

3 July 2024

Ivan Powell  
Committee Secretary  
Parliamentary Joint Committee on Corporations and Financial Services  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**Via email**

Dear Mr Powell

Thank you for your email on 18 June 2024 inviting HESTA to respond to the inquiry into the financial services regulatory framework in relation to financial abuse. HESTA is a profit-to-member industry super fund investing more than \$84 billion<sup>1</sup> on behalf of more than one million members who work primarily in the health and community services sector. HESTA welcomes the opportunity to write to the Committee on this important issue.

Financial abuse is a major issue in the community and can lead to significant financial distress. Given financial abuse is a systemic issue, HESTA is supporting our peak bodies, Super Members Council of Australia and Association of Superannuation Funds of Australia, to provide broader industry perspectives to the Committee. SMC and ASFA are co-ordinating responses to the Committee and can (at a system level) identify areas of opportunity for strengthening legislative and regulatory settings and other related reforms.

HESTA takes very seriously its responsibilities as a trustee to help safeguard our members' personal and financial information from suspicious activity that could lead to potential exploitation of our members' retirement savings.

Members can only access superannuation if they meet a condition of release. These conditions of release are limited and are prescribed. These conditions are guarded by existing systems and processes, which include reporting financial crime under Australia's anti-money laundering and counter terrorism financing regime.

Internally, HESTA has a strong financial risk management framework that includes a comprehensive compliance training program focusing on financial fraud prevention and risk management for staff. In partnership with our outsourced administration, we have in place automated flagging of potential issues on accounts based on certain types of transactions that

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<sup>1</sup> As of 26 June 2024.

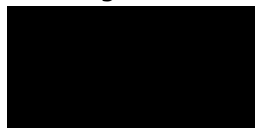
act as an additional safeguard. We are limited in what we can disclose publicly in this regard to avoid the risk of providing information that could assist those who may seek to exploit member accounts.

These measures are complemented by member education whereby we provide information for members on our website containing important steps that can be taken to help protect their identity and keep their account safe. It also includes information about common scams that members should be aware of and how they can seek further information and support from HESTA. Uplifting member awareness can also contribute to reducing the risk of financial abuse.

We have included HESTA's publicly available Vulnerable Member Policy used to help protect vulnerable members' personal and financial information. This policy is available on our website and a copy has been attached (**Attachment 1**).

HESTA is committed to continually improving its practices and processes particularly when it comes to safeguarding and maintaining our members' personal and financial information. For any comments or questions please contact Sarah Caines, Senior Manager, Corporate Affairs at [REDACTED].

Best regards



Sam Riley  
General Manager of Corporate Affairs

# HESTA Vulnerable Members Policy

Prepared by

Member Services and Operations



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## 1. Overview

### Introduction

HESTA recognises that members who have unique needs or experience vulnerability may require additional support when engaging with us.

While we aim to identify and support members with unique needs or who may be vulnerable due to other factors, we encourage our members to inform us, if possible, if they are experiencing vulnerability so that we can provide additional support.

Vulnerability may be due to a range of factors including but not limited to:

- Aboriginal or Torres Strait Islander identity
- age
- disability
- financial distress
- family violence/abuse
- low level literacy
- mental health conditions
- natural disaster
- non-English-speaking backgrounds
- isolation
- sexual orientation
- gender identity
- intersex status
- incarceration

We acknowledge that the needs of vulnerable members may be permanent or temporary and may change over time. We engage with our members in a dignified, respectful and compassionate manner and recognize the importance of having a balance between flexibility and ensuring our members remain protected.

## 2. Purpose

This policy addresses how HESTA aim to cater for the needs of vulnerable members with regards to products and services.

This policy aims to:

- Provide a culture of support, protection and accountability;
- Assist HESTA to proactively identify vulnerable members and minimise the reliance on self-identification by the members themselves;
- Ensure appropriate support is provided to vulnerable members when it is required; and
- Empower members to be confident in the decisions they make because they can access and understand the information needed to make those decisions.

