



# NAVIGATING THROUGH UNCERTAIN TIMES

**Annual Report 2022.**

Westpac New Zealand Staff Superannuation Scheme.



# YEAR SNAPSHOT

for year ended 30 June 2022

## Money facts.

**\$387.0m**

in net assets at year end

**\$15.7m**

member contributions

**\$24.1m**

employer contributions

**\$60.9m**

in benefits paid

## Member facts.

**855**

new members joined during the year

**168**

net growth for year

**3,979**

contributing members at year end

**338**

non-contributing members at year end

**27**

members retired

**120 pensioners**

at year end

Long-term savers (15+ years) in the Scheme have an average account balance of **\$252,895**.  
The average for all members who have been in the Scheme for 10 years is **\$79,605**.

## Communication facts.

**1,391**

members on average  
logged into the website  
per month

**4,246**

members with  
email addresses

**1,799**

total calls to the  
Helpline

## Returns for year ending 30 June 2022 (after tax and expenses).

High Growth	Growth	Moderate Balanced	Defensive	Cash
-12.0%	-9.3%	-7.1%	-3.0%	0.8%

Returns are based on unit prices (determined by Mercer) for the respective funds.



# Message from the Chair

Welcome to the annual report for the Westpac New Zealand Staff Superannuation Scheme (the Scheme) which covers the period 1 July 2021 to 30 June 2022.



## Investment markets update.

The Scheme year was a year of two halves, with the first half of the year to 31 December 2021 delivering positive returns to members and the second half of the year eroding all the gains. The only fund that had positive returns, for the year ended 30 June 2022, was the Cash fund.

There were four key themes impacting returns during the year. These were Russia's invasion of Ukraine, interest rate rises by central banks to control inflation, ongoing impacts of Covid-19 and fear of recession.

Please refer to pages 7 to 9 for further information on how each fund and the different asset classes performed during the year and over time and to read a detailed market overview.

While it may be disheartening seeing negative returns this year, it is important to remember the Scheme offers a choice of investment options to suit different risk appetites and personal circumstances. If you find yourself considering switching your funds, we strongly recommend that you seek financial advice. You can find financial advice resources on [westpacnzstaffsuper.co.nz/financial-advice](https://westpacnzstaffsuper.co.nz/financial-advice) that includes free resources, online tools, Westpac financial advisers' contact details, and a link to the Financial Markets Authority website which may help you establish or refine your personal savings goals.

## Scheme news.

The Scheme offers long-term savings benefits to current employees of Westpac, employees who left Westpac, but who choose to stay and maximise benefits of the Scheme, and pensioners. During the year we welcomed 855 new members to the Scheme, and I am delighted to see the Scheme grow for the third consecutive year. Congratulations to 27 members who are now enjoying their retirement.

You can read more about the benefits offered in the Scheme on page 5 of this annual report.

## Welcome to our new directors.

Please join me in welcoming three recently appointed directors to the Trustee. Director of NZ Derivatives in Financial Markets, Brendon Johnston and Merchant Payments Lead, Shelley Powell, successfully won the Trustee director election in early-2022, joining the Trustee as member-elected directors effective 12 April 2022. Tania O'Brien, Chief Financial Officer, joined as a Westpac-appointed director effective 2 May 2022.

Further information about the Trustee is available at [westpacnzstaffsuper.co.nz/directors-of-the-Scheme-Trustee.html](https://westpacnzstaffsuper.co.nz/directors-of-the-Scheme-Trustee.html) page.

## Thank you.

I wish to thank my fellow directors for their service and contribution to the Scheme. I also want to thank Mark Weenink who was a Westpac-appointed director from 1 October 2018 and who resigned effective 4 October 2021 and Liam Cleary who was a member-elected director from 1 March 2019 until 12 April 2022. We wish Mark and Liam all the best.

On behalf of every member, I would like to thank Westpac, for their ongoing support and commitment to the Scheme. I also want to thank all the service providers who deliver outstanding results and services to members of the Scheme.

Finally, I want to acknowledge and thank you, members of the Scheme, for your continued contribution and engagement in the Scheme. I look forward to another year helping you save for your future.

A stylized, handwritten signature in black ink, appearing to read 'Bruce Kerr'.

