

Making Super Simple

Westpac New Zealand Staff Superannuation Scheme

2014 Annual Report



Highlights

2.35%

annual return for the Cash Fund
net of fees and taxes

12.23%

annual return for the Defined
Benefits section net of fees and taxes

5.11%

annual return for the Defensive Fund
net of fees and taxes

\$342 million

in retirement savings accumulated

9.04%

annual return for the Moderate
Balanced Fund net of fees and taxes

Westpac

continues to pay your fees and expenses
in the Scheme

11.84%

annual return for the Growth Fund net
of fees and taxes

4,033

active members and pensioners

15.90%

annual return for the High Growth Fund
net of fees and taxes

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A message from the Chairman

Welcome to the 2014 annual report for the Scheme.

On behalf of my fellow Trustees, I am pleased to present the Scheme's annual report for the year ended 30 June 2014.

We are proud of the services we deliver to our members and are pleased with the performance of the investment funds offered within the Scheme. The investment returns over the year were as follows (after all fees and expenses):

Investment Option	1 year to 30 June 2014
Cash Fund	2.35%
Defensive Fund	5.11%
Moderate Balanced Fund	9.04%
Growth Fund	11.84%
High Growth Fund	15.90%
Defined Benefit Section	12.23%

Solid performance in the investment markets

The performance of the Scheme was achieved on the back of improving global economic conditions, especially in the US. The latter part of the year saw global markets provide good returns with nearly all major asset classes increasing over the three months to June. You can read more about what happened during the year on page 9.

Your feedback, our response

At the end of last year we asked you to tell us what you think about the Scheme, services it offers and where we can improve. We would like to thank all 1,187 members who completed the survey.

The survey provided a number of important insights for the Trustees on services such as the quality of communications, the annual report, the member statement and the website (see page 3).

As a result of your feedback regarding the Annual Report we have made some changes to:

- 1) Simplify the content, while continuing to comply with the legislation.
- 2) Explain important investment concepts with the aim of making your super simple.

Looking to the future

As we move into the new Scheme year, our focus remains on delivering sustainable long term investment returns. We are also committed to continuous improvement in the services we provide you.

If you have any questions about your super please call the helpline on 0508 468 263 or go to www.westpacintandem.co.nz.



Bruce Kerr
Chairman



2013 Member survey insights

In December last year, the Trustees surveyed you to ask you about your perceptions of the Scheme's communications. The Trustees are committed to enhance the way in which we communicate with you.

Some key findings are:

83% felt the frequency of communications was about right

53% said they had visited the website in the last 12 months

37% respondents agreed or strongly agreed the annual report was easy to understand

50% wanted to know more about investment performance in the annual report

65% were interested in knowing more about strategies to grow their super

71% of respondents said they would like to receive communications about the Scheme online.

Your suggestions for the Annual Report

"Use more user friendly language. Real life examples at individual level to make it more human"

"Some of the terminology in the annual report is confusing and managed funds are hard to understand. If it could be written in simpler terms that would help"

"Pictures paint a thousand words – don't have time to read and analyse"

"I find I am just not into it. It doesn't engage me at all to read. I would prefer a plain English summary"

Our response

Your feedback is important to the Trustees of the Scheme. In response to your suggestions on the Annual Report we have made a number of important changes with the aim of making it easier to read and more engaging. We have reduced the amount of financial jargon, included more charts and images and included more break out boxes.

Member case study

Meet Connie Bullen



Connie is part of the Westpac Business Bank and Wealth team. She has been with the Bank for 10 years and we are very pleased that Connie has agreed to share her experience with all the members of the Scheme.

How long have you been in the Scheme for?

I have joined the Scheme only recently.

Why did you join?

After a few conversations with my colleagues I realised my super is something I need to get on to. For me personally it was important to choose a retirement savings provider that I could trust, which made things easy for me. Westpac certainly ticked all the boxes for me!

What do you think are the benefits of the Scheme?

Great question! Westpac pays administration fees and expenses, which is fantastic. How many New Zealand employers pay fees on their employees' behalf? The contribution rates from Westpac and the insurance offered are also great features of the Scheme.

How did you choose your investment option within the Scheme?

I wanted something that provides a good return with a little bit of risk. To find the option suitable for me I simply read the investment statement, which wasn't too scary. Thank goodness!

Do you visit the website and do you find it useful?

Yes. I have been on the website a couple of times. The website is great and very user friendly. Whatever you want to know about the Scheme is there from your account balance, investment performance to updating your personal details. I also found it to be fairly easy to login and reset my password.

Have you thought about what you would do with your super at retirement?

