**75,535,331**	**440,362**	**13,786**	**102,187**	**76,091,666**

(d) Structured Entities

The Fund invests in structured entities, which are collective investment vehicles, including listed property trusts, listed trusts, unlisted equity trusts and unlisted property trusts (includes domestic and foreign). The Fund may control the structured entity but is not required to prepare consolidated financial statements as it applies the Investment Entity Exemption available under AASB10. The Fund invests in underlying managed funds for the purpose of capital appreciation and/or earning investment income.
The Fund's investments in structured entities by asset class at balance date is as follows:

	Fair value of investment Jun-24 $'000	Fair value of investment Jun-23 $'000
Cash and Short Term Deposits	4,632,986	4,977,324
Australian Equities	1,621,311	1,492,881
International Equities	379,118	524,225
Global Debt	1,972,705	1,414,486
Alternatives	99,707	430,376
Property	4,684,608	4,802,327
Infrastructure	8,626,148	7,937,019
Private Equity	3,218,621	3,190,199
	25,235,204	**24,768,837**

The Fund's maximum exposure to loss from its interests in the structured entities is equal to the total fair value of its investments and potentially any uncalled capital and additional expenses.

(e) Geopolitical Risk

There is heightened risk of market disruptions associated with increasing geopolitical risks. These include, but are not limited to, growing rivalry between China and the US, continuing conflict between Russia and Ukraine, and rising tensions in the Middle East. Geopolitical risks can translate into disruptions in energy markets and supply chains, and by extension, adversely affect investment portfolios and performance of the Fund. Management vigilantly monitors these geopolitical risks and rigorously manages our liquidity and resiliency to disruptions that could be caused by these events.

17. Financial Instruments

(a) Classification of Financial Instruments under the Fair Value Hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The Fund values its investments in accordance with the accounting policies set out in note 2 to the financial statements. For level 1 investments the Fund relies on information provided by independent pricing vendors via the investment administrator for the valuation of its investments. Refer to Note 2e.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly. Securities quoted in an inactive market are also included in level 2.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Securities priced using dealer or broker quotes are classified as level 2.

Level 3: one or more of the significant inputs are not based on observable market data.

The fair value of financial assets and liabilities that are not quoted in an active market are determined using valuation techniques. These can include recent arm's length market transactions, discounted cash flow techniques or any other valuation technique that provides a reliable estimate of prices which could potentially be obtained in actual market transactions. Where discounted cash flow techniques are used, forecast future cash flows are based on best estimates and the discount rate used is a market rate applicable for an instrument with similar terms and conditions.

2024	Valued at Quoted Market Price (Level 1) $'000	Observable Market Inputs (Level 2) $'000	Unobservable Inputs (Level 3) $'000	Total $'000
Cash and Short Term Deposits	4,836,845	7,973,511	-	12,810,356
Derivative Assets	26,007	745,770	-	771,777
Australian Equities	19,892,313	(340)	3,852	19,895,825
International Equities	25,049,862	-	172	25,050,034
Global Debt	189,218	10,988,196	-	11,177,414
Alternatives	-	67,644	280,017	347,661
Property	-	4,093,212	682,848	4,776,060
Infrastructure	-	3,784,985	5,068,322	8,853,307
Private Equity	-	1,412,513	2,610,829	4,023,342
Derivative Liabilities	(36,366)	(178,744)	-	(215,110)
Total	**49,957,879**	**28,886,747**	**8,646,040**	**87,490,666**

2023	Valued at Quoted Market Price (Level 1) $'000	Observable Market Inputs (Level 2) $'000	Unobservable Inputs (Level 3) $'000	Total $'000
Cash and Short Term Deposits	4,064,309	8,054,934	-	12,119,243
Derivative Assets	24,085	666,437	-	690,522
Australian Equities	17,279,678	133,621	12,777	17,426,076
International Equities	21,034,744	98,237	336	21,133,317
Global Debt	461,966	8,233,422	138	8,695,526
Alternatives	-	80,418	765,751	846,169
Property	-	4,545,815	348,763	4,894,578
Infrastructure	-	3,865,153	4,283,214	8,148,367
Private Equity	-	1,638,385	2,258,648	3,897,033
Derivative Liabilities	(84,304)	(420,527)	-	(504,831)
Total	**42,780,478**	**26,895,895**	**7,669,627**	**77,346,000**

17. Financial instruments (continued)

(b) Level 3 Investments managed by external investment managers

Level 3 Investments managed by external investment managers are investments generally held in investment vehicles such as unlisted units trust and limited partnerships which are closed-ended and not actively traded. The Trustee values these investments using the redemption price or valuation provided by the fund manager unless there is a specific verifiable reason to vary from the valuation provided.

