



BUILDING YOUR SAVINGS

Westpac New Zealand Staff
Superannuation Scheme.
Annual Report 2023.



Year snapshot

for year ended 30 June 2023

Money facts.

\$415.5m

in net assets at year end

\$17.1m

member contributions

\$28.9m

employer contributions

\$37.9m

in benefits paid

Long-term savers (15+ years) in the Scheme have an average account balance of **\$261,203**.

The average for all members who have been in the Scheme for 10 years is **\$86,263**.

Member facts.

854

new members joined during the year

382

net member growth for the year

4,342

contributing members at year end

357

non-contributing members at year end

18

members retired

116

pensioners at year end

Communication facts.

1,205

total calls to the Helpline

1,337

members on average logged in to the website per month

The Trustee's preferred communication channel with members is to use your email address, and our Scheme administrator holds email addresses for 94.6% of the Scheme's membership. We would like to get this number closer to 100%, so please take a moment to check/update your email address at westpacnzstaffsuper.co.nz.

On average each month, 28.5% of the Scheme's membership self-serve by logging in to the Scheme's website, while another 21.3% prefer to contact the Scheme's phone Helpline.

Returns for year ended 30 June 2023 (after tax and expenses).

High Growth Fund	Growth Fund	Moderate Balanced Fund	Defensive Fund	Cash Fund
8.5%	6.1%	4.7%	2.7%	3.1%

Returns are based on unit prices (determined by Mercer) for the respective funds and returns experienced by individual members will depend on their own investment factors.

Message from the Chair

Welcome to the annual report for the Westpac New Zealand Staff Superannuation Scheme (the Scheme), covering the period from 1 July 2022 to 30 June 2023.



Investment markets update.

Following a fairly challenging reporting period, the returns for the year ended 30 June 2023 showed a marked improvement from the previous year to 30 June 2022, with global equity markets finishing the year in positive territory. However, it wasn't smooth sailing, as record-high inflation and central bank policy had a significant impact on the financial markets. All things considered, most major asset classes closed out the first six months of 2023 in a remarkably good position, with all funds delivering positive returns overall.

It is still a bit premature to have a clear-cut view of how things will play out for the remainder of 2023. There is currently ongoing uncertainty in the financial markets, with surging inflation, rising interest rates and the looming fear of a recession across many countries, all impacting on returns. These factors highlight the importance of considering a diversified approach when it comes to your retirement investments and for members to review their goals regularly.

Please refer to pages 8 to 10 for further information on how each fund and the different asset classes performed during the year and to read a detailed market overview.

Scheme news.

The Scheme offers long-term savings benefits to our members, and during the year we welcomed 854 new members to the Scheme. We are delighted that the Scheme has grown again this year to 4,699 members and \$415.5 million in net assets, showing consistent growth for the past four years.

Congratulations to the 24 members who collectively withdrew almost \$1 million to purchase their first home, and to the 18 members who are now enjoying their retirement.

You can read more about the benefits offered in the Scheme on page 6 of this annual report.

Tools and advice.

It is important to remember that the Scheme offers a choice of investment options to suit different risk appetites and personal circumstances. We're here to help you stay on track, so head to westpacnzstaffsuper.co.nz/financial-advice to utilise the free financial advice, resources and tools available to members, including contact details for Westpac's financial advisers. You can also use the retirement income calculator to estimate your projected retirement savings and give you a better insight into your future finances. Sign in to westpacnzstaffsuper.co.nz to access this tool.

Thank you.

I would like to extend a heartfelt thank you to my fellow directors for their never-ending support and service towards our members, and to Westpac for their continued commitment to our Scheme. Finally, I wish to acknowledge and thank you, as members of the Scheme, for your ongoing contribution and engagement.

As always, if you have any questions about the Scheme or your account, please call the Helpline on **0508 IN TANDEM** (0508 468 263) or +61 3 868 71831 if calling from overseas, or visit westpacnzstaffsuper.co.nz.