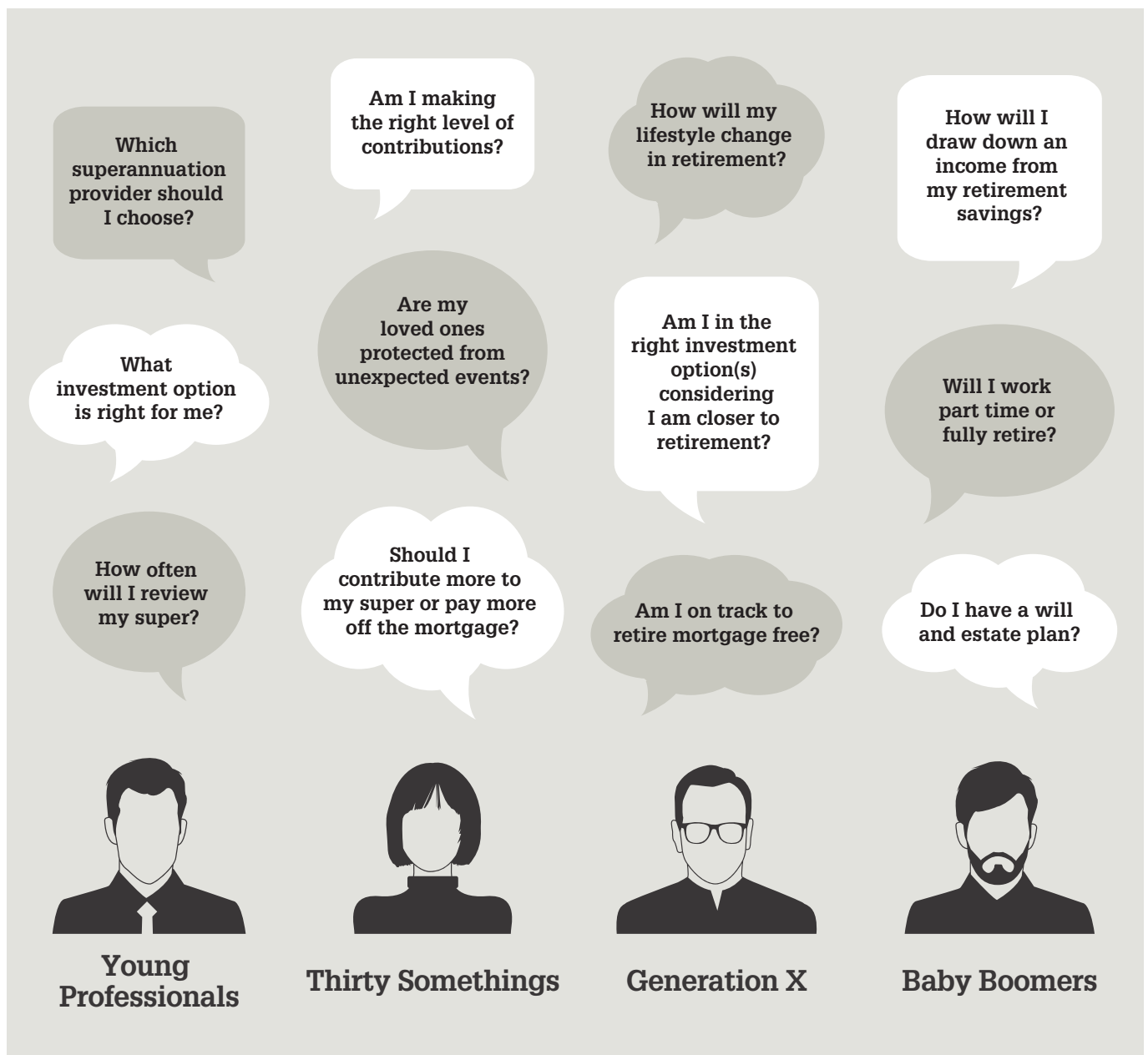
I think I will go on a dream holiday and look to start an income from my savings.

If there is anything you could say to your colleagues about retirement saving, what would it be?

Don't put it off. The earlier you start the more you will have at retirement. Starting now means less worry later in life.

Your super life

Over your life time, your personal circumstances and needs can change. That's why there can be many key considerations in planning your financial freedom for retirement. The below diagram broadly shows a checklist of criteria for you to consider relating to your super over your life time.



Please note the above diagram is illustrative only. It is not a substitute for personal financial advice.

How financial advice can help



**Melaney Jones Westpac Financial Adviser,
talks about how financial advice can help you**

How can a financial adviser help members of the Scheme?

There are two ways a financial adviser can help members. Firstly, an adviser can help members determine a suitable investment strategy for their financial goals in retirement. Secondly, an adviser can help members understand the jargon and complexity that exists when it comes to the world of investing.

Why do you think it is important for members to get financial advice?

Many people need advice to ensure they are on the right track for achieving their goals whatever those goals may be. A financial adviser essentially provides people with greater certainty when it comes to their financial futures, especially in retirement.

Which members should speak to a financial adviser?

Anyone who is looking at joining or leaving the Scheme and wants more information. Existing members who are unclear as to whether they are investing in the correct investment option should also seek advice. Being in the wrong investment option can make a huge difference over the longer term.

What is an AFA?

Authorised Financial Advisers (AFAs) are individual advisers who are permitted by the Financial Markets Authority to provide personalised financial adviser services to retail clients.



Your Trustees

The faces behind the Scheme's management

The Trustees are responsible for the oversight and management of the Scheme. They are accountable for the Scheme's investment strategy, insurance arrangements, appointment of investment managers and much more. At 30 June 2014 the Trustees of the Scheme were:



Bruce Kerr

(Independent Chairman
of Trustees)

Executive Director,
Workplace Savings NZ
– the voice of workplace super



Ian Blair

General Manager, Retail Bank



Su Duffey

General Manager,
Human Resources



Ian New

Chief Actuary



Marc Proctor

Northern Region Area Manager,
Investment Advisory Service



Richard Trounson

Director, Private Wealth &
Insurance

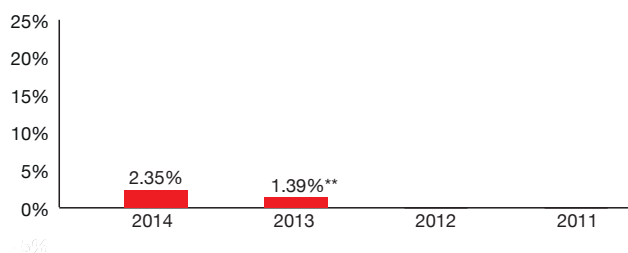
Going mobile

We've made it easy for you to access your account via mobile devices and traditional channels. Simply go to www.westpacintandem.co.nz on your mobile device to view your account information which has been changed for the smaller screen. In the 2013-14 year, approximately 6% of logins to the website were from a mobile device.

