



# Helping you achieve more.

Annual Report 2019.

Westpac New Zealand Staff Superannuation Scheme.



# How much money do you need in retirement?

The gap between how much money retirees receive from NZ Super and how much they spend is growing. Many retirees today top-up their NZ Super to maintain the lifestyle they want. The latest Retirement Expenditure Guidelines (as at 30 June 2018) produced by the Westpac Massey Financial Education and Research Centre found that many New Zealanders are working beyond the age of 65 to pay for the shortfall. This report splits the level of expenditure into 'No Frills' and 'Choices'. The No Frills guidelines offer a basic standard of living that includes few, if any, luxuries. The Choices guidelines represent a more comfortable standard of living, which includes some luxuries or treats.

It also takes into account and splits the expenditure depending on whether you are a city dweller or are living in a rural location. The full report is available on Massey University's website [www.massey.ac.nz](http://www.massey.ac.nz), and a summary of the report is below:

	One-person households		Two-person households	
<b>Weekly NZ super rates</b>	\$400.87 (after tax)		\$616.72 (after tax)	
<b>Total Weekly Expenditure</b>	<b>Metro</b>	<b>Provincial</b>	<b>Metro</b>	<b>Provincial</b>
<b>No Frills budget</b>	\$598.45	\$569.43	\$885.31	\$630.03
<b>Choices budget</b>	\$1,190.13	\$834.27	\$1,417.85	\$1,118.92

## Maximise your savings.

### Investment choice.

In-Tandem has five different investment fund options for you to choose from. There are lower-risk, likely lower-return options and higher-risk, potentially higher-return options.

### Access to free financial advice.

To talk to a Westpac Financial Adviser, call 0800 942 822 for free financial advice.

### Free life insurance.

If you are a permanent employee, you are usually eligible for free life insurance. More information is available in the member booklet, product disclosure statement, other material information and trust deed – all documents are available at [westpacintandem.co.nz](http://westpacintandem.co.nz).

### You pay no administration fees.

Managed investment accounts generally have administration fees that are charged to your account, reducing the amount of your retirement savings. However, Westpac pays these fees on behalf of all members of In-Tandem.

### Stay in the Scheme after leaving Westpac.

If you leave Westpac you have the option of remaining in the Scheme for up to two years. If you leave Westpac, you will need to complete the Leaving Employment Form which is available in the 'Documents and forms' section of [westpacintandem.co.nz](http://westpacintandem.co.nz). You can:

- Leave your money in In-Tandem as a continued beneficiary for up to two years while you decide what to do.
- Transfer your balance to your KiwiSaver Scheme.
- Transfer your balance to a managed fund.
- Transfer your balance to your bank account.



# Message from the Chair.

Welcome to your personal annual report and member statement for the Westpac New Zealand Staff Superannuation Scheme. This report includes information about your account and the Scheme.

It is great to see the Scheme continuing to perform well and provide members with positive returns, despite increased market volatility over the 12 months ended 30 June 2019.



## Helping you achieve more.

The Trustee is committed to helping you grow your savings and achieve your personal financial goals. There are a range of different tools and resources available to help you make informed savings decisions. Here are a few of the key resources available.

- **MySuper planning tool:** With the help of the MySuper Planner you can see how a little more in your super today could make a big difference to your tomorrow. You can also change assumptions to see how changes to one or more factors may impact your savings in the long term. MySuper Planner is available on [westpacintandem.co.nz](https://westpacintandem.co.nz) once logged in. You can also have the results emailed to you or your financial adviser.
- **New member booklet:** We have put together a guide to introduce you to, or revisit, the benefits of being a member of the Scheme. Joining In-Tandem could play a big role in your financial future, and even small decisions now could make a big difference later. The member booklet is now available for download from [westpacintandem.co.nz](https://westpacintandem.co.nz).
- **Scheme app:** Access your retirement savings account at any time through the Scheme app. This displays the Scheme website in a mobile-friendly format, enabling you to easily check your account while on-the-go.

## Leaving service process update.

The process for leaving In-Tandem has been amended to assist members to better understand the choices available regarding their accumulated retirement savings and the Scheme's life insurance benefit. A new 'Leaving Employment Form' is now on [westpacintandem.co.nz](https://westpacintandem.co.nz), on the 'Documents & forms' page, and must be downloaded and completed prior to your final day with Westpac.

Once completed, please scan the form, include your proof of bank account and email it to the Scheme's Administrator (Mercer) at [westpacstaffsuper@merc.com](mailto:westpacstaffsuper@merc.com), or call the helpline on 0508 468 263. It's important to note that no payment can be processed until Mercer has also received the necessary leaving service paperwork from Westpac Payroll.

## First home purchases supported by the Scheme.

The Scheme assisted 39 members with buying their first home during the year. It is great to see our members achieve their personal financial goals, and reach the dream of owning a home. In this report we feature a member who recently purchased their first home. Read the full article on page 9.

## Your feedback.

Thank you to everyone who participated in the recent member survey focused on the communications provided. Your feedback helps us further enhance the services offered, and focus on areas that can be developed. It was pleasing to have over 31% of the membership respond with feedback on the 2018 annual report, Scheme website, helpline and thoughts on other possible communications channels.