### 3. Definitions

**A member's vulnerability may be due to a single identity characteristic or the intersectionality of characteristics:**

#### **Aboriginal or Torres Strait Islander peoples**

Individuals who identify as Aboriginal or Torres Strait Islander may be affected by the gaps in health and wellbeing noted and monitored by the Australian Government. These gaps have been identified as a lower life expectancy, higher levels of child mortality, reading, writing and numeracy gaps, employment and early childhood and educational attendance.

#### **Age**

##### **Younger:**

- Very young members of a Fund may lack financial literacy or be more vulnerable to fraud due to inexperience or an overly trusting approach

##### **Older:**

- Many older members will have kept up with technological changes, but some won't have the skills or ability to access information and forms online

##### **Elderly:**

- Elderly members of HESTA may be at risk of elder neglect, elder emotional or psychological abuse and, in particular, elder financial abuse. Elder financial abuse is the mismanagement or improper use of an older person's finances.

#### **People with disabilities**

A disability or impairment is a condition which 'impacts daily activities, communication and/or mobility and is likely to last six months or more'. The breadth of the conditions covered by the *Disability Discrimination Act 1992* (Cth) are:

- Physical – affecting a person's mobility or dexterity;
- Intellectual – affecting a person's abilities to learn;
- Mental Illness – affecting a person's thinking processes;
- Sensory – affecting a person's ability to hear or see;
- Neurological – affecting the person's brain and central nervous system;
- Learning disability;
- Physical disfigurement; or
- Immunological – the presence of organisms causing disease in the body.

Disability can be visible or non-visible, inherited or acquired (due to illness or injury) and can be temporary or permanent.

#### **Financial distress**

Financial distress is defined as a condition in which an individual cannot generate sufficient revenue or income, so that they are unable to meet their financial obligations.

#### **Family violence/abuse**

Domestic violence is considered a subset of family violence and typically refers to violent behaviour between current or previous intimate partners. Aggressions can extend beyond physical violence, such as sexual abuse, financial constraints/manipulation, verbal/emotional/psychological threats, tracking/monitoring/filming, and isolation.

## **Low level literacy**

This definition includes reading and writing, numeracy and financial literacy.

## **Mental health conditions**

A mental illness is a health condition that significantly affects how a person feels, thinks, behaves, and interacts with other people. A mental health condition may also interfere with how a person thinks, feels, and behaves, but to a lesser extent than a mental illness.

## **Natural disasters and catastrophic events**

Natural disasters and catastrophic events in Australia can include heatwaves, bushfires, droughts, floods, severe storms and tropical cyclones, earthquakes, pandemics, tsunamis and landslides. Claims handling procedures will be adjusted according to what is a fair and reasonable response to the disaster or catastrophic event.

## **Non-English-speaking backgrounds**

Culturally and Linguistically Diverse (CALD) people are people from other cultures, or people who speak another language.

## **Isolation**

### **Social Isolation:**

- Social isolation is seen as the state of having minimal contact with others.

### **Geographical Isolation**

- Geographic isolation refers to the separation of members from the general population by a physical barrier such as land or water.

## **Gender Identity and Intersex status**

Sexual orientation, gender identity, gender expression and sex characteristics are personal characteristics that everyone has. LGBTQI+ stands for lesbian, gay, bisexual, transgender, queer and/or questioning, intersex and other diverse sexual orientations, gender identities and gender expressions.

## **Incarceration**

Incarcerated individuals are individuals who are currently residing in prison.

## 4. Addressing Specific Issues

### General standards applicable to Vulnerable Members

When communicating with a vulnerable member HESTA employees will:

- a) help members who have trouble meeting identification requirements by having a flexible approach to verification and identification.
- b) make it as easy as possible for vulnerable members to appoint a representative.
- c) ask the member (or their representative) how we can help them access services.
- d) take notes about any additional assistance a member may need.
- e) accommodate requests for assistance.
- f) show all members empathy and patience whilst communicating.
- g) provide a copy of any relevant documents upon request.