Bruce Kerr

**Chairman**

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

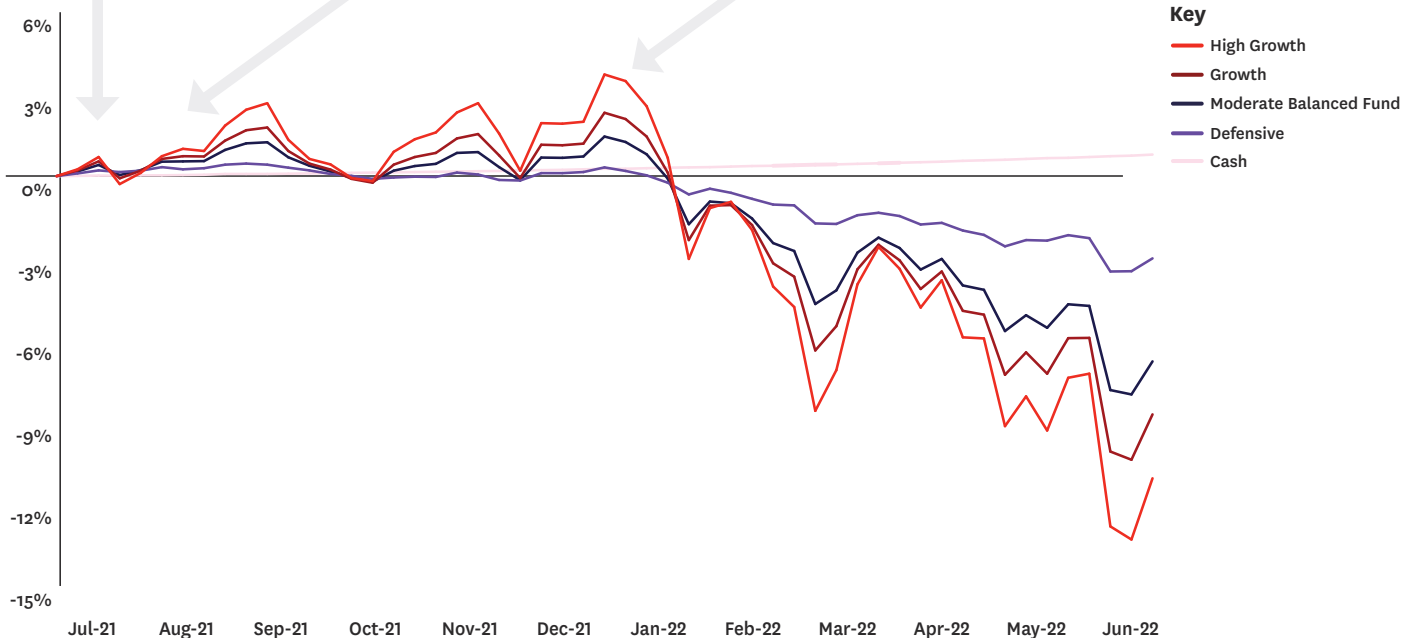
# Key factors

## Cumulative declared returns for the year to 30 June 2022.

The global economic recovery remained strong in July as the COVID vaccination roll-out continued. This was somewhat tempered by the spread of the Delta variant that created further uncertainty among citizens and market participants. Share markets grew as consumer spending increased and monetary and fiscal support continued.

The NZX50 returned 5.0% in August, a positive result in the face of the country moving to Alert Level 4 lockdown early in the month. September proved difficult for global share markets as investor sentiment changed amidst a slowing global economy, worsening supply chain stress, and the Evergrande credit crisis in China.

Increases in the price of goods and services, alongside interest rate increases and supply chain bottlenecks continued to weigh on broader economic spending and activity. The new Omicron COVID variant again increased uncertainty. The 2021 calendar year finished on a positive note thanks to governments being more hesitant to reintroduce hard restrictive measures to slow the spread.



Inflation remained at multi decade highs as a competitive labour market and soaring oil prices sustained pressures. Many central banks projected further conditions for raising rates. This less accommodative outlook, in addition to Russian geopolitical concerns, drove a negative market sentiment. Russia's invasion of Ukraine in February caused increased market volatility, with a large sell off in Russian assets due to the imposition of sanctions.

Global equity markets continued to recede, as global central banks tightening monetary policy, economic growth slowing and a challenging corporate profits outlook triggered market participants to sell 'risky assets'. In recent years, central banks would reduce interest rates to ease the pain, however high inflation readings are leaving central banks little option but to maintain their course and continue hiking interest rates.

**Past performance is not a guide to future performance.**

# What retirement lifestyle do you want?

The latest Retirement Expenditure Guidelines (as at 30 June 2021) produced by the Massey Financial Education and Research Centre revealed that most retired households are likely to spend more than their NZ Super, and are needing to top-up their NZ Super with other income in order to maintain the lifestyle they want. Since retirement is a significant life event, it is important to be financially prepared and to plan.

The report sets out several expenditure guidelines, which each reflect different retiree groups based on their geographical location, household size, and budget. The report represents actual levels of expenditure by retired households at the time this research was undertaken, and not the recommended levels of expenditure.

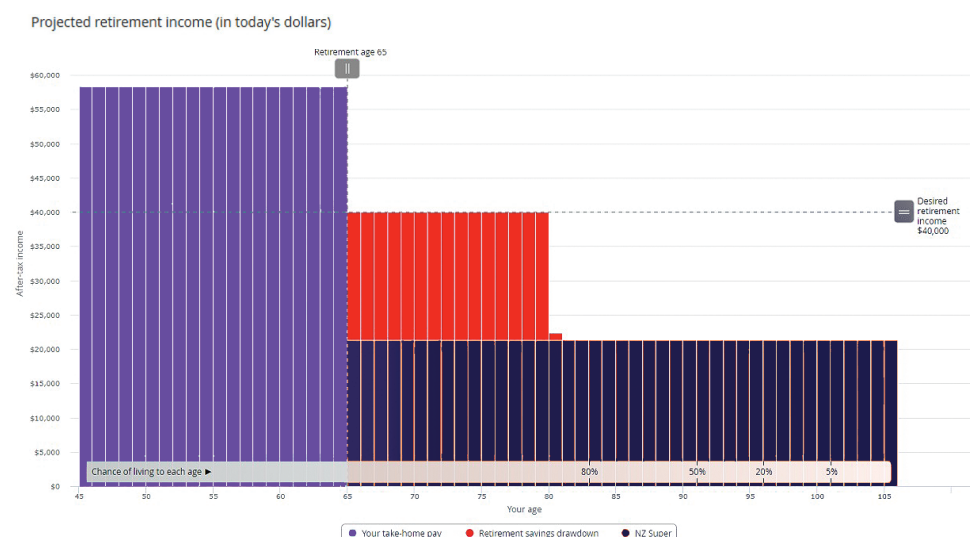
The full report is available on Massey University's website at <https://www.massey.ac.nz/research/research-centres/financial-education-and-research-centre-fin-ed-centre>.