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

Bruce Kerr
Chairman

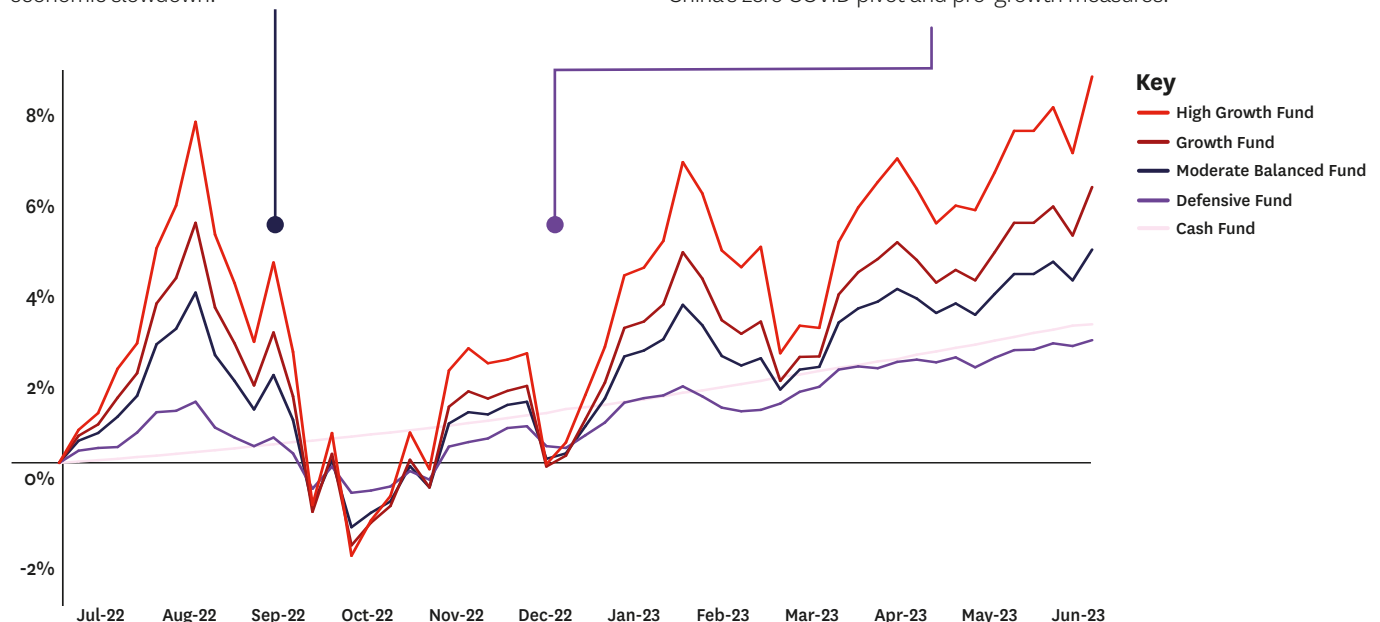
Westpac New Zealand Staff Superannuation Scheme Trustee Limited
(Trustee of the Scheme)

Key factors

Cumulative declared returns for the year to 30 June 2023.

The quarter ending September 2022 saw the US Federal Reserve (Fed)-led global tightening cycle getting more aggressive. The big story over the September 2022 quarter was a pronounced tightening of financial conditions driven by expectations for a more aggressive global central bank rate hike cycle. This was led by the Fed's "raise rates higher and hold for longer" messaging underpinned by high core inflation and ongoing tightness in the labour market. This drove a pickup in hard landing (recession) concerns, which were also evidenced by a further inversion of the US treasury yield curve. Markets also focused on the Bank of England's announcement that it would purchase longer-dated UK Government bonds (Gilts) to restore orderly market functioning following the backlash surrounding the new (and fleeting) Truss Government's tax cut plans. Another key overhang on risk sentiment was concern that corporate profits would see a significant decline in the event of an economic slowdown.

The quarter ending December 2022 saw growing expectations for a slowdown in the pace of central bank rate hikes. There were several developments supportive for risk assets in the December quarter. One of the most important revolved around expectations for a slowdown in the pace of tightening following a 50bp rate hike by the Fed in December, after four successive 75bp rate increases. Hopes for a near-term peak in the Fed tightening cycle and a terminal rate just below 5% were fuelled by slowing inflation in October and November. While the reported corporate earnings for the September quarter lagged, investors had already lowered their expectations while corporates continued to largely highlight a solid demand backdrop. Cost-cutting headlines were well received given the extent they were associated with the technology sector and did not really conflict with the tight labour market, which remained the key input for a soft landing scenario. Additionally, the warmer weather in Europe helped assuage the previous geopolitically driven energy price spikes. Another sizeable support driver was China's zero COVID pivot and pro-growth measures.



The quarter ending March 2023 got off to a strong start but was overshadowed by turmoil in the banking sector (particularly in the US). The Fed slowed the pace of its rate hikes to a 25bp increase in February while reiterating its higher-for-longer interest rate messaging. A much stronger than expected employment report for January and strong retail sales were a trigger for higher bond yields as market pricing for the peak Fed funds rate surged upward to briefly touch 5.70%. The banking sector grabbed the headlines in March due to concerns about US regional banks' funding/liquidity pressures and the impact of the Fed's aggressive tightening cycle on their investment portfolios. This triggered an outflow of deposits leading to the US FDIC (Federal Deposit Insurance Corporation) protecting the uninsured deposits at two failed banks and the Fed announcing a new emergency liquidity facility which contained contagion across the banking sector. The market had been leaning toward a 50bp rate hike in March prior to the banking turmoil but a lower rate hike and Fed pivot expectations provided an outsized tailwind for big tech, which was exacerbated by very underweight mutual fund positioning in equities.