## Welcome to our new directors.

Please join us in welcoming two recently appointed directors to the Trustee. General Manager, Regulatory Affairs, Mark Weenink, joined as a Bank-appointed director effective 1 October 2018, and Head of Funding, Liam Cleary, successfully won the Trustee election in early-2019, joining the Trustee as a member-elected director effective 1 March 2019. Further information about the Trustee is available on [westpacintandem.co.nz](https://westpacintandem.co.nz) on the 'About the Scheme' page.

## Thank you.

I wish to thank my fellow directors, as well as Marc Proctor and Simon Power who recently retired from the Trustee board, for their service and commitment to the Scheme. I would also like to thank Westpac for the continued support of the Scheme and members, along with all the service providers who deliver outstanding results and services to members of the Scheme.

As Trustee directors, we are proud to play a part in helping you grow your savings and achieve your future financial goals.



Bruce Kerr  
**Chairman**

Westpac New Zealand Staff Superannuation Scheme Trustee Limited  
(Trustee of the Scheme)

# Your investment options.

## About your fund choices.

Choosing the right option is important and the Scheme offers In-Tandem members five funds to choose from. You can choose one fund or a mix of funds. Each fund has a different level of risk and return, depending on its mix of growth and income assets.

Growth assets are more suited to longer-term savings as their returns fluctuate more in the short term, but tend to be higher over the longer term.

Income assets are more suited to shorter-term savings as their returns fluctuate less over the short term, but tend to be lower over the longer term.

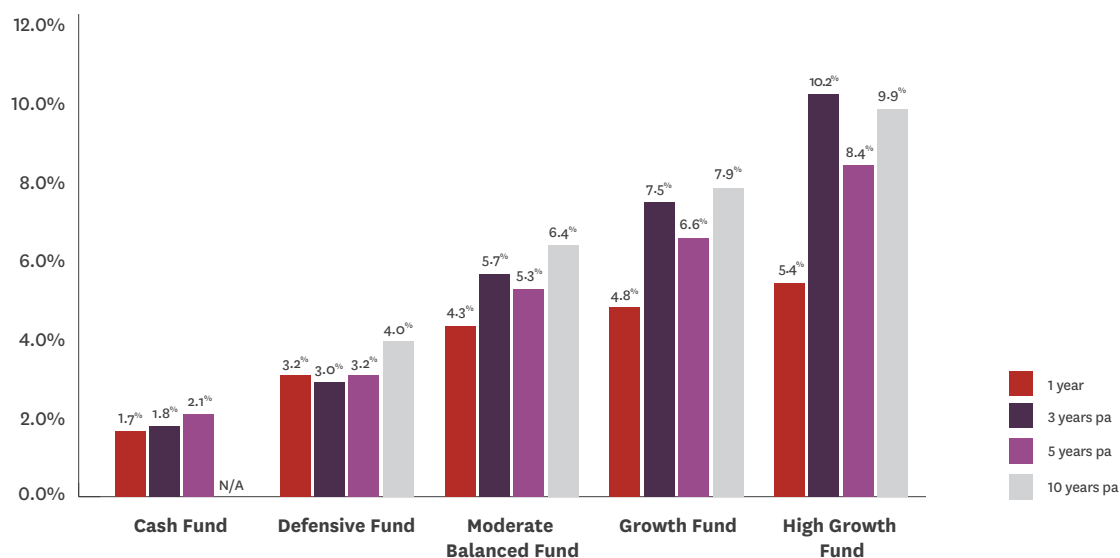
For the investment risk indicator and long-term return objectives for each of the Scheme's funds, refer to the product disclosure statement on 'Documents & forms' at [westpacintandem.co.nz](http://westpacintandem.co.nz).

Further information about the investment options and their performance is set out in the fund updates for each investment option, which are available from the 'Documents and forms' page of [westpacintandem.co.nz](http://westpacintandem.co.nz) or the offers register on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

Non-In-Tandem members of the Scheme do not need to select an investment option, as their benefits are not generally reliant on investment returns.

## Fund returns as at 30 June 2019.

The chart below shows how investment funds have performed over the past 10 years. Funds with more growth assets continue to perform better. No level of future returns is promised.



Returns are based on unit prices (after fees and after tax). The Cash fund was established within the last 10 years and therefore no return is shown for this fund for this period.

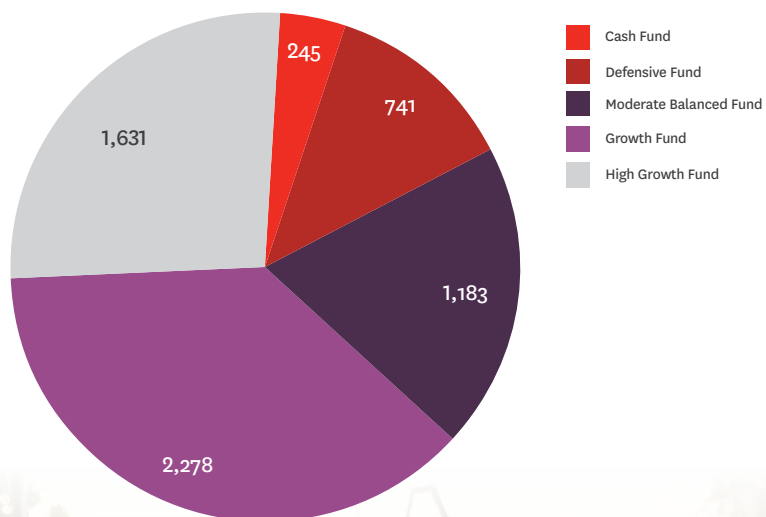
The returns shown above are indicative of investment returns and may differ from the actual after-fees and tax returns achieved by you. Your individual return within an investment option will depend on the timing of contribution payments and actual investment fees charged. The investment returns shown don't tell you how the investment options will perform in the future and members are reminded that past performance is not a reliable indicator of future performance.