## Market conditions can change

Did you know that you can use **MySuper Planner** (an online financial planning tool) to see how various market conditions could impact your future savings – up or down? This tool is exclusively available to In-Tandem members. After you adjust details such as how much you contribute, your ideal retirement age, and investment option, you can enable the 'stress test' feature and see how different market conditions may impact on your projected balance at retirement age.

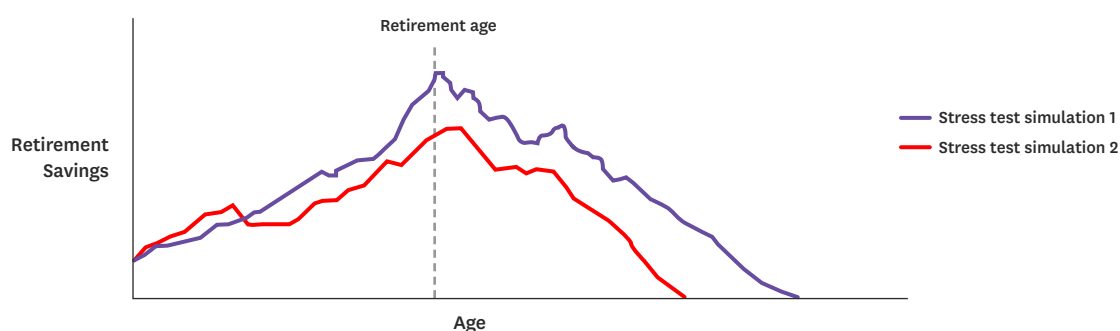
The MySuper Planner can be accessed by signing in to [westpacnzstaffsuper.co.nz](https://westpacnzstaffsuper.co.nz).

### Your retirement balance and income may look like this.



The amounts shown above, are for illustrative purposes only. No level of future returns is promised.

### Use MySuper Planner to get a 'stress test' with altering scenarios, to show what your balance might change to in different market conditions'



\*The stress test shown above is not personalised to you and is provided for illustrative purposes only, to demonstrate how different investment returns can affect investments in the Scheme generally. You can obtain a personalised investment stress test, and obtain a full description of assumptions and allowances relating to the stress test tool, in the MySuper Planner tool. This can be accessed by signing in to [westpacnzstaffsuper.co.nz](https://westpacnzstaffsuper.co.nz) and selecting the link to the tool. Your investment outcomes may be better or worse than illustrated by the stress test tool, depending on the actual investment options you choose and actual market conditions. No level of future returns is promised.

# 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 [westpacnzstaffsuper.co.nz](http://westpacnzstaffsuper.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' page at [westpacnzstaffsuper.co.nz](http://westpacnzstaffsuper.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.

## Set up your own password.

If you've forgotten your password and your email address is already registered, then you can reset your password online at any time by visiting [westpacnzstaffsuper.co.nz](http://westpacnzstaffsuper.co.nz). To reset or register a password you will need your member number, a valid email address (registered in our system), and your date of birth. After you click 'submit' check your email and follow the instructions within 30 minutes to continue the process.

If you don't have all the above information, or if you are having trouble using the service, please call Helpline on **0508 IN TANDEM** (0508 468 263).



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# 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 the 'Documents' page at [westpacnzstaffsuper.co.nz](http://westpacnzstaffsuper.co.nz).

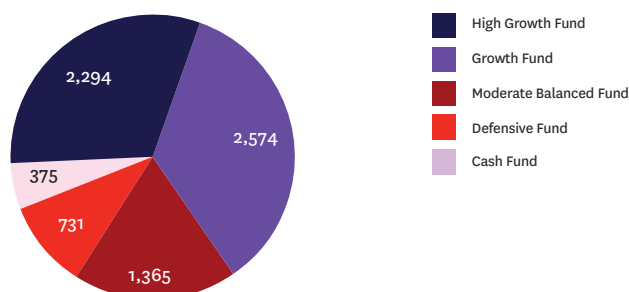
Further information about the investment options and their performance is set out in the fund updates for each investment option, which are available from the 'Documents' page of [westpacnzstaffsuper.co.nz](http://westpacnzstaffsuper.co.nz) or the offers register on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt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

Members of the defined benefit section of the Scheme do not need to select an investment option, as their benefits are not generally reliant on investment returns.

## Investment fund choices made.

The investment option with the most members is the Growth option with 2,574 investors. 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, please use the Sorted investment planner on [sorted.org.nz](http://sorted.org.nz).