The quarter ending June 2023 saw a pickup in soft landing expectations with support from the disinflation narrative and a tailwind from the AI (artificial intelligence) secular growth theme. The June quarter saw the corporate earnings results for the March quarter coming in better than expected (helped by a lower bar), dampening some of the concerns about the need for a meaningful downwards reset to consensus estimates for 2023. Soft landing expectations were further underpinned by an improvement in the housing market and evidence of a still tight labour market as the employment report for May marked the 14th straight month in which data beat expectations. Various inflation data points and supply chain normalisation bolstered the disinflation narrative. Mega-cap tech stocks extended their March quarter outperformance on the back of AI enthusiasm, cost-cutting/efficiency initiatives leadership and investors being underweight. The 15 biggest companies in the S&P 500 have driven 86% of the return in the US year-to-date. The return of narrow market leadership has again raised questions about the durability of this market rally.

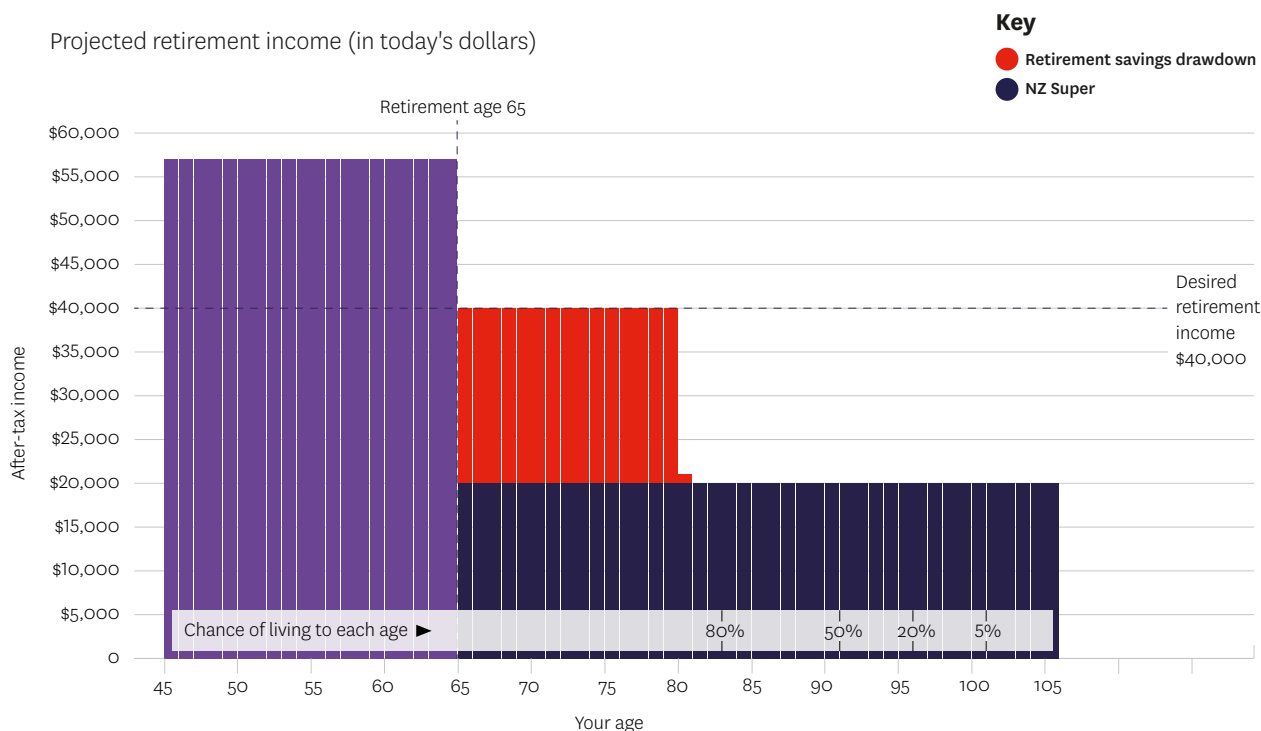
Past performance is not a guide to future performance.

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.

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 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.**

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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, Combined Other Material Information and trust deed – all documents are available at 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. 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, you can reset your password online at any time by visiting 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 the Helpline on **0508 IN TANDEM** (0508 468 263).



Member story

Meghan Sarathy is an Auckland-based member of the Scheme, working in the Treasury team at Westpac New Zealand. She has been a member of the Scheme since she joined Westpac in 2018 and recently withdrew her funds to help purchase her first home.



When I joined the Scheme in 2018, I was torn between the choice of investing a portion of my pay or enjoying a higher disposable income. Looking back, I am so thankful that I made the decision to invest in the Scheme, as it has played a huge role in being able to build my first home with my partner. The best part about making regular and automatic contributions to the Scheme was being able to grow my savings without actively having to do much. It was the best feeling, accessing the funds approximately five years later for a big personal decision like this. I can't stress the value of investing your money enough. For example, we were able to fund the full deposit of our house just by using all our investments, which included KiwiSaver, the Scheme and managed funds in a few different places. This meant we could use the cash in our savings account to help finance additional upgrades in the house, pay for extra expenses during the build stage and still have some savings.