As the valuation of the Fund's interest in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and is therefore classified as a level 3 investment.

The Fund reviews the valuation policy adopted by the relevant investment manager and may make further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations. For unlisted assets managed by an external manager, the investment will be valued by the manager in accordance with their valuation policy. If there is no external manager, the Fund will use an independent valuation. In accordance with the Valuation Policy the assets were revalued with reference to the performance of similar assets on the listed markets and known disclosed revenue streams and expectations.

As at 30 June 2024 the Fund had financial instruments categorised as level 3, that are recorded at the latest available valuation at balance date. This is provided by the external investment manager, general partner or independent valuer. Unlike level 2 categorised financial instruments where inputs are observable (either directly or indirectly) and include quoted prices for similar assets and liabilities in active and inactive markets, inputs for the valuation methodology in level 3 investments are unobservable and often based on internally developed valuation models and assumptions.

(c) Valuation Inputs for level 3 investments

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value as at 30 June 2024 $'000	Fair value as at 30 June 2023 $'000	Unobservable Inputs	Range of Inputs	Relationship of unobservable inputs to Fair Value $'000
Australian Equities	3,852	12,777	Stale Price*	Last available price	A change in the price by -18.5% to +32.4% (2023: -17.4% to +33.5%) would change the value by -0.71 to 1.25 (2023: -2.22 to 4.28)
International Equities	172	336	Stale Price*	Last available price	A change in the price by -16.9% to +29.2% (2023: -15.6% to +30.8%) would change the value by -0.03 to 0.05 (2023: -0.05 to 0.1)
Global Debt	-	138	Stale Price*	Last available price	A change in the price by -1.5% to +10% (2023: 0% to +8.9%) would change the value by 0 to 0 (2023: 0 to 0.01)
Private Equity (Externally Managed)	2,196,115	1,949,556	Unit Price	Last available price	A change in the price by -19% to +37% (2023: -17.5% to +38.5%) would change the value by -417.26 to 812.56 (2023: -341.17 to 750.58)
Private Equity (Directly Held with no External Manager)	412,315	307,053	Discount rate	13.0% - 14.0%	The higher the discount rate, the lower the fair value
	2,399	2,039	Earnings multiple	3.0% - 4.0%	The higher the earnings multiple, the higher the fair value
Property	682,848	348,763	Unit Price	Last available price	A change in the price by -6.6% to +17.5% (2023: -4.8% to +19.3%) would change the value by -45.07 to 119.5 (2023: -16.74 to 67.31)
Infrastructure	5,068,322	4,283,214	Unit Price	Last available price	A change in the price by -9% to +24.2% (2023: -7.9% to +25.2%) would change the value by -456.15 to 1226.53 (2023: -338.37 to 1079.37)
Alternatives	280,017	765,751	Unit Price	Last available price	A change in the price by -5.6% to +18.3% (2023: -4.9% to +18.9%) would change the value by -15.68 to 51.24 (2023: -37.52 to 144.73)
	8,646,040	**7,669,627**			

*A price that may not reflect the most recent information

17. Financial instruments (continued)

(d) Level 3 Financial Instruments Transactions

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

2024	Alternatives $'000	Australian Equities $'000	International Equities $'000	Infrastructure $'000	Global Debt $'000	Property $'000	Private Equity $'000	Derivative Assets $'000	Total $'000
Balance at 1 July 2023	765,751	12,777	336	4,283,214	138	348,763	2,258,648	-	7,669,627
Purchases	91,674	-	6	789,678	-	401,978	251,317	-	1,534,653
Sales	(553,614)	(9,032)	(571)	(97,588)	-	(22,650)	(83,996)	-	(767,451)
Transfers into level 3	-	109	277	-	-	-	273,616	-	274,002
Transfers out of level 3	-	-	-	(46,935)	-	-	(63,969)	-	(110,904)
Total gains/(losses)	(23,794)	(2)	124	139,953	(138)	(45,243)	(24,787)		46,113
Balance at 30 June 2024	**280,017**	**3,852**	**172**	**5,068,322**	**-**	**682,848**	**2,610,829**	**-**	**8,646,040**