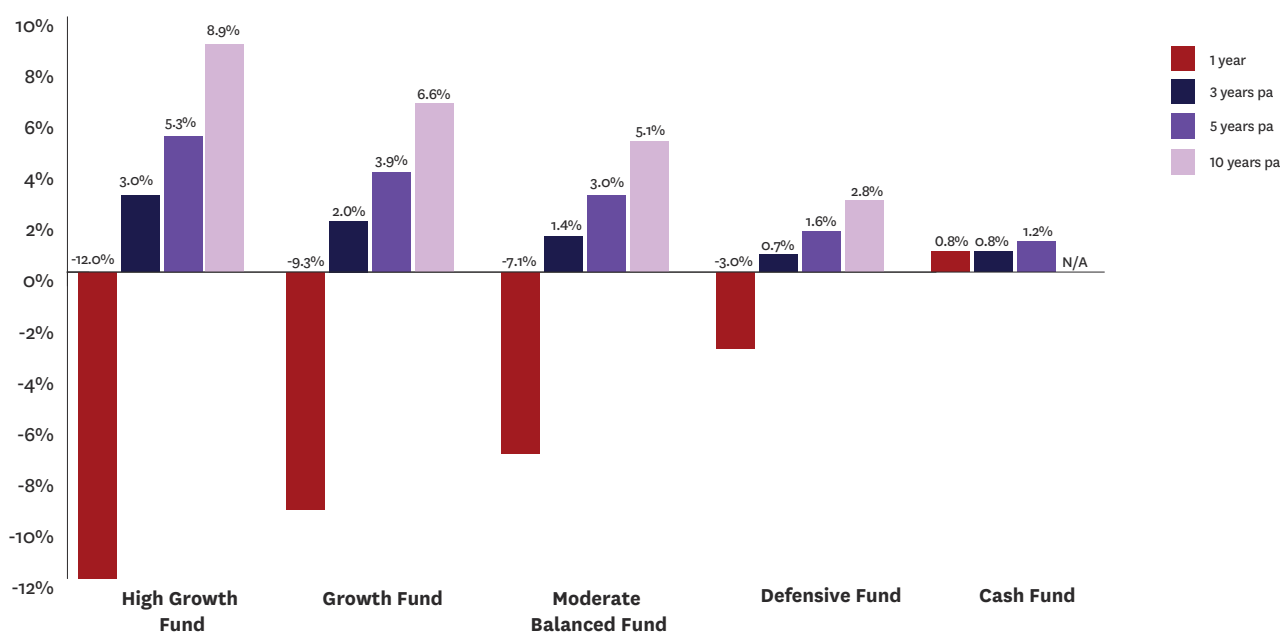
Number of members invested in the investment funds as at 30 June 2022



Number of investors in each scheme fund.  
Note that members can invest in one or more funds simultaneously.

## Fund returns as at 30 June 2022.

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 performance review

## Market commentary.

The 12-month period to 30 June 2022 was one of two halves. Initially, for the six months to December 2021, global equity markets recorded strong gains. Conversely, over the six months to June 2022, equity markets plunged and gave up most of their gains seen in 2021, as investor sentiment shifted significantly due to mounting concerns from persistently high inflation, aggressive monetary policy tightening, geopolitical tensions, and recession risks. Overall, the 12-month period was characterised by intense volatility and overall declines across both bonds and equities, with cash the only asset class to deliver a positive return. It is rare for both shares and bonds to experience such declines at the same time.

Global equities returned -11.1% (local currency returns) over the 12-month period. Emerging markets were the laggards with a return of -25.3% (in USD terms), while US equities returned -10.6%, and European equities returned -12.8% over the period. The top performing markets were UK equities which delivered 5.8% over the 12-month period, followed by Japan with -1.4%. NZ equities returned -14.1%, underperforming Australian equities which returned -6.5%.

Bond markets experienced their worst six-month (ending June 2022) drawdown on record. This came on the back of a spike in interest rates across different maturity dates in New Zealand and globally as central banks raised rates at a faster pace than previously anticipated to combat inflation. The NZ 90-day bank bill rates rose from 0.33% to 2.86% over the 12-month period, while the 10-year NZ government bond yield rose from 1.77% to 3.86% over the same period. In the US, the 10-year US Treasury yield rose from 1.47% to 3% over the 12-month period. NZ bonds returned -8.6% and slightly outperformed global bonds which returned -8.8%.

Oil prices rose from USD 73 per barrel to USD 105.8 over the 12-month period, although at one stage they reached a high of USD 122. The NZ dollar fell by -11% versus the US dollar, -4.4% on a trade weighted basis and -2.9% versus the Australian dollar over the 12-month period.

### Key themes driving returns over the period:

**1) Russia's invasion of Ukraine:** On 24 February 2022, Russia invaded Ukraine in a major escalation of the Russo-Ukrainian tensions that began in 2014. Little signs of any resolution since then have led to repercussions on energy and food prices which in turn have exacerbated inflation concerns from Covid-19 related supply chain disruptions.

**2) Global central banks' monetary policy tightening to combat inflation:** As the pace of a vaccine roll-out picked up in early 2021, which in turn led to

economic reopening in various countries, the economic picture improved on the back of a strong rebound in activity. While central banks acknowledged inflation on the back of Covid-19 related disruptions, central banks continued to insist even in the June 2021 quarter that they were in no hurry to raise rates as they expected the inflation effects to be transitory. However, ensuing inflation data releases over the 12-month period indicated that inflation could stay elevated and well above their target ranges even two years ahead which caused central banks to reverse their accommodative monetary policy stance at the end of December 21 and by January 2022 embarked on a mission to restore credibility and re-anchor inflation expectations at any cost whatsoever. What's unique about this tightening phase is that it is occurring in just about every region/ country (with China a notable exception) and it's not just interest rate hikes by central banks but also unwinding of the balance-sheet purchases made over the last few years.