My partner and I first started thinking about building our first home mid-last year. The timing happened to coincide with a decline in house prices but was offset by higher mortgage rates. This meant we had to plan our finances based on a worst-case scenario if interest rates continued to rise and stay higher. The importance of good financial planning is often underestimated.

It's been a tough year trying to juggle time across work, personal life and managing every stage of the build process - a process many homeowners go through. Diligent planning and sticking to a budget helped us in this journey. We didn't face many challenges with accessing the funds in the Scheme - it was a really easy and smooth process.

In relation to my savings goals for the future, we will resume investing a portion of every pay check once the house is built. This includes in the Scheme, KiwiSaver and other managed funds. Our goal is to ensure we have six months of income as savings and the rest invested. I encourage those (who can) to save, diligently invest and not shy away from engaging in discussions with your friends and family on financial planning. This can help people in our community achieve financial freedom and security.

I am so thankful that both my partner and I joined the Scheme as it really helped us, and we can't wait for the keys to our new home.



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.

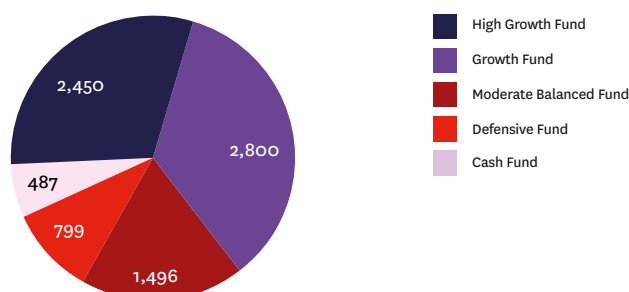
Further information about the investment options and their performance is set out in the fund updates for each investment option, which are available from the 'Documents' page of westpacnzstaffsuper.co.nz or the offers register on disclose-register.companiesoffice.govt.nz.

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 2,800 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.

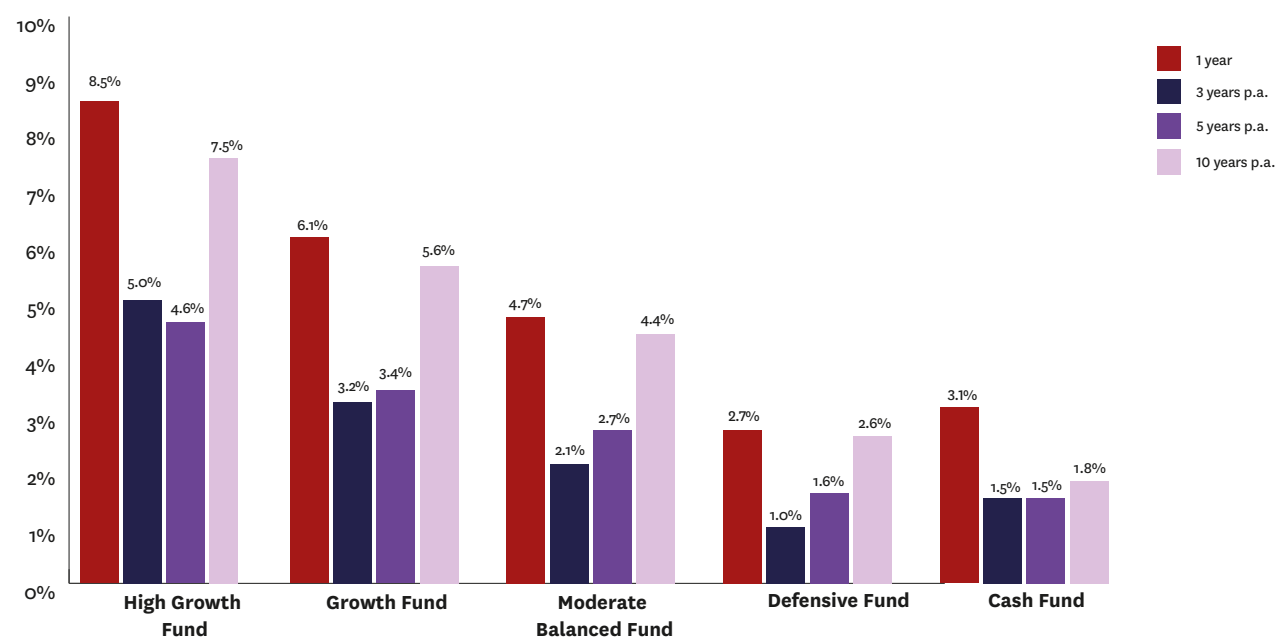
Number of members invested in the investment funds as at 30 June 2023



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

Fund returns as at 30 June 2023.

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 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.

Notwithstanding a challenging first three months which saw most asset classes posting negative returns, the year to 30 June 2023 was overall positive for growth assets (equities) and the funds overall. We comment on the performance of asset classes across the market general in this section. The performance of these asset classes for Scheme investments is set out on the next page.