## Investment fund choices made.

The investment option with the most members is the Growth option, with 2,278 members. How you invest will depend on your investment timeframe and how much risk you are willing to take. If you are unsure about your risk profile, speak to a Westpac Financial Adviser or use the Sorted investment planner on [sorted.org.nz](https://sorted.org.nz).

Number of members invested in the investment funds as at 30 June 2019



# Investment performance review.

## Market commentary.

The 12 months to 30 June 2019 saw positive returns across all investment options, with growth assets achieving higher returns than the defensive options. However, it is worth noting that increased volatility during the year impacted performance resulting in the one-year returns lagging behind the three-year performance.

After the weakness seen across many falling equity markets towards the end of 2018, the first six months of this year saw a strong recovery. The US S&P500 index, for example, rose 17% in the six months to June while, closer to home, the S&P / NZX50 index was one of the developed world's strongest performers, gaining over 19%.

The movement downwards in bond yields has been the major driver of market returns. The rate of economic growth around the world is starting to slow, contrasting with the end of 2017 where growth expectations had started to accelerate. The escalating US-China trade war and weaker investment spending are impacting domestic demand. Central banks have, however, been quick to act, either by cutting short-term interest rates or by communicating to the market their intention to add further stimulus in the future in order to support growth. This has seen yields on government and company bonds fall and investors have continued to seek out higher-yielding investments such as property and dividend-paying company shares.

The major risk to markets is what happens beyond this year. Should the trade war uncertainty linger or escalate, then a further decline in economic activity is possible. This could pose real challenges for equity market returns, with many companies trading at valuations that are expensive relative to history. For now, however, high valuations can be supported if company profits are improving relative to expectations, and many companies continue to report increases in their profits which is helping to support demand for shares. Unexpectedly strong results could become rarer as the current business cycle matures, underpinning the need for being selective about where you invest.

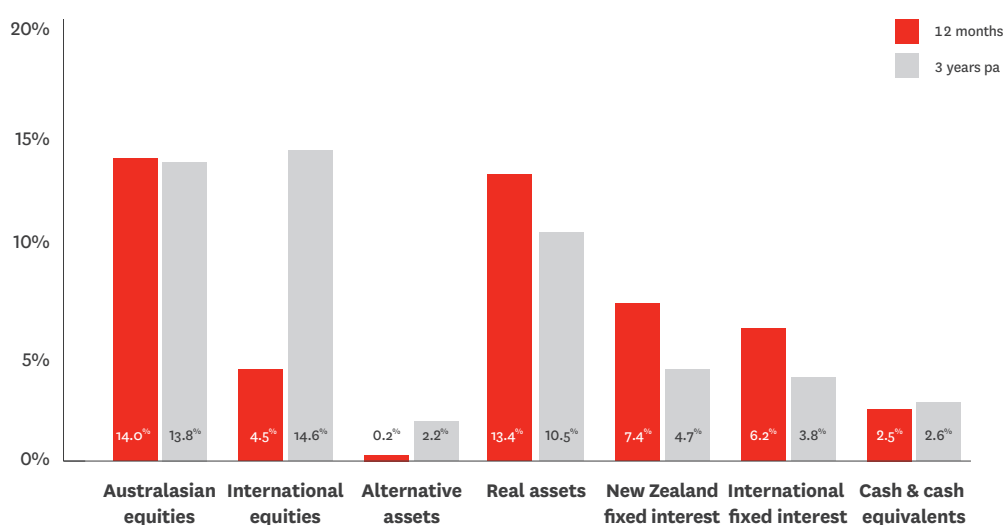
Financial markets will continue to be subject to periods of volatility throughout the course of the year ahead and beyond as investors react to changing conditions. Ensuring portfolio diversification across different asset types, securities and investing styles remains important.

Westpac has a number of qualified financial advisers who are available to speak to you if you have any concerns. Please call 0800 942 822 for free financial advice.

## Asset class performance.

As the following chart shows, this year's returns were generally pleasing. Top performers were Australasian equities and real assets, with international equities still delivering strong positive returns for the three years.

**Before tax & expenses return for each asset type over one & three years (pa) to 30 June 2019**



### Alternative assets.

It is not one of the conventional investment types, such as stocks, bonds and cash. Alternative assets can include private equity, hedge funds and managed funds.