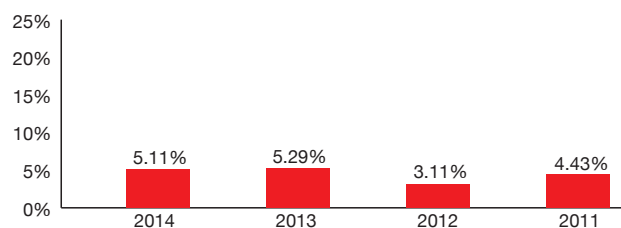
Investment performance

Over the longer term to 30 June 2014*

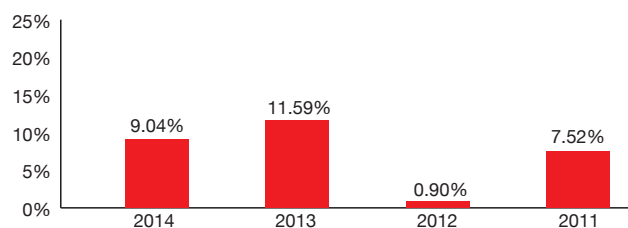
Cash Fund



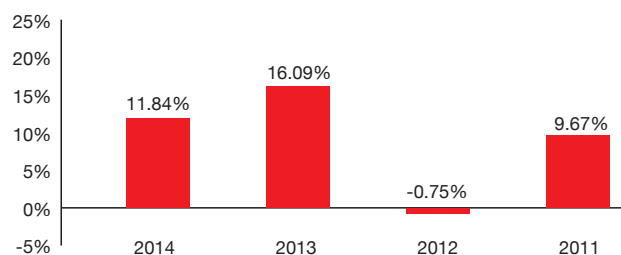
Defensive Fund



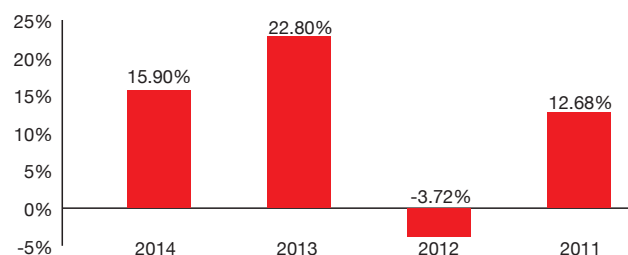
Moderate Balanced Fund



Growth Fund



High Growth Fund



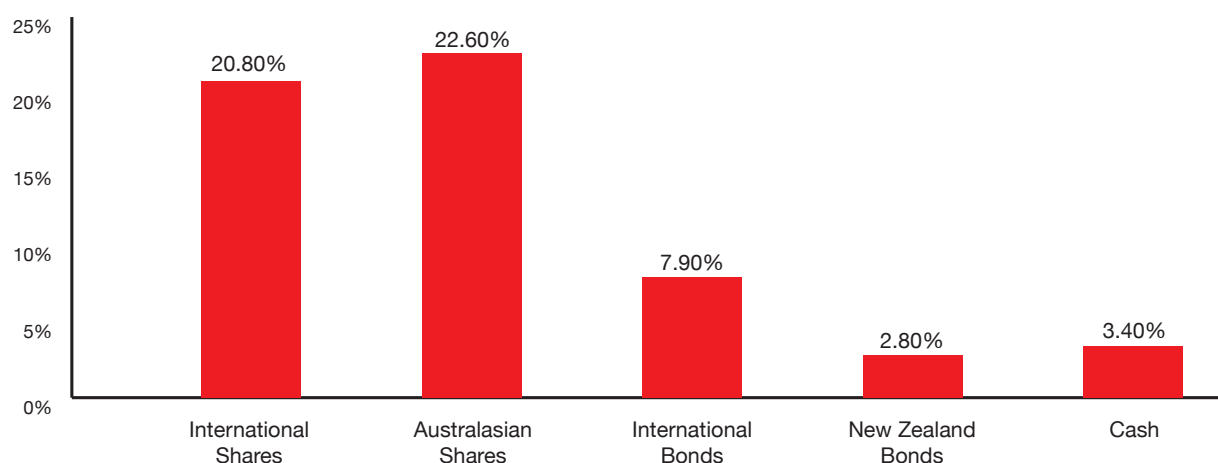
* The defined benefits option is not included. This option is closed to new members. The performance of this fund does not impact the income payments pensioners receive once they retire.

** The Cash Fund only commenced in December 2012. The figure for 2013 presented is annualised (ie estimated for the year).

Investment commentary

What happened during the Scheme year in the markets?

The US Federal Reserve (the Fed) played a key role in markets during the year. Ultra low interest rates together with its asset purchasing programme provided a huge boost to markets earlier in 2013. Fortunately, fears the world's markets would fall into disarray when the Fed began scaling back its programme in December, did not eventuate.



Key points:

- **International shares** have continued to provide impressive returns for members and proved relatively resilient in light of the uncertainty caused by events such as the Ukraine crisis and extreme winter weather conditions in the US. For the second year running share markets in the developed world outperformed those in developing or emerging markets.
- **Australasian shares** had a very good year, despite performance slowing down in the last quarter. The New Zealand share market was driven by the strong performance of the New Zealand economy, which continued to gain momentum on the back of rising house prices, stronger migration and increased business and consumer confidence. In Australia, share market returns were also strong despite concerns about several factors including concerns about the impact of slower growth in China and lower confidence.
- **International bonds** had a good year as most Central Banks chose either to lower rates or continue to hold rates constant, leading to expectations of future interest rate rises being pulled back.
- **New Zealand bonds and cash** performed well during the year. The sector was impacted by the Reserve Bank of New Zealand (RBNZ) increasing the Official Cash Rate (OCR) by 0.25% in March, April and June 2014.

Want more info on the markets?

Sign up for the economic insights from Dominick Stephens and other Westpac experts on www.westpac.co.nz/business/economic-updates/video-updates

Your investment choices

Different members have different financial needs, which means a single investment strategy doesn't suit everyone.

That's why the Scheme currently offers In-Tandem members a choice of investment options – Cash, Defensive, Moderate Balanced, Growth and High Growth.¹

Each investment option has a different mix of investment sectors or asset allocation, producing the different levels of expected risk and return. These are shown on the following page.

Risk vs. return

The rate of return from each investment option will vary according to the asset class, or combination of asset classes, in which it invests.

Historically, growth assets (e.g. shares and property) have provided the best returns over the long term (more than 10 years). However, growth assets also tend to have the most variation in returns from year to year.

In contrast, defensive assets, such as fixed interest and cash, have historically provided lower returns over the long term, but less variation in returns from year to year. However, you must always remember that past performance cannot be relied on as an indicator of future performance.

Time 'in' versus market 'timing'

Many successful investors stick to the principle of 'time in the market' versus 'timing the market'. But why?