Global equities¹ returned 18.2% over the 12-month period. On a regional basis, the top performing markets were European equities² which returned 30.6%, followed by Japanese equities³ returning 25.7% and US equities⁴ returning 19.6%. Emerging markets⁵ were the laggards with a return of 1.7% over the period. NZ equities⁶ returned 9.6%, underperforming Australian equities⁷ which returned 14.8%.

Bond market returns were muted amid a fast and furious pace of central bank rate hikes, especially in 2022 to combat inflation. The 90-day New Zealand bank bill rate rose from 2.86% to 5.70% over the June year, while the 10-year New Zealand government bond yield rose from 3.86% to 4.62% over the same period. In the US, the 10-year Treasury yield rose from 3% to 3.84%. New Zealand bonds⁸ returned 0.5% and outperformed global bonds⁹ which fell 0.3%. The New Zealand dollar fell by 1.4% versus the US dollar, but gained 0.6% on a trade weighted basis and up 1.8% against the Australian dollar over the 12-month period.

¹ MSCI World Net Index (in local currency terms)

⁴ S&P 500 Total Return Index (in USD terms)

⁷ S&P/ASX 200 Accumulation Index (in AUD terms)

² Euro Stoxx 50 Total Return Index (in EUR terms)

⁵ MSCI Emerging Markets Index (in USD terms)

⁸ Bloomberg NZBond Composite 0+Yr Index

³ Topix Total Return Index (in JPY terms)

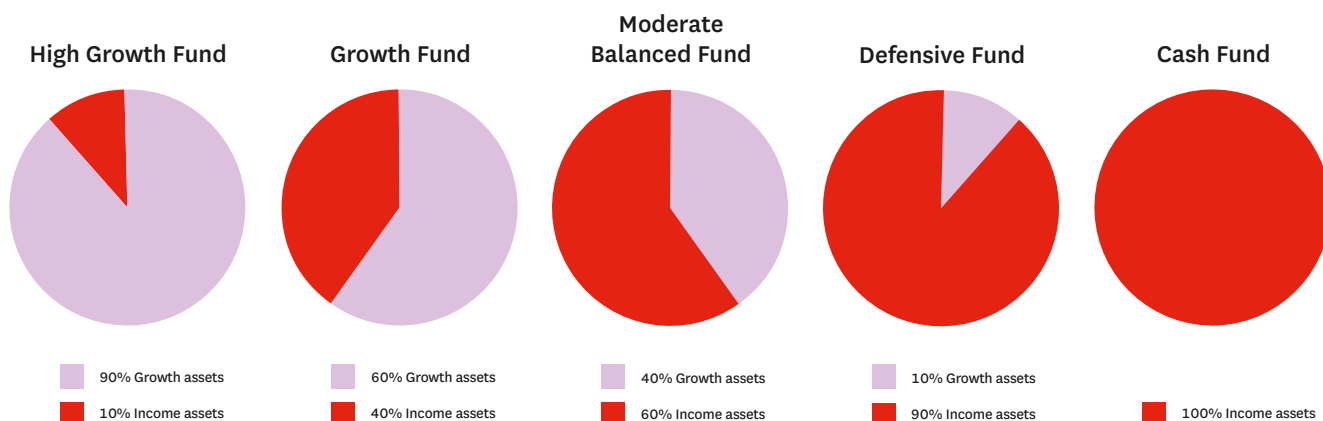
⁶ S&P/NZ50 Gross Index

⁹ Bloomberg Global Aggregate Index (100% hedged to the NZD)

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.

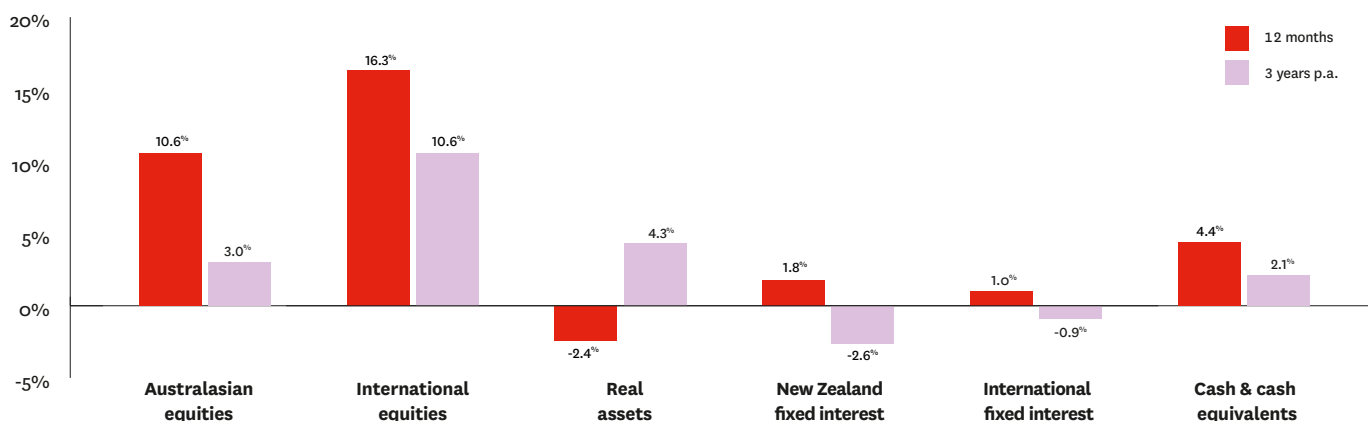
Your choice of an investment option, or combination of options, should reflect your own investment objectives, risk tolerance and investment timeframe. The product disclosure statement includes the recommended investment timeframe for each investment option, ranging from short-term to long-term. Generally, 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 positive for most asset classes, except real assets.