**3) Covid-19 variants:** Covid remained a threat, particularly early in 2022, with the spread of the highly contagious Omicron variant exacerbating supply chain issues and worker shortages. In the last week of March, China was battling a Covid surge that led it to shut down Shanghai, its largest city and financial powerhouse, for mass testing. Subsequently, China removed its widespread Covid lockdowns, but has seen some setbacks, confined to local or neighbourhood levels. To prevent "Shanghai-like" lockdowns from recurring, policymakers have changed from mass to regular testing. Chinese policymakers have unveiled various initiatives with a strong focus on credit support.

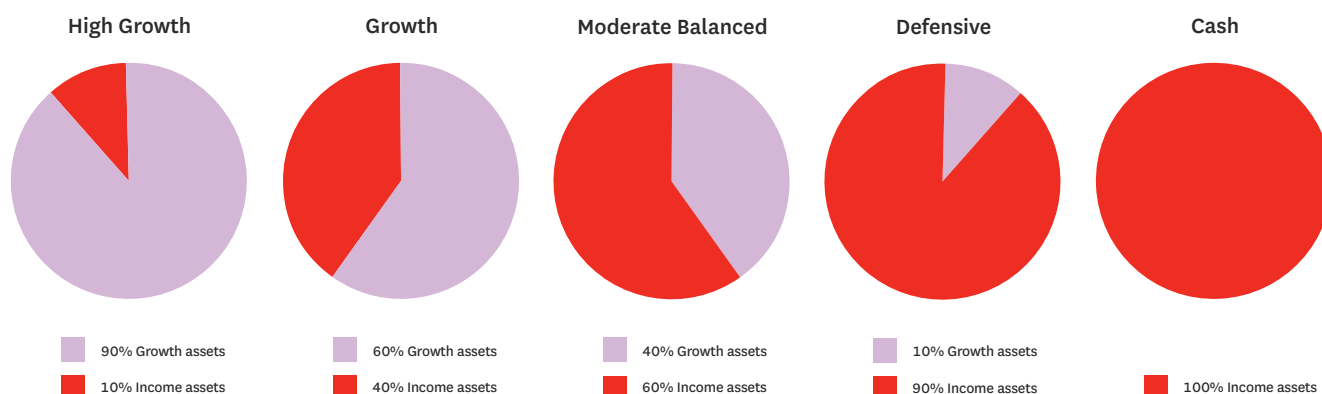
**4) Recession fears in June 2022:** In the last two weeks of the June 2022 quarter, the recession narrative replaced the inflation narrative as the key driver for markets as fears rose that central banks will end up tightening too aggressively. Further, higher input costs (labour, raw materials, transportation) and cost of funding for most companies is impacting earnings growth. The coincident surge in gasoline prices and mortgage rates has raised concerns of the impact on consumer spending as they tackle a decline in their purchasing power. Most recent consumer sentiment surveys have seen a fall. On the positive side, consumer resilience to-date has been underpinned by a tight labour market.

A lot of bad news is priced in, but caution is still warranted while central banks carry out the daunting task of re-anchoring the current soaring inflation expectations, despite the recession risk. Global earnings momentum is expected to slow over the foreseeable short term given higher input costs on the back of supply chain disruptions, diminishing fiscal impulse, and rising interest rates. Volatility and illiquidity are creating opportunities for active managers to buy high quality assets. Ensuring your portfolio is well diversified remains essential.

## Understanding investment horizons.

Do you know the asset allocation for the investment option you are invested in? The charts below show what asset classes combine to make each investment option and the difference between growth assets and income assets.

Your choice of an investment option, or combination of options, should reflect your own investment objectives, risk tolerance and investment time frame. The Product Disclosure Statement includes the recommended investment timeframe for each investment option, ranging from short term to long term. Generally, the greater the growth asset allocation, the longer the suggested investment minimum timeframe.



## Asset class performance.

As the following chart shows, this year's returns were negative for most asset classes except for the cash & cash equivalents.