It is very difficult to forecast accurately where the market is going over the short term with 100% certainty. If you look at history sometimes the best-performing market one year has been one of the worst the next and vice versa. Consider the following chart which shows calendar year asset class returns (before fees and taxes):

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
International Shares	27.0%	9.5%	-5.4%	4.1%	4.4%	-21.9%	-0.1%	16.0%	16.1%	4.3%
International Infrastructure	19.6%	10.2%	5.8%	6.7%	11.1%	-27.0%	17.4%	31.6%	25.2%	29.5%
New Zealand Shares	17.9%	25.9%	0.4%	3.7%	20.5%	-31.6%	1.4%	22.7%	10.4%	25.1%
Australian Shares	3.8%	15.2%	-10.4%	7.8%	42.0%	-35.6%	18.5%	28.9%	21.9%	21.0%
International Listed Property	6.5%	26.2%	0.4%	22.5%	27.8%	-43.6%	-13.5%	41.9%	20.0%	38.1%
International Bonds	2.2%	8.4%	8.1%	7.6%	7.8%	11.2%	8.5%	6.0%	8.1%	9.4%
New Zealand Cash	2.7%	2.7%	2.9%	3.0%	3.4%	8.8%	8.4%	7.8%	7.2%	6.1%

■ Worst performer in the year ■ Best performer in the year

Source: Mercer Periodic Table of Annual New Zealand Investment Returns 2014.

Note: Past performance is not an indication of future performance. Gross returns (i.e. before deducting investment-related costs and tax).

Indices used are: International Shares – MSCI World (NZD) unhedged, New Zealand Shares – NZX 50 with imputation credits, Australian Shares – ASX 200 (NZD, unhedged), International Infrastructure – UBS Global 50/50 Infrastructure & Utilities Index (NZD hedged), International Listed Property – UBS Global Property Investor only (NZD hedged), New Zealand Listed Property – NZX Sectoral Property (with imputation credits), International Fixed Interest – Barclays Capital Aggregate (NZD, hedged), New Zealand Cash – ANZ 90 Day Bill.

¹ Previously the Scheme offered a defined benefits option. This option is now closed to new members. Please note the investment performance of this option does not impact on the payments members receive.

Cash Fund

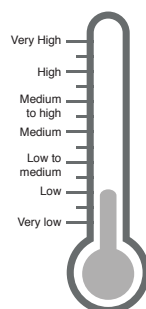
Risk return profile

Expect lower levels of risk and return.

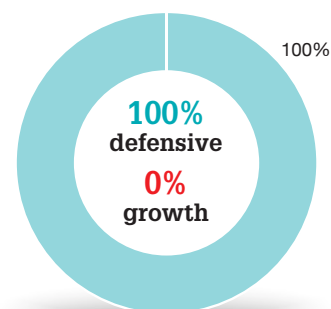
Return Objective:

To exceed the rate of return on the ANZ 90 Day Bank Bill Gross Index by at least 0.25% p.a. over each rolling 3 year period.

Risk level



Benchmark asset mix



Defensive Fund

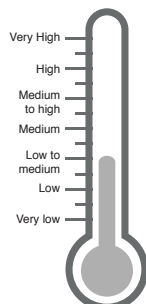
Risk return profile

Lower returns over the long-term, but less risk of losses.

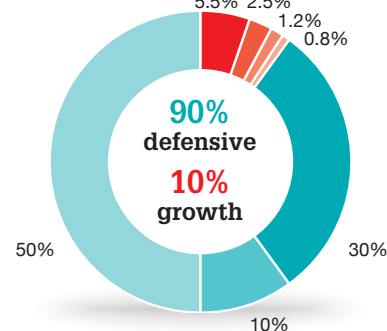
Return Objective:

To exceed the rate of inflation by at least 1.5% p.a. over a rolling 5 year period.

Risk level



Benchmark asset mix



Moderate Balanced Fund

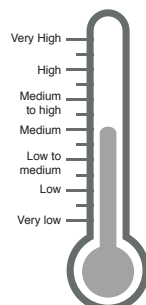
Risk return profile

Lower returns over the long-term than the Growth Fund, but less risk of losses.

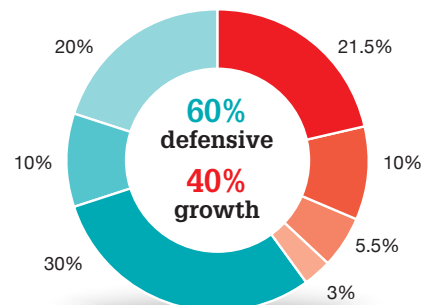
Return Objective:

To exceed the rate of inflation by at least 2.5% p.a. over a rolling 10 year period

Risk level



Benchmark asset mix



Growth Assets

International Shares

Australasian Shares

Real Assets

Alternative Assets

Defensive Assets

International Bonds

New Zealand Bonds

Cash

Growth Fund

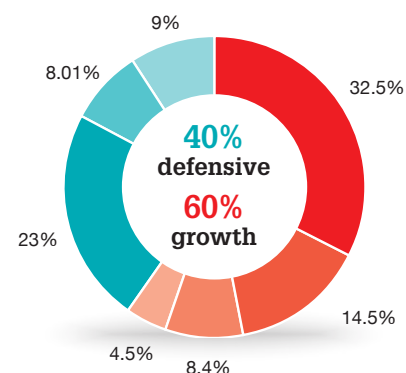
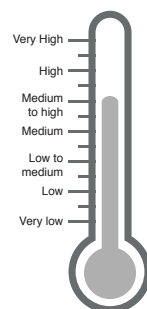
Risk return profile

Expect reasonable returns (but lower than the High Growth Fund) but reduced losses in bad years.

Return Objective:

To exceed the rate of inflation by at least 3.0% p.a. over a rolling 10 year period.

Risk level



High Growth Fund

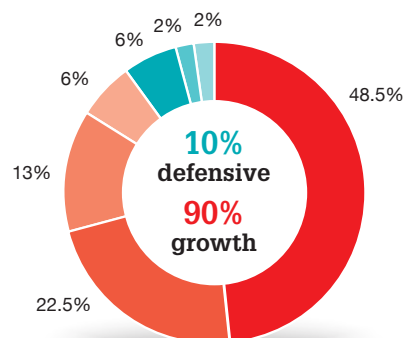
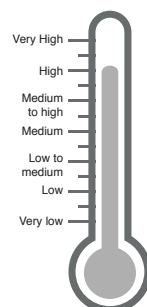
Risk return profile

Expect higher returns than other funds over the long-term but higher losses in bad years.