2023	Alternatives $'000	Australian Equities $'000	International Equities $'000	Infrastructure $'000	Global Debt $'000	Property $'000	Private Equity $'000	Derivative Assets $'000	Total $'000
Balance at 1 July 2022	1,248,031	22,470	12,939	3,841,761	136	392,812	2,360,962	-	7,879,111
Purchases	28,591	27,658	88	553,945	-	5,784	112,394	-	728,460
Sales	(502,446)	(18,700)	(11,157)	(320,349)	(14)	(807)	(53,517)	-	(906,990)
Transfers into level 3	-	-	322	-	-	-	-	-	322
Transfers out of level 3	-	-	-	-	-	-	-	-	-
Total gains/(losses)	(8,425)	(18,651)	(1,856)	207,857	16	(49,026)	(161,191)	-	(31,276)
Balance at 30 June 2023	**765,751**	**12,777**	**336**	**4,283,214**	**138**	**348,763**	**2,258,648**	**-**	**7,669,627**

Total Gains/(Losses) Level 3

2024	Alternatives $'000	Australian Equities $'000	International Equities $'000	Infrastructure $'000	Global Debt $'000	Property $'000	Private Equity $'000	Derivative Assets $'000	Total $'000
Total gains/(losses) recognised in the Income Statement for the period	(23,794)	(2)	124	139,953	(138)	(45,243)	(24,787)	-	46,113
Total gains/(losses) recognised in the Income Statement for the period for assets held at the end of the reporting period	(30,267)	(57)	(199)	139,824	(138)	(45,243)	(24,787)	-	39,133

Transfers Between Levels

2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Australian Equities	(109)	-	109	-
International Equities	(277)	-	277	-
Global Debt	-	-	-	-
Alternatives	-	-	-	-
Property	-	-	-	-
Infrastructure	-	46,935	(46,935)	-
Private Equity	-	(209,647)	209,647	-
Total	**(386)**	**(162,712)**	**163,098**	**-**

17. Financial instruments (continued)

(d) Level 3 Financial Instruments Transactions (continued)

Total Gains/(Losses) Level 3

2023	Alternatives $'000	Australian Equities $'000	International Equities $'000	Infrastructure $'000	Global Debt $'000	Property $'000	Private Equity $'000	Derivative Assets $'000	Total $'000
Total gains/(losses) recognised in the Income Statement for the period	(8,425)	(18,651)	(1,856)	207,857	16	(49,026)	(161,191)	-	(31,276)
Total gains/(losses) recognised in the Income Statement for the period for assets held at the end of the reporting period	4,856	(18,665)	8	203,969	4	(48,930)	(161,192)	-	(19,950)

Transfers Between Levels

2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Australian Equities	-	-	-	-
International Equities	(322)	-	322	-
Global Debt	-	-	-	-
Alternatives	-	-	-	-
Property	-	-	-	-
Infrastructure	-	-	-	-
Private Equity	-	-	-	-
Total	**(322)**	**-**	**322**	**-**

18. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the table below.

	Effects of offsetting on the statement of financial position			Related amounts not offset	
	Gross amount of financial assets/ (liabilities) $'000	Gross amount set off in the statement of financial position $'000	*Net amount of financial assets/(liabilities) presented in the statement of financial position $'000	Amounts subject to master netting arrangements $000	Related amounts not offset. Net amount $000
2024					
Financial Assets					
Foreign exchange forwards	505,635	-	505,635	129,242	376,393
Swaps	153,694	-	153,694	104,153	49,541
Futures and options	112,448	-	112,448	-	112,448
	771,777	**-**	**771,777**	**233,395**	**538,382**
Financial Liabilities					
Foreign exchange forwards	(137,829)	-	(137,829)	(24,209)	(113,620)
Swaps	(68,876)	-	(68,876)	(3,771)	(65,105)
Futures and options	(8,405)	-	(8,405)	-	(8,405)
	(215,110)	**-**	**(215,110)**	**(27,980)**	**(187,130)**