### Real assets.

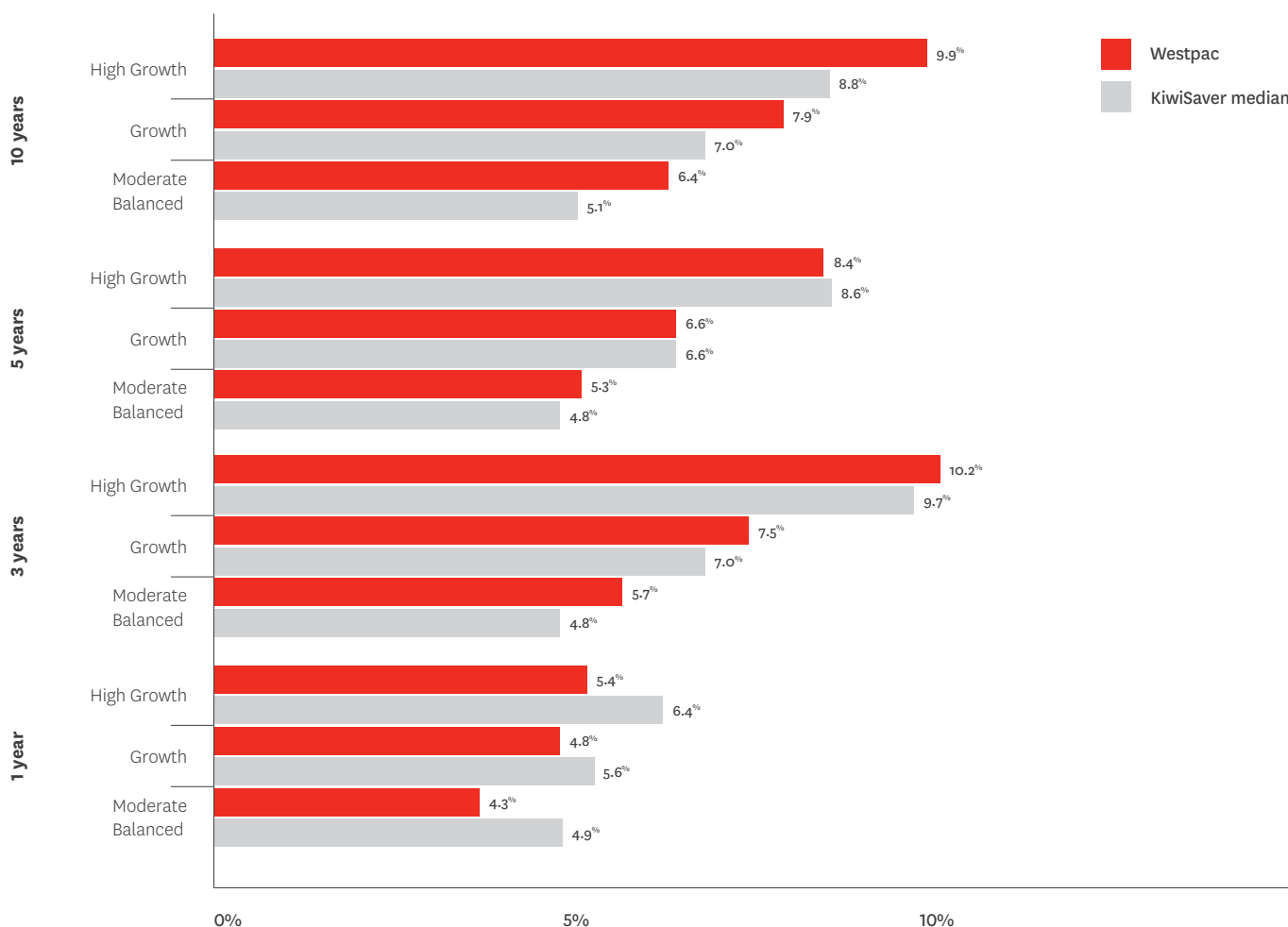
These are physical assets that have value due to their substance and properties. Real assets include property, natural resources and infrastructure.

## Scheme performance compared with KiwiSaver schemes.

It is important to know how the Scheme's performance compares with other similar investments that you can access. This chart shows how returns from three of the Scheme's funds compare to the median (or middle) return for three funds in selected KiwiSaver schemes with a similar mix of assets. The Scheme's returns continue to perform well in the long term.

Further information about the Scheme's investment performance is available in the latest fund update for each investment option. Copies of the fund updates are available on [westpacintandem.co.nz](http://westpacintandem.co.nz) or on the offers register on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

### Fund returns (after tax and after fees) vs comparative KiwiSaver funds' median returns\*



\*Source of KiwiSaver information: Mercer KiwiSaver survey to 30 June 2019 (copy available on request from the Secretary to the Scheme (details are on page 14)).

The periods measured in the graph are each a period ending on 30 June 2019. The data used in the graphs is generated by comparing the named Scheme fund option with the median returns of KiwiSaver funds participating in the Mercer KiwiSaver survey as categorised by Mercer (N.Z.) Limited based on asset allocation styles as follows: Scheme High Growth Fund compared to surveyed growth-style funds; Scheme Growth Fund compared to surveyed moderate-style funds; Scheme Moderate Balanced Fund compared to surveyed conservative-style funds. Returns data is presented after most fees (per-member fees cannot be factored in) and after tax at a rate of 28% (Prescribed Investor Rate) over time to facilitate comparison between funds provided by different managers. The data used is believed to be reliable but has not been verified by Mercer, the Trustee or Westpac, and none of them make any representations or warranties as to the accuracy of the information or take any responsibility or liability (including for indirect, consequential or incidental damages) for any error, omission or inaccuracy in the data.

The information presented in the graph is not investment advice and you should seek your own personal investment advice before making any decision about how to invest or what fund options are right for you. Past performance does not guarantee future results.