Return Objective:

To exceed the rate of inflation by at least 3.5% p.a. over a rolling 10 year period.

Risk level



Growth Assets



Defensive Assets



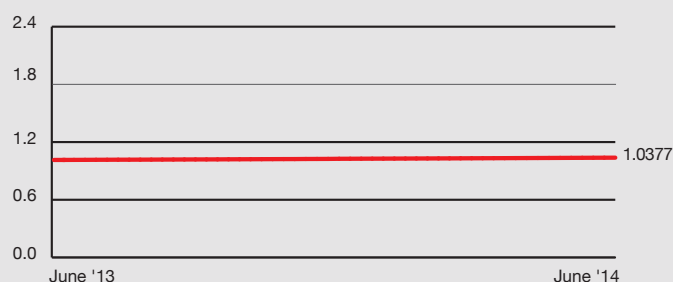
Making an investment choice

Determining what investment option is suitable for you will be dependent on your time-frame until retirement and how much risk you are willing to take. If you are unsure about your risk profile speak to an authorised financial adviser or use Sorted's investment planner on www.sorted.org.nz.

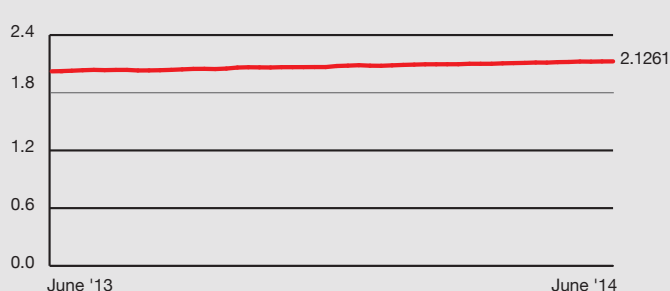
Unit price movements

Unit price movements give a good indication of how each fund progressed over the year. As you can see in the charts below, all funds trended upwards during the year.