18. Offsetting financial assets and financial liabilities (continued)

	Gross amount of financial assets/ (liabilities) $'000	Effects of offsetting on the statement of financial position Gross amount set off in the statement of financial position $'000	*Net amount of financial assets/(liab--ilities) prese--nted in the statement of financial position $'000	Related amounts not offset Amounts subject to master netting arr--angements	Related amounts not offset. Net amount
2023					
Financial Assets					
Foreign exchange forwards	367,347	-	367,347	120,584	246,763
Swaps	202,720	-	202,720	95	202,625
Futures and options	120,455	-	120,455	-	120,455
	690,522	**-**	**690,522**	**120,679**	**569,843**
Financial Liabilities					
Foreign exchange forwards	(294,941)	-	(294,941)	(45,380)	(249,561)
Swaps	(131,327)	-	(131,327)	(2,223)	(129,104)
Futures and options	(78,563)	-	(78,563)	-	(78,563)
	(504,831)	**-**	**(504,831)**	**(47,603)**	**(457,228)**

*ISDA Master Agreements are in place to facilitate netting and are enforceable on a per counterparty basis only. No cross counterparty netting is possible.

19. Insurance

The Fund provides death, disability and income protection benefits to members. These benefits are greater than the member liabilities and as such the Trustee has a group policy in place with a third party to insure death, disability and income protection benefits in excess of member liabilities. Income protection insurance is not paid via the Fund.
The Trustee acts as an agent for these arrangements.

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members accounts and reinsurance recoveries allocated are recognised in the statement of changes in members benefits.

20. Commitments

(a) Capital Commitments

As at 30 June 2024, the Fund had capital commitments of $3,317,106,962 (2023: $2,923,372,931) representing uncalled capital from certain investment managers. The exact timing of the capital commitments cannot be reliably estimated as the amounts are called at the discretion of the underlying investment manager. The minimum call notice period is usually 10 business days, however the Fund anticipates the uncalled capital will be called over a number of years.

(b) Non-cancellable operating leases

HESTA leases commercial offices spaces (within Australia), vehicles, printers and laptops. The office leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	Jun-24 $'000	Jun-23 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	11,509	9,559
Later than one year but not later than five years	42,665	41,658
Later than five years	450	2,303
	54,624	**53,520**
Rental expense relating to operating leases		
Minimum lease payments	11,534	8,877
Total rental expense relating to operating leases	**11,534**	**8,877**

21. Significant events after balance date

IFM and ISPT have entered into a Transaction Implementation Deed pursuant to which IFM intends to acquire ISPT by way of scheme of arrangement. The acquisition is subject to a number of conditions (including the approval of securityholders and the court) and is scheduled to be complete by the end of calendar year 2024.

Other than what has been disclosed above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

HESTA
Financial Statements
For the year ended 30 June 2024

TRUSTEE DECLARATION

In the opinion of the Trustee of HESTA:

(a) the accompanying financial statements and notes set out on pages 18 to 44 are in accordance with:
   (i) Australian Accounting Standards and other mandatory professional reporting requirements, and
   (ii) present fairly the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

(b) the Fund has been conducted in accordance with its constituent Trust Deed and the requirements of the Superannuation *Industry (Supervision) Act 1993* and its accompanying Regulations; the relevant requirements of the Corporations Act 2001 and *Regulations*; the requirements under *section 13 of the Financial Sector* (Collection of Data) Act 2001 during the year ended 30 June 2024; and

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

Signed in accordance with a resolution of the Board of Directors of H.E.S.T. Australia Ltd as Trustee for HESTA.

Signed at Melbourne, 25 September 2024

Director

Director

Independent auditor's report

To H.E.S.T. Australia Ltd, the Trustee of HESTA (ABN: 64 971 749 321)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of HESTA ("the RSE") are in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year then ended
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the income statement for the year then ended
- the statement of changes in member benefits for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Trustee declaration.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the RSE, its accounting processes and controls and the industry in which it operates.