# Fees.

By being in the Scheme you may benefit from lower fees than typically apply in retail funds or many KiwiSaver schemes with active investment management. This is because Westpac is a wholesale investor and therefore gets better rates. Westpac also pays all direct administration fees and other expenses associated with operating the Scheme.

The only fees In-Tandem members pay are investment management fees, which cover the costs associated with managing your portion of your investments in the fund(s) you have chosen to invest in. These are considered indirect costs, as they are not deducted directly 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 In-Tandem members and Westpac (or from the Scheme's surplus).

## Fees the Bank paid.

All direct administration fees, operating expenses and insurance premiums are paid by Westpac. For the year ended 30 June 2019, this amounted to \$1,766,881 or 0.43% of the Scheme's total assets.

## Fees you pay.

For In-Tandem members, fund fees are charged as a percentage of your overall investment according to the investment option(s) you are invested in. Fees as at 30 June 2019 are listed below and remain unchanged from those published in the latest product disclosure statement dated 1 April 2019.

Investment option	Annual fund charges (% net asset value of relevant fund*)		
	Charges from 1 July 2018 until 19 September 2019	Charges from 20 September 2019	Change
Cash Fund	0.16%	0.14%	-0.02%
Defensive Fund	0.34%	0.30%	-0.04%
Moderate Balanced Fund	0.57%	0.50%	-0.07%
Growth Fund	0.69%	0.61%	-0.08%
High Growth Fund	0.83%	0.73%	-0.10%

\*Based on the relevant investment fund's strategic asset allocation and size.

Non-In-Tandem members do not pay these fees. A one-off withdrawal fee to first home withdrawals.

## What is 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 Company Account balance, or from funds in the Scheme that exceed what the actuary advises is required to cover vested benefits.



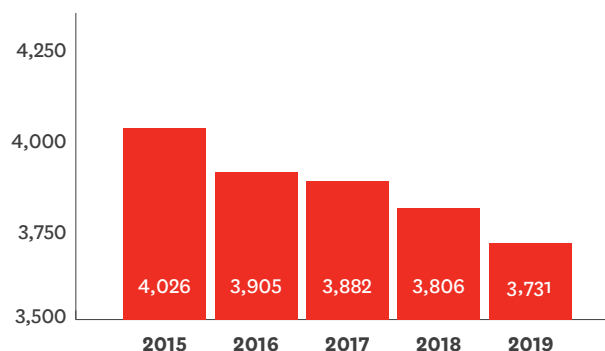


# This year the Scheme paid \$39.7 million in benefits.

## Membership.

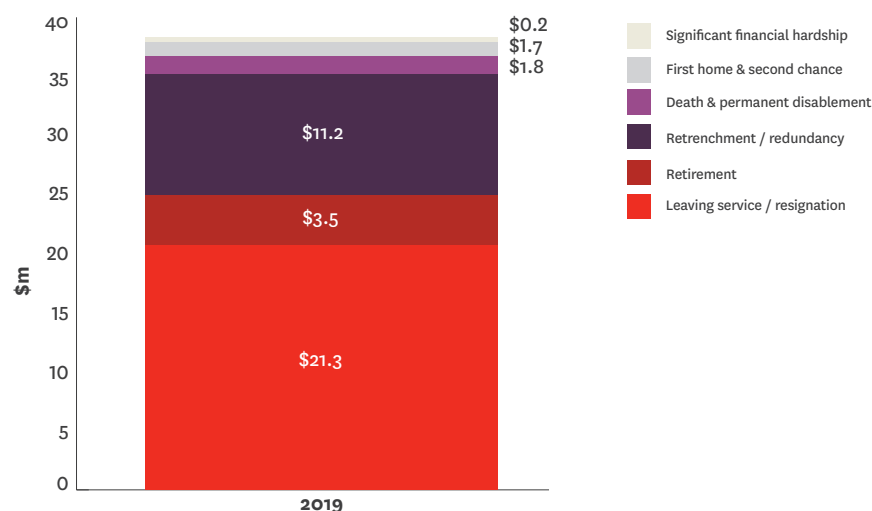
While membership has declined slightly since 2015, the Bank continues to be committed to the success of the Scheme. During the year, the Scheme welcomed 409 new members. A summary of membership changes is published below.

## Changes in membership over the last five years.



## Benefits.

The chart below shows a breakdown of the different benefits paid from the Scheme in 2019. This year, benefits paid to members totalled \$39.7 million (2018: \$33.3 million). The Scheme continues to help members retire and buy their first homes.



## Finding documents on the Disclose website.

Go to: [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz)

Select: 'Search offers' for documents such as the product disclosure statement and fund updates;  
and

'Search schemes' for documents including the annual report, financial statements, trust deed and statement of investment policy and objectives.

**Search for Westpac New Zealand Staff Superannuation Scheme.**



A financial summary is no longer required in the annual report. Copies of the full audited financial statements are available from 'Documents & forms' on the Scheme website, on the Companies Office Disclose website or by calling the helpline.

# Sold! First home buyer secures auction win thanks to In-Tandem.

Ally Blake and her partner, Richard, recently purchased their first home after winning an auction with help from In-Tandem.