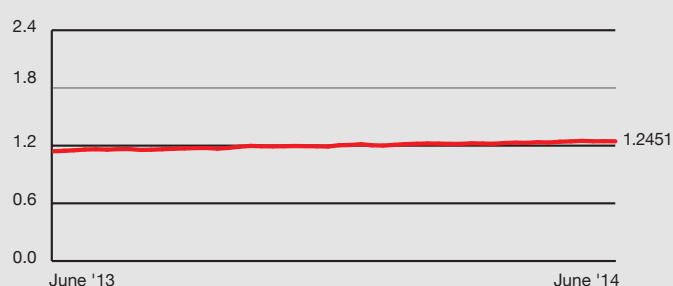
Cash Fund



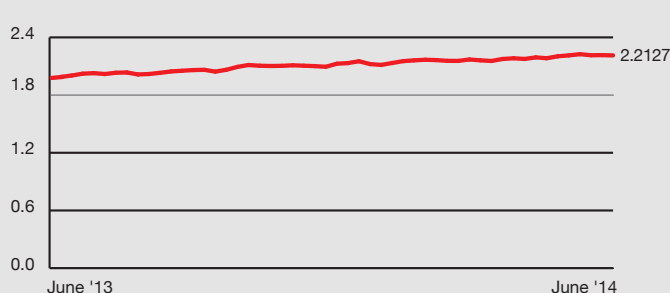
Defensive Fund



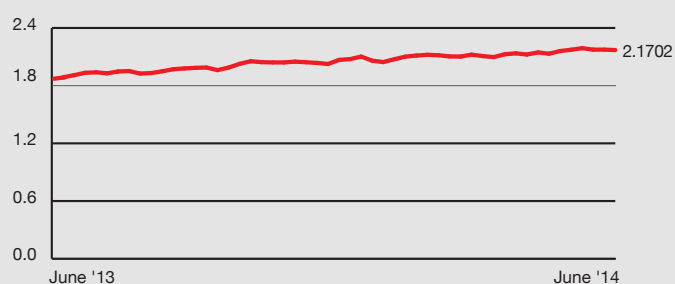
Moderate Balanced Fund



Growth Fund



High Growth Fund

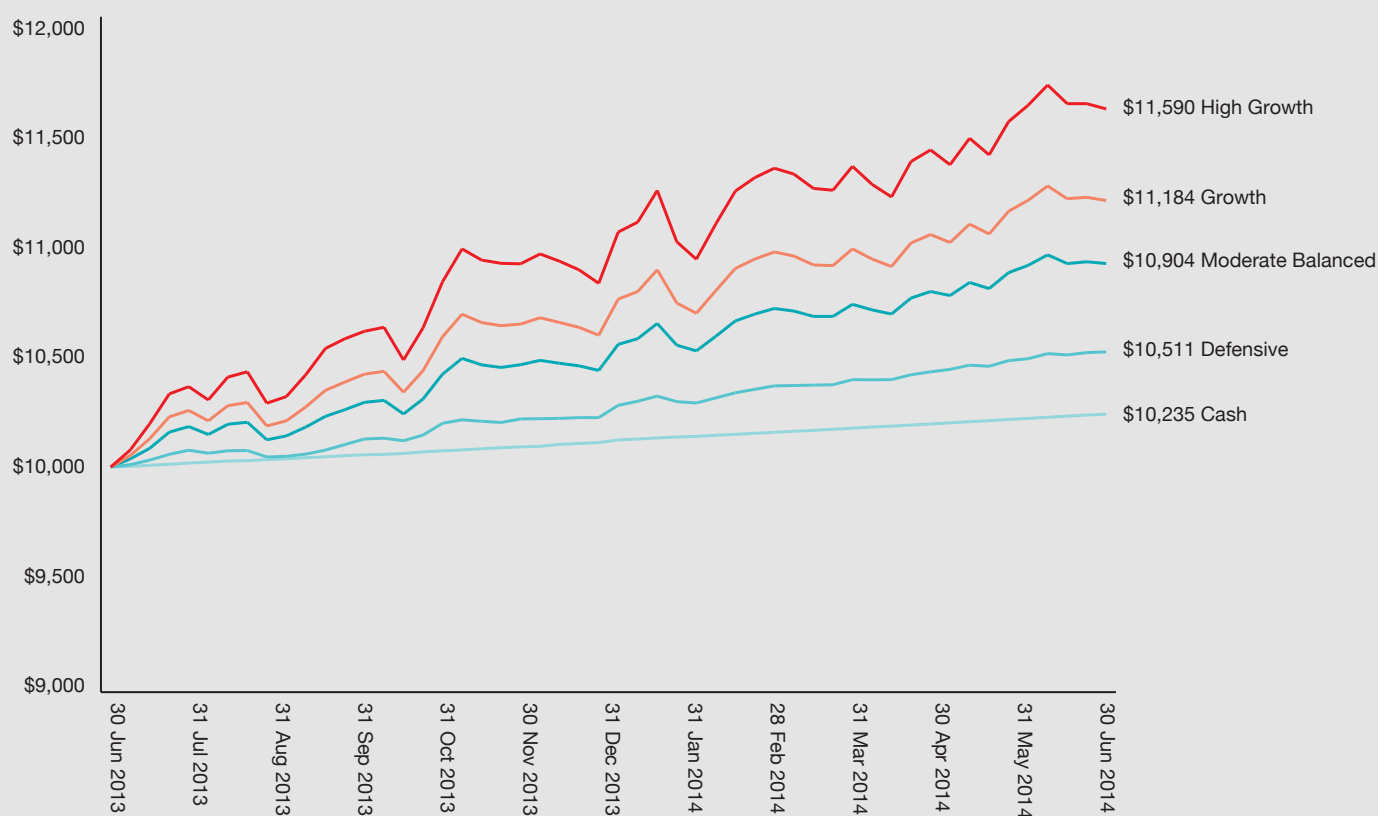


Want to change investment options?

Go to the Scheme's website www.westpacintandem.co.nz. You can change your investment options under the investments tab. Simply follow the instructions.

Making sense of the unit price movement

The below chart shows the value of \$10,000 invested on 30 June 2013 in each investment option.



Financial Markets Conduct Act

The Financial Markets Conduct Act 2013 came into effect this year and represents a significant change for financial service providers. From 1 December 2014, superannuation providers will have a two-year transition period to comply with the new disclosure, governance and licensing requirements. The Trustees and the Bank are currently in discussion on this.

Keep in touch online

The screenshot shows the homepage of the Westpac Staff Super Scheme website. The header includes the 'In Tandem' logo and contact information. The main content area features a 'SIGN IN to view your account' button, a 'Latest unit prices' section with piggy bank icons, and a 'Your member number is the same as your salary number, without the M or F' message. There are also links to 'FAQs', 'The Combo Option', and a 'Glossary'. A 'Latest news' section at the bottom provides updates on market indicators for periods ended 31 August 2014 and 31 July 2014.

The Westpac Staff Super Scheme website:

www.westpacintandem.co.nz

Provides a number of great features and tools to help better understand your super.

The screenshot shows the 'Your account summary' page. It displays the super account balance at 30/06/2014 as \$230,219.45. Below this, a table lists 'Plus' items: Member (\$1,125.00), Employer (\$1,055.25), and Investment earnings (\$6,088.99), totaling \$8,269.24. A 'Less' section shows a total of \$0.00. The final super account balance at 15/09/2014 is \$238,488.69.

Your account summary	
Your super account at 30/06/2014	\$230,219.45
Plus	
Member	\$1,125.00
Employer	\$1,055.25
Investment earnings	\$6,088.99
Total	\$8,269.24
Less	
Total	\$0.00
Your super account balance at 15/09/2014	\$238,488.69

View your account balance anytime, anywhere.



See where your money is invested.

The screenshot shows the 'Change your investments' page, Step 1 of 3. It instructs users to select one of the following options and read the instructions: 'Change your current account balance only', 'Change your future contributions only', 'Change both your current account balance and your future contributions to the same investment strategy', or 'Change both your current account balance and your future contributions to two different investment strategies'. Below this, there is a section to 'Apply your new investment strategy to' with checkboxes for 'Current account balance' and 'Future contributions'.

Change investment options and much, much more.

Fees

As a member of a retirement savings scheme, it's important that you pay as little money as possible in fees so that you can keep as much as possible in your account working for you. That's why it's good to know that all direct fees and expenses associated with the Scheme are paid by Westpac or from the Scheme's surplus.

In fact, the only fees you pay are investment management fees, which cover the costs associated with managing your portion of your investments in the option(s) you have chosen to invest in. These are considered indirect costs, as they are not deducted from your account balance but are deducted from investment earnings before they are applied to your account. Below is a summary of the expenses paid during the year, both by you and Westpac (or from the Scheme's surplus).

You pay your own investment management fees...

Investment management fees are charged as a percentage of your overall investment according to the investment option(s) you are invested in. The fees as at 30 June 2014 for each investment option are:

Investment Option	Investment management fee (%p.a.)
Cash Fund	0.11%
Defensive Fund	0.30%
Moderate Balanced Fund	0.45%
Growth Fund	0.52%
High Growth Fund	0.59%

And Westpac pays the rest

All direct fees and expenses associated with the Scheme are paid by Westpac. For the year ended 30 June 2014 Westpac paid \$1,664,063 or 0.48% of the Schemes total assets.

What do we mean when we talk about the Scheme's surplus?

The Scheme's surplus comes from any money not paid to a member who leaves the Scheme before they are entitled to their full Employer Account balance. Please refer to the investment statement in the Documents and Forms section on www.westpacintandem.co.nz for more details.



Statutory information

Membership numbers

Active members

Opening membership at 1 July 2013	3,938
New members (including transfers)	549
Retirements	(33)
Redundancies	(76)
Withdrawals	(508)
Total and permanent disablements	(2)
Deaths	(1)
Closing membership at 30 June 2014	3,867

Pensioners and deferred pensioners

Opening membership at 1 July 2013	171
New pensioners (deferred)	4
New pensioners (spouse)	2
Deaths	(9)
Commutation	(2)
Closing membership at 30 June 2014	166

Trustees' report and certificates

The Trustees of the Westpac New Zealand Staff Superannuation Scheme provide members with the following information as required by the Second Schedule to the Superannuation Schemes Act 1989. The Trustees:

- Confirm that all contributions required to be made to the Scheme, in accordance with the terms of the Scheme's trust deed, have been made.
- Certify that all benefits required to be paid from the Scheme were in accordance with the terms of the Scheme's Trust Deed
- Cannot certify that the rates of contribution paid to the Scheme are in accordance with the recommendations contained in the most recent valuation report of the Actuary. The cost of the insurance premiums for Intandem members was not refunded by the bank, but was met from the Scheme surplus.
- Certify that the market value of the net assets of the Scheme, as at 30 June 2014, exceeded the total value of the benefits that would have been payable had all members of the Scheme ceased to be members at that

date and had provision been made for the continued payment from the Scheme of all benefits being paid to members and other beneficiaries as at 30 June 2014.