### Before tax & expenses return for each asset type over one & three years (pa) to 30 June 2022



## Alternative assets.

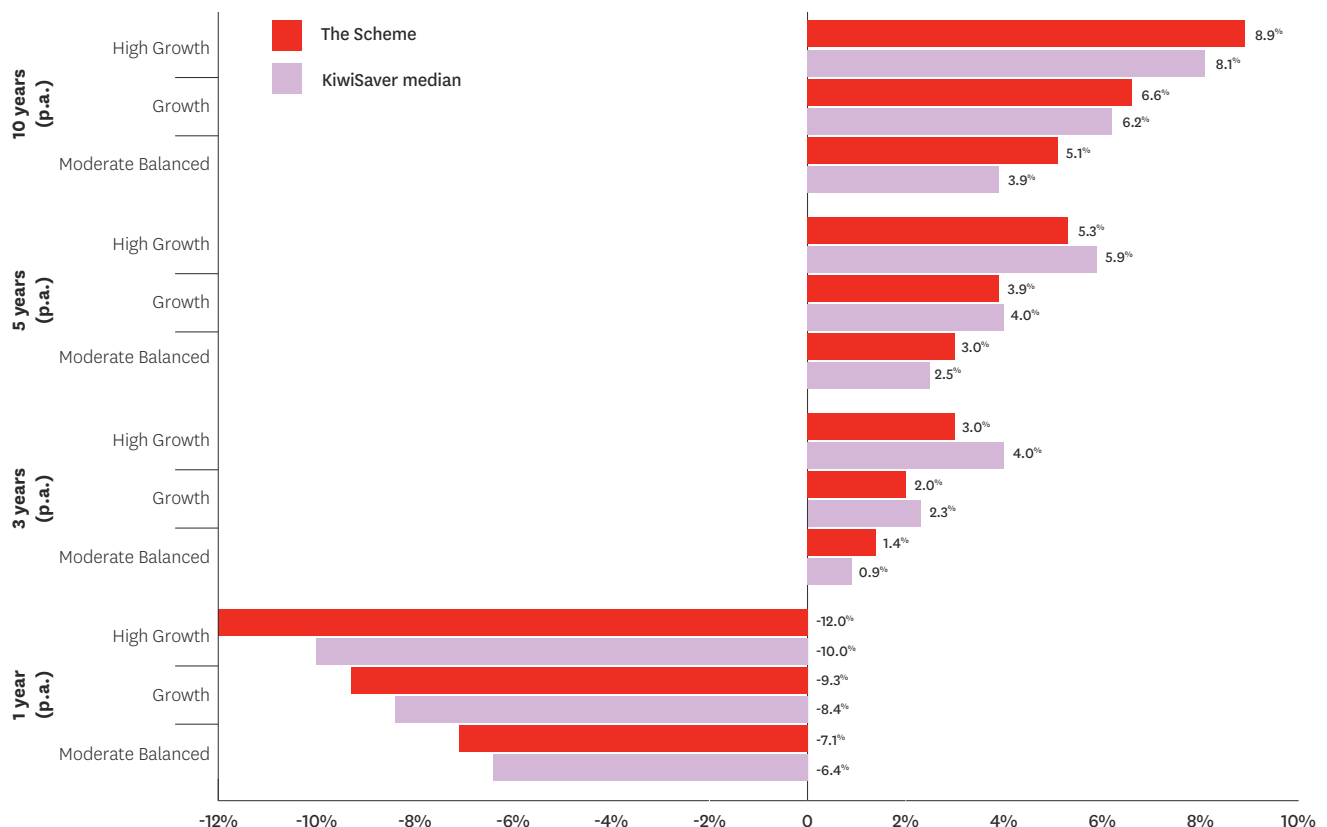
This asset class was removed effective November 2021.

## 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 [westpacnzstaffsuper.co.nz](http://westpacnzstaffsuper.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 2022 (copy available on request from the Secretary to the Scheme (details are on page 18)).

The periods measured in the graph are each a period ending on 30 June. 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 the Scheme 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 2022, this amounted to \$1,683,386 (\$401 per In-Tandem member) or 0.43% of the Scheme's net 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 2022 are listed below and remain unchanged from those published in the latest product disclosure statement dated 29 October 2021. Fees were reduced as a result of the Scheme's divestment from Alternative Assets.

Investment option	Annual fund charges (estimated) (% net asset value of relevant fund*)		
	Charges from 2 March 2020 until 2 September 2021	Charges from 3 September 2021 until 28 October 2021	Charges from 29 October 2021
High Growth Fund	0.70%	0.75%	0.57%
Growth Fund	0.59%	0.63%	0.49%
Moderate Balanced Fund	0.49%	0.52%	0.42%
Defensive Fund	0.30%	0.30%	0.29%
Cash Fund	0.14%	0.14%	0.14%

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

Members of the defined benefit section of the Scheme do not pay these fees. There is a one-off withdrawal fee for first home withdrawals, and an investment fund switch fee for each investment switch beyond the two free switches per Scheme year.

## What is the Scheme's surplus?

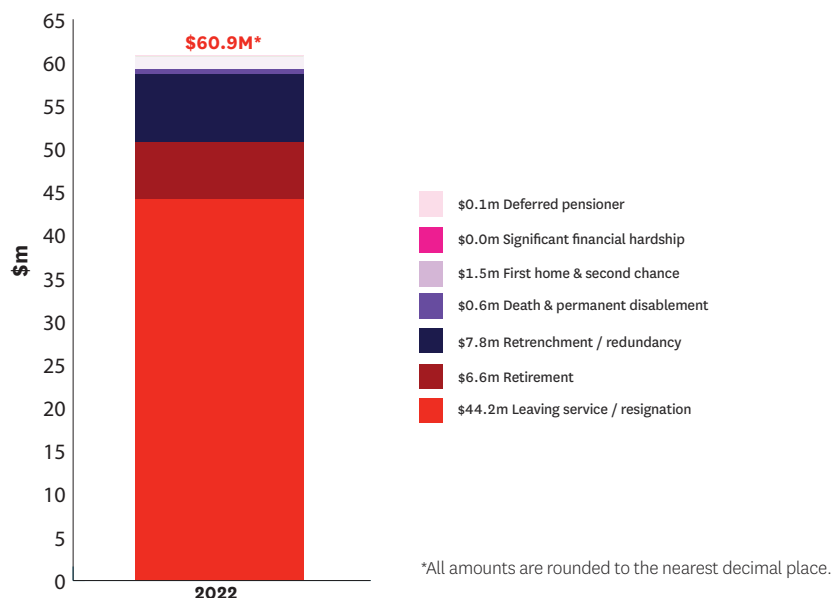
The Scheme's surplus comes from any money not paid to a member who leaves the Scheme before they are entitled to their full Company Account balance, or from funds in the Scheme that exceed what the actuary advises is required to cover vested benefits of defined benefit members.





# The Scheme paid \$60.9 million in benefits during the year ended 30 June 2022

The chart below shows a breakdown of the different benefits paid from the Scheme during the year ended 30 June 2022. During the year ended 30 June 2022, benefits paid to members totalled \$60.9 million (during the year ended 30 June 2021: \$53.1 million). The Scheme continues to help members retire and buy their first homes.