Ally joined Westpac in 2008 at 17 years old, and started with the In-Tandem scheme straight away because of the many benefits. "When I originally joined the Scheme I liked the idea of compulsory savings, so I didn't spend my money, and the life insurance that came with the Scheme. Plus, Westpac matches personal contributions which has helped my balance grow much faster," says Ally.

At first, Ally wasn't aware that In-Tandem could be used to buy a first home. "In the beginning when considering our deposit and finance options, I was calculating our deposit from savings, KiwiSaver and family help. We weren't quite at a comfortable level, especially with house prices in Auckland the way they are. Home ownership wasn't looking promising."

When a new colleague joined Westpac and read about In-Tandem, they mentioned the Scheme could be used for first home buying. "This came as a positive surprise! I went to the In-Tandem team and requested a withdrawal balance for proof of deposit. It was the full amount, which got us over the 20% deposit threshold, which made life a lot easier, and helped us become an unconditional buyer. This was a rare position to be in within the current marketplace. Without the help from In-Tandem, it would have been harder for us to go unconditional."

"The whole process of looking at open homes, searching for the perfect home, and considering the possibility of moving into each house has been exciting, stressful and time consuming. Each house we missed out on was a little disheartening."

However, after two months of relentlessly visiting open homes, they found their perfect house in Glenfield and nervously attended the auction. Bringing a careful bidding strategy, moments later they won the auction and successfully purchased their first home. "You learn a lot about the process when being thrown in the deep end," says Ally.

"This house has everything we were looking for, a big first home with a garden, a place for entertaining friends and family, and somewhere we could rent out a room or two to help pay the mortgage. This house has a large sunny deck, a granny flat underneath and is located in good school zones – all at the right price. It needs some work, however my partner Richard is a builder so we are keen to get in and start revamping the place as soon as we can. Once we move in early October, I'll need to buy myself a paintbrush!"

"Being in the In-Tandem scheme has made a huge difference for us and our future, and has enabled us to buy our first home. Westpac's contributions in conjunction with our own quickly grew our savings and allowed us to secure our perfect first home." "With free time from not having to look at open homes, I hope to sit back and relax with friends and family, and enjoy a drink by the fire."



## Scheme news.

### Increasing our online security through multifactor authentication.

In early-2019, multifactor authentication (MFA) was introduced to the Scheme website to enhance online security. Monitoring login activity, MFA identifies if you are logging on using a new device or from a different location, or following multiple log-in attempts. You may be prompted to enter a verification code, which you can receive by email or text message. If you have any questions about accessing your account using this two-step verification process, please contact the helpline on **0508 468 263**.

### Our new directors.

#### Mark Weenink – 1 October 2018

Mark joined the Westpac Executive Team in August 2015 as General Council and GM for Regulatory Affairs and Corporate Legal Services. Prior to this, Mark was Managing Partner at Minter Ellison Rudd Watts and also spent time overseas as a partner at US law firm McDermott Will Emery (based in London).

#### Liam Cleary – 1 March 2019

Liam was appointed as a member-elected director effective 1 March 2019 following his success in the Trustee election held in early-2019. Since joining Westpac in 2010 as Head of Funding within Treasury, Liam has been heavily involved in the Bank's governance and Financial Markets Conduct Act obligations relating to the Bank's wholesale funding activities. Prior to this, Liam worked in investment management of cash and fixed interest funds for a range of KiwiSaver, retail and institutional clients, including the Westpac Staff Superannuation Scheme.

# Information about the Scheme.

## Details of scheme.

This is the annual report for the Westpac New Zealand Staff Superannuation Scheme for the year ended 30 June 2019.

The Scheme is a restricted workplace savings scheme. The manager and Trustee of the Scheme is Westpac New Zealand Staff Superannuation Scheme Trustee Limited.

The Scheme's most recent product disclosure statement is dated 1 April 2019 and is open for applications.

A fund update for each of the five investment options for the year ended 30 June 2019 were made publically available on 26 September 2019.

The Scheme's latest financial statements are for the year ended 30 June 2019. They were authorised for issue on 19 September 2019, and were lodged (with the auditor's report on those financial statements) with the Registrar of Financial Service Providers on 23 September 2019.

Copies of the fund updates and the financial statements (including the auditor's report) are available on [westpacintandem.co.nz](http://westpacintandem.co.nz) or [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## Information on contributions and scheme participants.

This section provides a summary of changes in the membership of the Scheme over the year ended 30 June 2019.

- At 1 July 2018, the total amount of members' accumulation relating to 3,806 members was \$397,330,292.
- At 30 June 2019, the total amount of members' accumulation relating 3,731 members was \$404,521,736.