Before tax & expenses return for each asset type over one & three years (p.a.) to 30 June 2023

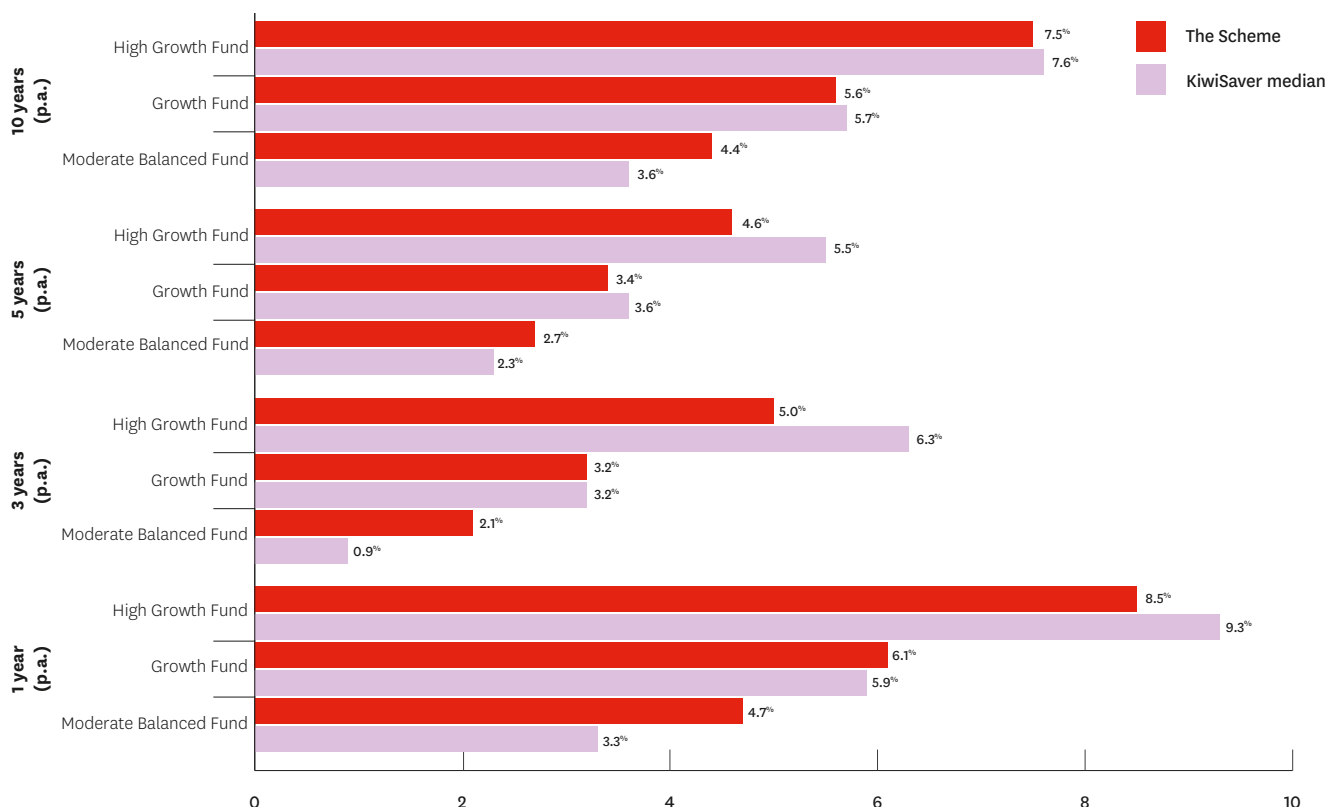


Scheme performance compared with KiwiSaver schemes.

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 or on the offers register on 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 2023 (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 balanced-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 (apart from one-off fees described below) 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 2023, this amounted to \$1,753,090 (\$383 per In-Tandem member) or 0.42% 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 2023 are listed below (as set out in the latest product disclosure statement dated 30 June 2023).