## Finding documents on the Disclose website.

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

Select 'Search for an offer' for documents such as the product disclosure statement and fund updates; and

'Search for the scheme' 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**.

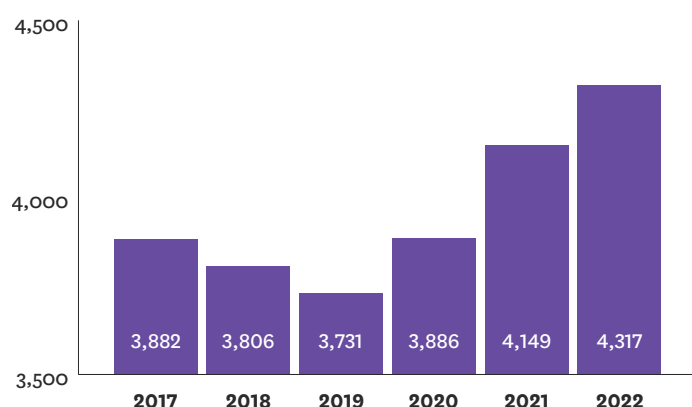


A financial summary is no longer required in the annual report. Copies of the full audited financial statements are available from 'Documents' on the Scheme website, on the Companies Office Disclose website, or by calling the helpline.

## Membership.

Membership increased this year as the Scheme welcomed 855 new members for the year ended 30 June 2022. As the Bank continues to be committed to the success of the Scheme it is pleasing to see that the number of members now considerably exceeds the total membership in recent years. A summary of membership changes is published below.

## Changes in membership over the last six years.



# Statutory information

## Details of scheme.

This is the annual report for the Westpac New Zealand Staff Superannuation Scheme for the year ended 30 June 2022.

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 29 October 2021 and is open for applications.

Fund updates for each of the five investment options for the year ended 30 June 2022 were made publicly available on 16 September 2022. The Scheme's latest financial statements are for the year ended 30 June 2022. They were authorised for issue on 14 September 2022, and were lodged (along with the auditor's report on those financial statements) with the Registrar of Financial Service Providers on 19 September 2022.

Copies of the fund updates and the financial statements (including the auditor's report) are available on [westpacnzstaffsuper.co.nz](https://westpacnzstaffsuper.co.nz) or [www.disclose-register.companiesoffice.govt.nz](https://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 2022.

- At 1 July 2021, the total amount of members' accumulation relating to 4,149 members was \$450,187,847.
- At 30 June 2022, the total amount of members' accumulation relating to 4,317 members was \$387,027,507.

## MEMBERSHIP DETAILS.

	TOTAL CONTRIBUTING MEMBERS	NON-CONTRIBUTING MEMBERS			TOTAL NON- CONTRIBUTORY MEMBERS	TOTAL
		INDIVIDUAL MEMBERS	DEFERRED MEMBERS	PENSIONERS		
<b>At 1 July 2021</b>	<b>3,846</b>	<b>105</b>	<b>70</b>	<b>128</b>	<b>303</b>	<b>4,149</b>
<b>Status changes</b>						
Contributory status change	(9)	9	-	-	9	0
Transfers from other sections	-	-	-	-	-	-
<b>Total status change</b>	<b>(9)</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>0</b>
<b>New members</b>						
New members	855	-	73	1	74	929
Transfers in from other schemes	-	-	-	-	-	-
<b>Total new members</b>	<b>855</b>	<b>-</b>	<b>73</b>	<b>1</b>	<b>74</b>	<b>929</b>
<b>Ceased members</b>						
Retirements	(27)	-	-	-	-	(27)
Deaths	(1)	-	(1)	(8)	(9)	(10)
Transfers to other schemes	-	-	-	-	-	-
Other reasons:						
Retrenchment / redundancy	(90)	-	-	-	-	(90)
Total & permanent disablement	(2)	-	-	-	-	(2)
Leaving service / resignation	(593)	-	-	-	-	(593)
Other	-	-	(38)	(1)	(39)	(39)
<b>Total ceased members</b>	<b>(713)</b>	<b>-</b>	<b>(39)</b>	<b>(9)</b>	<b>(48)</b>	<b>(761)</b>
<b>At 30 June 2022</b>	<b>3,979</b>	<b>114</b>	<b>104</b>	<b>120</b>	<b>338</b>	<b>4,317</b>

## Contributions received during the year ended 30 June 2022.

Type	Number of scheme participants	Total amount
Member contributions	4,596	\$15,721,066.23
Voluntary member contributions	-	-
Employer contributions	4,410	\$24,098,274.31
		<b>\$39,819,340.54</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.

There were changes to the Scheme's product disclosure statement (PDS) during the year ended 30 June 2022. The Scheme's PDS was updated with effect from 3 September 2021 to reflect changes in annual fund charges. The PDS was further updated on 29 October 2021 to reflect the Scheme's divestment from Alternative Assets, and the investment of those divested assets spread across Australasian Equities, International Equities and Real Assets, and other minor changes.

### Statement of investment policy and objectives.

The Scheme's statement of investment policy and objectives (SIPO) was amended on 29 October 2021 to reflect the Scheme's divestment from Alternative Assets, and the investment of those divested assets spread across Australasian Equities, International Equities and Real Assets.