- Confirm that more than 10% of the market value of the Scheme's assets (calculated in accordance with generally accepted accounting practice) was invested with employers (or associated entities), either directly or indirectly, who are parties to the Scheme:

International bonds

- Approximately 20% of the Scheme's assets are invested in international bonds managed by BT Funds Management (NZ) Limited (in which Westpac Banking Corporation is the ultimate holding company). BT Funds Management (NZ) Limited implements a multi-manager approach operated by Advance Asset Management (a subsidiary of Westpac in Australia). Advance Asset Management passes all of the Scheme's funds invested in international bonds to its sub-managers (namely, Standish Mellon, Franklin Templeton and Wellington).

New Zealand cash

- Approximately 15% of the Scheme's assets are invested in New Zealand Cash through a segregated account with BT Funds Management (NZ) Limited (in which Westpac Banking Corporation is the ultimate holding company). BT Funds Management (NZ) Limited invests all of the Scheme's funds invested in cash directly into a range of short-term securities including commercial paper, treasury bills and term deposits.

Additional disclosures

Under current legislation, the Scheme is exempt from the requirement to maintain and file a prospectus. To qualify for the exemption, the Trustees are required to make the following disclosures:

As at 31 October 2014 the Trustees confirm that in their opinion, after due enquiry by them, neither of the following has materially and adversely changed since 30 June 2014:

- the value of the Scheme's assets relative to its liabilities (including contingent liabilities), and
- the ability of the Scheme to pay its debts as they become due in the normal course of business.

The Trustees also confirm that no person was required to incur costs for the year ended 30 June 2014 under the terms of the offer required by clause 7 of the Securities Act (Employer Superannuation Schemes) Exemption Notice 2009 relating to any funding shortfall.

Actuarial report

A triennial actuarial valuation of the Scheme was carried out as at 30 June 2014. The purpose of the valuation was to determine the financial position of the Scheme and to determine the level of contributions required from the Bank to meet the benefits payable from the Scheme.

The preliminary results of the valuation show that there is a past service surplus, with the value of the net assets exceeding accrued liabilities by \$0.432M. This compares with a past service deficit of \$3.698M as at 30 June 2013. The improvement in the Scheme's financial position is mainly as a result of the investment returns being higher than the assumed return of 5.5% p.a.

As noted in previous years' annual reports, the Trustees have agreed a formal funding policy with the Bank. Under the funding policy, the target funding ratio for the defined benefit section is 95% to 105%. If the defined benefit funding ratio falls below 95% then additional Bank contributions are payable in order to meet the shortfall over a four year period. If the ratio exceeds 105%, then the Bank contribution required to meet the cost of the future service benefits can be reduced. The defined benefit funding ratio as at 30 June 2014 was 100.6%; within the target range.

The contributions the actuary has recommended to be paid by the Bank are as follows:

- 9.0% of the salaries of defined benefit members;
- the actual credits to the employer accounts of In-Tandem members;
- the cost of the credits to the employer accounts of members who participate in the Superannuation Incentive Plan;
- by way of reimbursement, the actual administration expenses incurred by the Scheme;
- the expected cost of the group life premiums for In-Tandem members;

These amounts are exclusive of Employer's Superannuation Contribution Tax.

Westpac's contributions to the Scheme's Defined Benefit Section

As outlined in last year's annual report additional lump sum contributions were not required in respect of Defined Benefit members. The Defined Benefit section includes members who joined the Scheme before January 1996 and pensioners.

Pension increases

After seeking advice from the Actuary, the Trustees with the consent of the Bank where appropriate, approved an increase in pensions to help offset the cost of inflation and in line with the provisions of the Trust Deed. From the first pension payment or an anniversary of commencement (as applicable) after 1 October 2014 payments will increase by 1.62% for Category 1 & 4 pensioners and increase by 0.25% for Category 2 & 3 pensioners. This follows a 0.68% increase for Category 1 & 4 pensioners and a 1.5% increase for Category 2 & 3 pensioners the previous year.

Trust Deed amendments

There were no amendments made to the Scheme's Trust Deed in the year ending 30 June 2014. As at 31 October 2014 there has been no changes to the Trust Deed.

The Scheme's financials

Summary of financials.

	2014 (\$)	2013 (\$)
Summary Statement of Changes in Net Assets		
Investment Activities		
Net Investment Income	43,031,665	46,391,026
Other Income		
Reimbursement of Expenses by Westpac	778,352	988,440
Group Life Claims (Westpac Life-NZ-Limited)	26,285	524,077
	804,637	1,512,517
Less		
Other Expenses		
Administration Fees	318,104	314,952
Actuarial and Consulting Fees	126,473	85,122
Auditors' Remuneration – Audit Fees	40,500	40,000
Taxation Services	11,558	26,565
Investment Consultancy Fees – Retainer	151,160	159,576
Legal Fees	60,049	62,430
Group Life Premiums – Westpac Life-NZ-Limited	864,317	838,811
Trustee Fees	3,424	3,867
Other Expenses	88,478	35,637
Total Other Expenses	1,664,063	1,566,960
Change in Net Assets before Taxation and Membership Activities	42,172,239	46,336,583
Income Tax Expense	(6,839,898)	(4,015,917)
Change in Net Assets after Taxation and before Membership Activities	35,332,341	42,320,666
Membership Activities		
Member Contributions	12,737,889	13,506,417
Employer Contributions	18,002,538	22,478,468
Transfers from Other Funds	-	99,559
Less Benefits Paid	(44,040,240)	(37,951,571)
Net Membership Activities	(13,299,813)	(1,867,127)
Net Increase in Net Assets During Year	22,032,528	40,453,539
Summary Statement of Net Assets		
Assets		
Cash and Cash Equivalents	1,626,999	1,301,099
Financial Assets – at Fair Value Through Profit or Loss	342,392,455	317,867,705
Current Assets	809,590	2,427,431
Total Assets	344,829,044	321,596,235
Less		
Liabilities		
Benefits Payable	460,287	368,729
Trade and Other Payables	134,394	200,964
PIE Tax Payable	1,177,538	-
Income Tax Payable	110,535	137,662
Contributions Received in Advance – Member	14,197	206
Contributions Received in Advance – Employer	10,855	684
Total Liabilities	1,908,526	708,245
Net Assets Available to Pay Benefits	342,920,518	320,887,990
Vested Benefits*	341,847,000	321,464,000
Summary Statement of Cash Flows		
Net Cash Flows from Operating Activities	(14,374,100)	(3,619,414)
Net Cash Flows from Investing Activities	14,700,000	2,600,000
Net increase/decrease in Cash Held	325,900	(1,019,414)
Cash at Beginning of Year	1,301,099	2,320,513
Cash at End of Year	1,626,999	1,301,099