MEMBERSHIP DETAILS	TOTAL CONTRIBUTING MEMBERS	NON-CONTRIBUTING MEMBERS				TOTAL
		INDIVIDUAL MEMBERS	DEFERRED MEMBERS	PENSIONERS	TOTAL NON-CONTRIBUTORY MEMBERS	
<b>At 1 July 2018</b>	<b>3,508</b>	<b>139</b>	<b>14</b>	<b>145</b>	<b>298</b>	<b>3,806</b>
Contributory status change	6	(6)	0	0	(6)	0
Transfers from other sections	(20)	0	20	0	20	0
<b>Total status change</b>	<b>(14)</b>	<b>(6)</b>	<b>20</b>	<b>0</b>	<b>14</b>	<b>0</b>
New members	409	16	0	6	22	431
Transfers in from other schemes	0	0	0	0	0	0
<b>Total new members</b>	<b>409</b>	<b>16</b>	<b>0</b>	<b>6</b>	<b>22</b>	<b>431</b>
<b>Ceased members</b>						
Retirements	(25)	(3)	0	0	(3)	(28)
Deaths	(2)	(2)	0	(7)	(9)	(11)
Transfers to other schemes	0	0	0	0	0	0
Total other ceased members, made up of:	(443)	(10)	(13)	(1)	(24)	(467)
Retrenchment / redundancy	(79)	(2)	0	0	(2)	(81)
Total & permanent disablement	(3)	0	0	0	0	(3)
Leaving service / resignation	(361)	(8)	0	0	(8)	(369)
Other	0	0	(13)	(1)	(14)	(14)
<b>Total ceased members</b>	<b>(470)</b>	<b>(15)</b>	<b>(13)</b>	<b>(8)</b>	<b>(36)</b>	<b>(506)</b>
<b>At 30 June 2019</b>	<b>3,433</b>	<b>134</b>	<b>21</b>	<b>143</b>	<b>298</b>	<b>3,731</b>

#### Contributions received during the year ended 30 June 2019.

Type	Number of scheme participants	Total amount
Member contributions	4,031	\$13,241,716
Voluntary member contributions	0	\$0
Employer contributions	3,884	\$18,947,207
		<b>\$32,188,923</b>

## Changes relating to the scheme.

#### Trust deed.

There were no amendments to the trust deed during the year.

#### Terms of offer of interests in the Scheme.

The Scheme's PDS was updated with effect from 1 April 2019 to incorporate minor changes to reflect amendments to the KiwiSaver Act 2006 which came into force on 1 April 2019 under the Taxation (Annual Rates for 2018-19, Modernising Tax Administration, and Remedial Matters) Act 2019.

#### Statement of investment policy and objectives.

The Scheme's statement of investment policy and objectives was amended with effect from 7 June 2019 to reflect the adoption of the Trustee's revised Ethical Investment Policy.

#### Related party transactions.

The Scheme holds no direct investments in any of the employer companies or any of its related parties. The Scheme received company contributions of \$18,947,207 (after deduction of ESCT).

Mercer (N.Z.) Limited as administrator of the Scheme is regarded as a related party in terms of the Financial Markets Conduct Act 2013 (FMCA). Mercer provides the Scheme with a range of services including administration and secretarial services.

BT Funds Management (NZ) Limited as fund manager of the Scheme is regarded as a related party in terms of the FMCA.

Willis Towers Watson Australia Pty Ltd as investment consultant of the Scheme is regarded as a related party in terms of the FMCA.

All related party transactions were conducted on normal commercial terms and conditions during the year and were on an arm's-length basis.



## Other information for particular types of managed funds.

Withdrawals made during the year to 30 June 2019

Full withdrawals		Partial withdrawals	
Retirements	28	First home	39
Retrenchment / redundancy	81	Significant financial hardship	11
Deaths	4*	<b>Total partial withdrawals</b>	<b>50</b>
Total & permanent disablement	3		
Leaving service / resignation	382**		
<b>Total full withdrawals</b>	<b>498</b>		

\*Pensioners are not included in this withdrawal amount.

\*\*Leaving service / resignation includes 13 retained members.

	Units on issue (Relates to In-Tandem sections only)		Unit price (\$)	
	1 July 2018	30 June 2019	1 July 2018	29 June 2019
<b>High Growth</b>	30,831,802.36	29,845,233.41	3.0853	3.2528
<b>Growth</b>	45,964,930.06	45,024,741.58	2.9001	3.0387
<b>Moderate Balanced</b>	25,852,690.57	30,369,912.55	1.5442	1.6107
<b>Defensive</b>	20,988,765.80	19,690,359.29	2.4082	2.4850
<b>Cash</b>	12,567,077.57	11,058,995.86	1.1306	1.1500
<b>Defined Benefit</b>	-	-	2.3331	2.4444

### How investment earnings are worked out.

Contributions made to the Scheme are used to purchase what are known as 'units' in your chosen investment option(s). The number of units that your contributions purchase depends on the unit price at the time of purchase. For example, if \$1,000 is contributed and the unit price is \$1.00 at that time, then 1,000 units would be purchased on your behalf.

Unit prices are calculated weekly and fluctuate according to the investment performance of each investment option. The value of your investment at any time is simply the number of units you own multiplied by their price at that time.

### Actuarial report.

The last triennial actuarial valuation was prepared as at 30 June 2017 and the latest interim funding update of the Defined Benefit Section of the Scheme was recently carried out as at 30 June 2019. The purpose of the interim funding update is to assess the latest funding position of the Defined Benefit section of the Scheme and the level of contributions required from the Bank in accordance with the Trustee's funding policy. The interim funding update reported that there was a surplus as at 30 June 2019, with the value of net assets exceeding the value of the accrued benefit liabilities by \$1.6m. In the funding update, the actuary also recommended that in line with the current funding policy that the Bank increase its contribution from 12% to 17% of salaries of Defined Benefit members<sup>^</sup>.

The next triennial actuarial valuation is due to be conducted as at 30 June 2020.

<sup>^</sup>before Employer Superannuation Contribution Tax (ESCT).