Investment option	Annual fund charges (estimated) (% net asset value of relevant fund*)	
	Charges from 1 July 2022 to 6 October 2022	Charges from 7 October 2022 to 30 June 2023
High Growth Fund	0.57%	0.55%
Growth Fund	0.49%	0.48%
Moderate Balanced Fund	0.42%	0.42%
Defensive Fund	0.29%	0.29%
Cash Fund	0.14%	0.15%

*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. For In-Tandem members, 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.

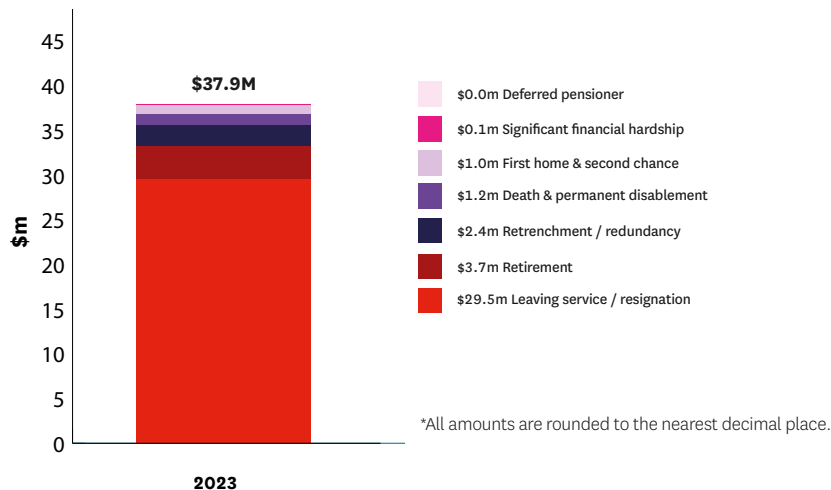


What is the Scheme's surplus?

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 \$37.9 million in benefits during the year ended 30 June 2023

The chart below shows a breakdown of the different benefits paid from the Scheme during the year ended 30 June 2023. During the year ended 30 June 2023, benefits paid to members totalled \$37.9 million (during the year ended 30 June 2022: \$60.9 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

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

'Search for a 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**.

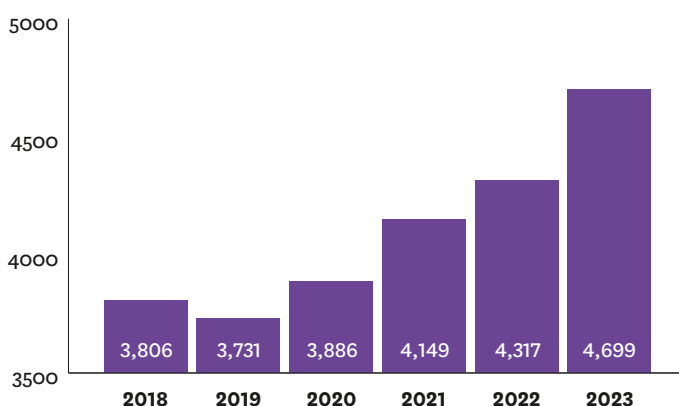


A financial summary is no longer required in the annual report. Copies of the full audited financial statements are available from 'Documents' on the Scheme website, on the Companies Office Disclose website, or by calling the Helpline.

Membership.

Membership increased this year as the Scheme welcomed 854 new members for the year ended 30 June 2023. As the Bank continues to be committed to the success of the Scheme, it is pleasing to see that the number of members has continued to grow 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 2023.

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 30 June 2023 and is open for applications.

Fund updates for each of the five investment options for the year ended 30 June 2023 were made publicly available on 15 September 2023. The Scheme's latest financial statements are for the year ended 30 June 2023. They were authorised for issue on 13 September 2023, and were lodged (along with the auditor's report on those financial statements) with the Registrar of Financial Service Providers on 14 September 2023.

Copies of the fund updates and the financial statements (including the auditor's report) are available on westpacnzstaffsuper.co.nz or 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 2023.

- At 1 July 2022, the total amount of members' accumulation relating to 4,317 members was \$387,027,507.
- At 30 June 2023, the total amount of members' accumulation relating to 4,699 members was \$415,457,717.

Membership details.

	TOTAL CONTRIBUTING MEMBERS	NON-CONTRIBUTING MEMBERS				
		INDIVIDUAL MEMBERS	DEFERRED MEMBERS	PENSIONERS	TOTAL NON- CONTRIBUTORY MEMBERS	TOTAL
At 1 July 2022	3,979	114	104	120	338	4,317
Status changes						
Contributory status change	(41)	41	-	-	41	-
Transfers from other sections	-	-	-	-	-	-
Total status change	(41)	41	-	-	41	-
New members						
New members	854	-	43	2	45	899
Transfers in from other schemes	-	-	-	-	-	-
Total new members	854	-	43	2	45	899
Ceased members						
Retirements	(18)	-	-	-	-	(18)
Deaths	(3)	-	-	(5)	(5)	(8)
Transfers to other schemes	-	-	-	-	-	-
Other reasons:						
Retrenchment / redundancy	(15)	-	-	-	-	(15)
Total and permanent disablement	(4)	-	-	-	-	(4)
Leaving service / resignation	(410)	-	-	-	-	(410)
Other	-	-	(61)	(1)	(62)	(62)
Total ceased members	(450)	-	(61)	(6)	(67)	(517)
At 30 June 2023	4,342	155	86	116	357	4,699

Contributions received during the year ended 30 June 2023.