Our audit of the financial report focused on where the Trustee made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Our audit approach reflects the nature of HESTA's investment operations, with consideration of the work undertaken by HESTA's third-party service organisations and external investment managers.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Finance Audit and Compliance Committee.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of complex financial instruments (Level 2 and 3 fair value hierarchy classified unlisted investments) (collectively referred to as "complex financial instruments") *Refer to Note 2(e) Fair value measurement and Note 17 Financial instruments* At 30 June 2024, HESTA's complex financial instruments comprised investments in infrastructure, alternatives, property and private equity amongst others. Notes 2(e) and Note 17 of the financial statements describe the valuation methodology and inputs used by HESTA to measure the fair value of complex financial instruments under Australian Accounting Standards. HESTA's complex financial instruments are valued using the valuation provided by the relevant external investment manager responsible for each	We assessed the design and implementation, and tested the operating effectiveness, of certain controls supporting HESTA's valuation process relating to complex financial instruments, including controls relating to the oversight and review of the valuation policies and methodology adopted by HESTA's external investment managers. We also performed the following procedures, amongst others, for a selection of complex financial instruments: ● Obtained a valuation statement as at 30 June 2024 directly from external investment managers and compared the quoted valuation to HESTA's accounting records; and ● Assessed the reliability of the valuation statements provided by external investment managers by reference to the audited financial

Key audit matter	*How our audit addressed the key audit matter*
investment fund, in most cases. We consider this a key audit matter because of the: ● financial significance of the balance of complex financial instruments in HESTA's statement of financial position; ● the level of judgement involved in the determination of unobservable inputs into the fair value by the external investment manager; and ● the sensitivity of the fair value of complex financial instruments to material changes in unobservable inputs.	statements of the complex financial instrument, or by performing other procedures such as inspecting transactions close to the balance date, when available.
Level 1 and 2 fair value hierarchy classified investments, excluding unlisted investments (collectively referred to as "level 1 and 2 investments") *Refer to Note 2(e) Fair value measurement and Note 17 Financial instruments* At 30 June 2024, HESTA's level 1 and 2 investments primarily included investments in cash and short term deposits, listed Australian and international equities, global debt, derivative assets and derivative liabilities. Notes 2(e) and 17 of the financial statements describes the valuation methodology used by HESTA to measure the fair value of level 1 and 2 investments under Australian Accounting Standards. We considered this a key audit matter because of the financial significance of the balances in HESTA's statement of financial position.	We assessed the design and evaluated the operating effectiveness of relevant controls operated by the third-party service organisations ("service organisations") that provide administration and custody services. We performed the following procedures, amongst others: ● Inspected the most recent reports provided to HESTA by the service organisations setting out the controls in place at that service organisation, which included an audit opinion from the service organisation's auditor over the design and operating effectiveness of those controls. ● Developed an understanding of the control objectives and associated control activities and evaluated the results of the tests undertaken, and the conclusions formed, by the service organisation's auditor, to the extent relevant to our audit of HESTA's level 1 and 2 investments. We obtained and assessed the reliability of the audit report from the third-party custody service provider's auditors on the valuation of level 1 and 2 investments, as at the balance sheet date. We compared the number and value of the level 1 and 2 investments at 30 June 2024 as recorded in HESTA's accounting records and underlying

Key audit matter	How our audit addressed the key audit matter
	accounting records to this report. Together with assistance from PwC valuation experts, we performed the following procedures amongst others for a selection of level 2 derivative investments not included in scope of the third-party custody service provider's auditors: • Recalculated the valuation and compared that valuation to the value of HESTA's level 2 derivative investments. • Obtained a confirmation from the external investment manager and compared the confirmed balance to HESTA's accounting records.

Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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

Responsibilities of the directors of the Trustee for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/auditors_responsibilities/ar6.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of HESTA for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001.*

Responsibilities

The directors of the Trustee are responsible for the preparation and presentation of the remuneration report in accordance with section 300C of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

George Sagonas
Partner

Melbourne
25 September 2024

HESTA

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