### Pension increases.

After seeking advice from the Actuary, the Trustee, 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. Effective 1 October 2018, pension payments were increased by 1.5% for all pensioners, although if a pension had not been a payment for a full year, there was a pro-rata increase.

### Trustee statement.

The Trustee as manager of the Scheme states that:

- The rate or amounts of contributions paid have been in accordance with the recommendations contained in the most recent report of an actuary required under section 169 of the FMCA (and previous equivalent legislation) (a summary of the most recent actuarial report is above).
- All the contributions required to be made to the Scheme in accordance with the terms of the Scheme's trust deed have been made.
- All the benefits required to be paid from the Scheme in accordance with the terms of the Scheme's trust deed have been paid.
- The market value of the Scheme's assets at 30 June 2019 equalled or exceeded the total value of 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 of all benefits being paid to members and other beneficiaries as at 30 June 2019.

On behalf of the Trustee



Bruce Kerr  
Independent Chairman of Trustee  
17 September 2019

## Changes to persons involved in the scheme.

### The directors of the Trustee are:



**Bruce Kerr**

Independent Chairman of Trustee



**Gina Dellabarca**

General Manager, Human Resources & Corporate Affairs



**Ian New**

Chief Actuary



**Jo McGregor**

Head of Operational Excellence



**Liam Cleary**

Head of Funding, Treasury



**Mark Weenink**

General Counsel and General Manager, Regulatory Affairs and Corporate Legal Services



**Tim McGuinness**

Licensed Independent Trustee

During the year ending 30 June 2019:

- Simon Power resigned as a director effective 30 September 2018.
- Mark Weenink joined as a Bank-appointed director from 1 October 2018.
- Marc Proctor's member-elected director tenure concluded on 28 February 2019.
- Liam Cleary was appointed a member-elected director effective 1 March 2019.

Who else is involved?	Company name	Role
Administration Manager; Actuary; Scheme Secretary and Securities Registrar.	Mercer (N.Z.) Limited	<ul style="list-style-type: none"> <li>– Looks after the day-to-day running of the Scheme</li> <li>– Advises the Trustee about the Scheme's funding position</li> <li>– Supports and assists the Trustee directors, and</li> <li>– Holds Scheme's member register</li> </ul>
Auditor	PricewaterhouseCoopers	Audits the Scheme's financial statements and the member register and provides custodian assurance reports
Custodian	Westpac New Zealand Staff Superannuation Scheme Trustee Limited	Holds the assets of the Scheme
Insurer	Westpac Life-NZ-Limited	Insures the insured portion of the death and total and permanent disability benefits
Investment implementation manager	BT Funds Management (NZ) Limited	Responsible for investing the Scheme's assets in accordance with the statement of investment policy and objectives adopted by the Trustee
Investment Consultant	Willis Towers Watson Australia Pty Limited	Provides strategic oversight of the Scheme's investments including asset allocation advice, governance and the setting of long-term objectives. It also makes dynamic asset allocation decisions.

## How to find further information.

You can find further information relating to the Scheme, including financial statements, annual reports, annual fund updates, the Scheme's trust deed and statement of investment policy and objectives, in the offers register and the schemes register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (search Westpac New Zealand Staff Superannuation Scheme).

The above information is also available at no cost on [westpacintandem.co.nz](http://westpacintandem.co.nz) or by contacting the Scheme Secretary whose contact details are set out below.

## Contact details and complaints.

If you have any questions about your Scheme or would like more information, you can contact the Trustee by calling the In-Tandem helpline, or by contacting the Scheme Secretary.

### In-Tandem helpline.

Freephone: 0508 INTANDEM (0508 468 263)  
Helpline hours: 9.00am to 7.00pm Monday to Friday

### Secretary to the Scheme.

Andrew Taylor  
Mercer (N.Z.) Limited  
Level 18, 151 Queen Street  
Auckland 1010  
  
Phone: 09 928 3237  
Email: [andrew.taylor@mercer.com](mailto:andrew.taylor@mercer.com)

### How to complain.

We will do everything we can to resolve your complaint. Below are the options you have for making a complaint.

1. Call the helpline 0508 INTANDEM (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](mailto:complaints@westpacintandem.co.nz).

### Complaints Officer.

Andrew Taylor  
Mercer (N.Z.) Limited  
Level 18, 151 Queen Street  
Auckland 1010  
  
Phone: 09 928 3237  
Email: [andrew.taylor@mercer.com](mailto:andrew.taylor@mercer.com)

If you are not satisfied by the response, you may refer the matter to Financial Services Complaints Limited (FSCL) by emailing [info@fscl.org.nz](mailto:info@fscl.org.nz) or calling FSCL on 0800 347 257.

### Alternatively, you may write to FSCL at:

Financial Services Complaints Limited  
PO Box 5967, Lambton Quay  
Wellington 6140

Full details of how to access the FSCL scheme can be obtained from their website [www.fscl.org.nz](http://www.fscl.org.nz). FSCL will not charge a fee to a complainant to investigate or resolve a complaint.

## Scheme Snapshot.

As at 30 June 2019



**\$404.5 million**

in retirement savings accumulated.



**3,731**

active members and pensioners.

## Member Snapshot.



**\$108,421**

average member balance.



**8.3**

average number of years in the Scheme.