### 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 \$24,098,274 (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 2022

Full withdrawals		Partial withdrawals	
Retirements	27	First home	27
Retrenchment / redundancy	90	Significant financial hardship	4
Deaths	10*	<b>Total partial withdrawals</b>	<b>31</b>
Total & permanent disablement	2		
Leaving service / resignation	631**		
<b>Total full withdrawals</b>	<b>760</b>		

\*Pensioners are included in this withdrawal amount.

\*\*Leaving service / resignation includes 38 retained members.

### Deaths.

Sympathy is extended to the families of members and pensioners who have died.

## 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.

	Units on issue (Relates to In-Tandem sections only)		Unit price (\$)	
	1 July 2021	30 June 2022	1 July 2021	30 June 2022
<b>High Growth</b>	29,215,169.97	27,255,880.68	4.0440	3.5596
<b>Growth</b>	43,175,066.05	40,545,669.39	3.5568	3.2274
<b>Moderate Balanced</b>	30,603,942.07	30,456,266.50	1.8090	1.6807
<b>Defensive</b>	19,128,080.10	16,583,963.93	2.6178	2.5397
<b>Cash</b>	12,802,780.44	11,697,457.12	1.1700	1.1793
<b>Defined Benefit</b>	-	-	2.8514	2.5858

## Leaving Westpac? Don't forget to complete the form.

All members who leave the Scheme must complete a leaving service form to indicate where their funds are to be paid. Members have the option to leave funds in the Scheme for up to two years, transfer your funds to a KiwiSaver arrangement or another superannuation scheme, or arrange for your funds to be paid into your personal bank account.

Your money from the Scheme cannot be paid until this form is completed, and is returned to the Scheme's administrator (Mercer).

You can find the 'Leaving Employment Form' on [westpacnzstaffsuper.co.nz](https://westpacnzstaffsuper.co.nz) on the 'Documents' page, and the 'Member forms' tab.

### Actuarial report.

The last triennial actuarial valuation was prepared as at 30 June 2020. The purpose of the valuation 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 Actuary reported that the value of the Scheme's accrued benefit liabilities exceeded the value of its assets and recommended that the Bank, in line with the current funding policy, contribute shortfall contributions of \$1,200,000 p.a. which would be expected to eliminate the shortfall over the next four years.

The interim valuation carried out at 30 June 2021 showed that the funding position had improved since the last actuarial valuation at 30 June 2020. As the defined benefit funding ratio of 101.7% was between 95% and 105%, the Bank ceased shortfall contributions and paid basic contributions in line with the Funding Policy.

The interim valuation as at 30 June 2022 showed that the funding position had deteriorated to 95.1%. As this was between 95% and 105%, no shortfall contributions are required and only basic contributions are payable. The next formal valuation will be undertaken as at 30 June 2023.

### 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.

There were two rates of increases last year that applied from 1 October 2021. Pension payments were increased by 3.29% for Category 2&3 pensioners, and were increased by 3.34% for Category 1&4 and deferred pensioners.



## 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 2022 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 2022.

On behalf of the Trustee



Bruce Kerr,  
Chairman of Trustee  
14 September 2022









## Changes to persons involved in the scheme.

The directors of the Trustee as at 30 June 2022 were:



**Brendon Johnston**  
Director of NZ Derivatives  
in Financial Markets



**Bruce Kerr**  
Chairman of Trustee



**Ian New**  
Former Chief Actuary



**Marc Figgins**  
General Manager, Human Resources  
& Corporate Affairs



**Shelley Powell**  
Merchant Payments Lead



**Tania O'Brien**  
Chief Financial Officer



**Tim McGuinness**  
Licensed Independent Trustee

During the year ending 30 June 2022:

- Mark Weenink resigned as a director effective 4 October 2021.
- Liam Cleary resigned as a director effective 12 April 2022.
- Brendon Johnston joined as a member-appointed Trustee Director from 12 April 2022.
- Shelley Powell joined as a member-appointed Trustee Director from 12 April 2022.
- Tania O'Brien joined as a Westpac-appointed Trustee Director from 2 May 2022.

Further information about the Trustee Directors is available from the Scheme website [westpacnzstaffsuper.co.nz](https://westpacnzstaffsuper.co.nz).

Who else is involved?	Company name	Role
Administration Manager; Actuary; Scheme Secretary; and Member 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 the Scheme's member register</li> </ul>
Auditor	PwC	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	Fidelity Insurance Limited (previously named Westpac Life-NZ- Limited)	Insures the insured portion of the death and total and permanent disability benefits of In-Tandem members
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 [westpacnzstaffsuper.co.nz](http://westpacnzstaffsuper.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: 9am to 7pm Monday to Friday

### Secretary to the Scheme.

Philippa Kalasih  
Mercer (N.Z.) Limited  
Level 2, 20 Customhouse Quay  
Wellington 6011.

Phone: 04 819 2641  
Email: [philippa.kalasih@mercerc.com](mailto:philippa.kalasih@mercerc.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 may direct you to the Complaints Officer.
2. Email the Complaints Officer at [philippa.kalasih@mercerc.com](mailto:philippa.kalasih@mercerc.com).

### Complaints Officer.

Philippa Kalasih  
Mercer (N.Z.) Limited  
Level 2, 20 Customhouse Quay  
Wellington 6011.

Phone: 04 819 2641  
Email: [philippa.kalasih@mercerc.com](mailto:philippa.kalasih@mercerc.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.



**TOGETHER  
GREATER**

Westpac New Zealand Limited.