Type	Number of scheme participants	Total amount
Member contributions	4,752	\$17,133,683.50
Voluntary member contributions	-	-
Employer contributions	4,578	\$28,872,991.00
		\$46,006,675.50

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 during the year ended 30 June 2023. The Scheme's product disclosure statement was updated with effect from 7 October 2022 to reflect changes in the risk indicator and annual fund charges for relevant funds, a change in the administration fee for each investment fund switch after the first two switches in each Scheme year, and other minor changes. The Scheme's product disclosure statement was further updated with effect from 30 June 2023 to reflect a change in the administration fee for each investment fund switch after the first two switches in each Scheme year, formatting changes, updating of links, graphs and descriptions for investment options, and other minor changes.

Statement of investment policy and objectives.

The Scheme's statement of investment policy and objectives (SIPO) was amended on 20 September 2022, with a modest adjustment to the Scheme's dynamic positioning and to reflect changes to the Scheme's currency hedging 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 \$28,872,991 (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 2023

Full withdrawals		Partial withdrawals	
Retirements	18	First home	24
Retrenchment / redundancy	15	Significant financial hardship	9
Deaths	8*	Total partial withdrawals	33
Total and permanent disablement	4		
Leaving service / resignation	472**		
Total full withdrawals	517		

*Pensioners are included in this withdrawal amount.

**Leaving service / resignation includes 43 retained members.

Deaths.

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



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. For In-Tandem members, the value of your investment at any time is simply the number of units you own multiplied by their price at that time. For Defined Benefit members, you are entitled to your benefit as calculated under the trust deed, regardless of the value of unit prices.

	Units on issue (Relates to In-Tandem sections only)		Unit price (\$)	
	1 July 2022	30 June 2023	1 July 2022	30 June 2023
High Growth Fund	27,255,880.68	27,743,714.68	3.5596	3.8632
Growth Fund	40,545,669.39	42,421,722.81	3.2274	3.4240
Moderate Balanced Fund	30,456,266.50	29,983,363.95	1.6807	1.7600
Defensive Fund	16,583,963.93	14,032,366.96	2.5397	2.6085
Cash Fund	11,697,457.12	15,957,583.25	1.1793	1.2154
Defined Benefit Fund	-	-	2.5858	2.7421

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. In-Tandem 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 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 over 100%, the Bank ceased shortfall contributions and paid basic contributions in line with the funding policy.

The most recent interim valuation as at 30 June 2022 showed that the funding position had deteriorated to 95.1%. As this was between 95% and 105%, under the Scheme funding policy, no shortfall contributions are required and only basic contributions are payable.

The next formal valuation as at 30 June 2023 is currently underway and the results will be reported next year.

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.

The increase that applied from 1 October 2022 was 7.30%.

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 on page 15).
- 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 2023 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 2023.

On behalf of the Trustee



Bruce Kerr,
Chairman of Trustee
13 September 2023



Changes to persons involved in the scheme.

The directors of the Trustee as at 30 June 2023 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

There were no changes to the directors of the Trustee during the year ended 30 June 2023.

Further information about the Trustee Directors is available from the Scheme website 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"> Looks after the day-to-day running of the Scheme Advises the Trustee about the Scheme's funding position Supports and assists the Trustee Directors, and Holds the Scheme's member register
Auditor	PricewaterhouseCoopers New Zealand	Audits the Scheme's financial statements
Custodian	Westpac New Zealand Staff Superannuation Scheme Trustee Limited	Holds the assets of the Scheme
Insurer	Fidelity Life Assurance Company 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 **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** or by contacting the Scheme Secretary whose contact details are set out below.

Contact details and complaints.

If you have any questions about the 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 and Securities Registrar.

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

Phone: 04 819 2641

Email: 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 on 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.

Complaints Officer.

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

Phone: 04 819 2641

Email: philippa.kalasih@mercerc.com

If you are not satisfied by the response, you may refer the matter to Financial Services Complaints Ltd (FSCL) - A Financial Ombudsman Service by emailing **info@fscl.org.nz** or calling FSCL on 0800 347 257.

Alternatively, you may write to FSCL at:

Financial Services Complaints Ltd (FSCL) - A Financial Ombudsman Service
PO Box 5967, Lambton Quay
Wellington 6140.

Full details of how to access the FSCL scheme can be obtained from their website **fscl.org.nz**. FSCL will not charge a fee to a complainant to investigate or resolve a complaint.



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