Shows the Scheme's income and expenses during the year.

Cost of running the Scheme.

Total amount paid to members and pensioners who left the Scheme during the year.

Shows how much the Scheme owns (total assets – \$344.8M) and how much the Scheme owes (total liabilities – \$1.9M).

Shows how much cash came in and out of the Scheme's bank account during the year.

*Vested benefits are benefits payable to members or beneficiaries under the conditions of the Trust Deed, on the basis of all members ceasing to be members of the Scheme at balance date.

Notes to summary financial statements

A summary of the Scheme's audited financial statements for the year ended 30 June 2014, which were authorised for issue on 6 November 2014 is shown on pages 19 and 20 of the annual report. The summary financial statements have been extracted from the full audited financial statements dated 30 June 2014, which were authorised for issue on 6 November 2014. The summary financial statements have been prepared in accordance with FRS-43 Summary Financial Statements.

The full financial statements have been prepared in accordance with generally accepted accounting practice and they comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The Scheme has made an explicit and unreserved statement of compliance with NZ IFRS in Note 2 of its full financial statements.

The financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Scheme operates.

The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements of changes in net assets, net assets and cash flows of the Scheme. A copy of the full financial statements can be obtained, free of charge, from the Scheme's administration manager. The Scheme is a profit orientated entity.

The auditor has examined the summary financial statement for consistency with the full financial statements and their opinion included on page 21. The full financial statements have been audited and an unmodified opinion issued.

Auditors' report



Independent Auditors' Report on Summary Financial Statements to the members of the Westpac New Zealand Staff Superannuation Scheme

We have audited the accompanying summary financial statements of the Westpac New Zealand Staff Superannuation Scheme ("the Scheme") on pages 19 to 20, which comprise the summary statement of net assets as at 30 June 2014, the summary statement of changes in net assets and summary cash flow statement for the year then ended, and the notes to the summary financial statements which are extracted from the audited financial statements of the Scheme for the year ended 30 June 2014.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Scheme.

Trustees Responsibility for the Summary Financial Statements

The Trustees are responsible for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

We have no relationship with or interests in the Scheme other than in our capacities as auditors and tax advisors. These services have not impaired our independence as auditors of the Scheme.

Opinion on the Financial Statements

Our audit of the financial statements for the year ended 30 June 2014 was completed on 6 November 2014 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures from the date of the completion of our audit.

Opinion on the Summary Financial Statements

In our opinion, the summary financial statements have been correctly extracted from the audited financial statements of the Scheme for the year ended 30 June 2014 and are consistent, in all material respects, with those financial statements, in accordance with FRS-43.

Restriction on Distribution or Use

This report is made solely to the members of the Scheme, as a body. Our audit work has been undertaken so that we might state to the members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's members, as a body, for our audit work, for this report or for the opinions we have formed.

A stylized, handwritten-style signature of "PricewaterhouseCoopers" in black ink.

Chartered Accountants

Auckland

27 November 2014

Directory

Actuary and Administration Manager

Mercer (N.Z.) Limited

Auditor

PricewaterhouseCoopers

Insurer

Westpac Life-NZ-Limited

Investment consultant

Mercer (N.Z.) Limited

Investment managers

International shares

AMP Capital Investors

Australasian shares

Harbour Asset Management Limited (50%)
ANZ New Zealand Investments Limited (50%)

International bonds

BT Funds Management (NZ) Limited

New Zealand bonds

ANZ New Zealand Investments Limited

Cash

BT Funds Management (NZ) Limited

Real and Alternatives assets

Mercer (N.Z.) Limited

During the year Real and Alternative assets were added to the investment sectors.

Secretary & Complaints Officer

Andrew Taylor

Mercer (N.Z.) Limited
Level 18, 151 Queen Street
Auckland

Phone: (09) 928 3237

Fax: (09) 928 3201

Email: andrew.taylor@mercero.com

Making a complaint

1. Call the helpline (0508 INTANDEM or 0508 468 263) to discuss your concerns. Depending on the nature of your complaint, the helpline will direct you to the Complaints Officer.
2. Email the Complaints Officer at complaints@westpacintandem.co.nz.

The Trustees have 40 working days to respond to your complaint. If you are not satisfied by the response, you may refer the matter to Financial Services Complaints Limited by emailing info@fscl.org.nz or calling FSCL on 0800 347 257.

Alternatively, you may write to FSCL at:

Financial Services Complaints Limited
101 Lambton Quay
P O Box 5967, Lambton Quay
Wellington 6145

Full details of how to access the FSCL scheme can be obtained from their website, www.fscl.org.nz.

Solicitor

Simpson Grierson

Tax adviser

Deloitte

Questions?

If you have any questions about your Scheme or would like more information, please call the In-Tandem helpline.

Freephone: 0508 INTANDEM (0508 468 263)

Internal Extn: 83995

Helpline hours are 9.00am to 7.00pm
Monday to Friday

All other correspondence about the Scheme or for the Trustees should be sent to the Scheme Secretary.