At HESTA we aim to provide high service standards and treat all members with sensitivity, dignity, respect, and compassion.

### Members affected by Family Violence

Where Family Violence is identified or suspected, our number one priority is the safety of our members and their families. When a situation involving Family Violence arises we take particular care and try to be flexible with our processes. In the event that we may need to contact the perpetrator of Family Violence we will ensure the details of the member are protected.

When dealing with a member affected by Family Violence HESTA will:

- a) ask for permission to record the support or assistance that they require and respect their right to confidentiality.
- b) treat all information about a member affected by Family Violence as sensitive information.
- c) discuss safe methods of communication and record these; and
- d) ensure any actions do not place the member at further risk to family violence.

We may refer affected members to [Ask Izzy](#) where they will be able to find assistance from organisations within their locality.

### Members from a non-English-speaking background

HESTA provides fair and accessible services, including interpreter services to facilitate communication wherever necessary. This includes when an interpreter is requested by a Member, or when an employee needs an interpreter to communicate effectively with a Member. We provide information of interpreter services on our website.

### Members with hearing impairment

If a member has a hearing or speech impairment they can contact HESTA through the National Relay Service using Internet relay. We can also nominate to communicate with the member by email or by post.

### Members with visual impairment

When handling queries from a member with a sight or vision impairment, we will:

- a) print communications in font size 16 point or larger
- b) communicate with the member verbally where appropriate



## **Members with low level literacy**

All our content is written in plain English to Australian Grade 8 level (age 12-13) and we try to keep the information as concise as possible. We use a minimum 14-point font size and illustrations, symbols or photographs to help assist readers with understanding concepts.

## **Elder Abuse**

HESTA provide training to our employees so that they may identify when a member may be affected by Elder Abuse. Where we have identified that a member may be affected we may refer them to [Ask Izzy](#) where they will be able to find assistance from organisations within their locality.

## **Members with Mental Health Conditions**

HESTA provides mental health training to our front line staff. Situations where self-harm or suicide are mentioned are treated seriously and escalated accordingly. If a member is actively suicidal, emergency services can be called. In a situation where a member mentions self-harm but is not actively suicidal their GP may be contacted as a precaution.

Where we have identified that a member may be affected but not in the above mentioned situations we may refer them to [Ask Izzy](#) where they will be able to find assistance from organisations within their locality.

## **Guardianship**

HESTA recognises that where members are under the care of an appointed guardian, administrator or the holder of an enduring power of attorney, any communications they provide will be sent directly to the guardian, administrator or attorney, and the trustee may only accept payment instructions from them.

## **Release of funds**

HESTA allows its members to receive early release of some of the money in their account on the basis of severe financial hardship or compassionate grounds. This process is clearly outlined on our website and members are able to contact us to obtain information or receive assistance with the processes.

HESTA also grants the release of the member's superannuation account balance in instances where members are affected by terminal illness or permanent incapacity.

## **Gender identity and Intersex status**

HESTA have a zero tolerance for inappropriate behaviour characterised as Discrimination, Harassment (including sexual harassment), Bullying and Victimisation. Employees are responsible for maintaining a strong understanding of EEO, discrimination, harassment and bullying; ongoing training is provided and employees are required to familiarise themselves with this policy and their responsibilities.

## **5. Support Services**

HESTA are affiliated with the following services:

- **Welfare Rights Australia:** <https://welfare-rights-centre.org.au/>
- **Translating and Interpreting Service (TIS National):** <https://www.tisnational.gov.au/>
- **National Relay Service:** <https://www.infrastructure.gov.au/media-communications-arts/phone/services-people-disability/accesshub/national-relay-service>
- **Ask Izzy:** <https://askizzy.org.au/>

For the full list of support services check our website at:

<https://www.hesta.com.au/content/dam/hesta/Documents/Helpful-organisations-referral-list.pdf>