

Westpac New Zealand Staff Superannuation Scheme

Annual Report 2009



Helping you make the most of life's journey.

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Contents

Chairman's report	1
Introducing the Trustees	5
Portfolio strategic asset allocation	6
Investment performance by sector	8
Journey from market performance to your portfolio return	11
In-Tandem/KiwiSaver Combo Option	11
Commonly asked questions	12
Statutory stuff	13
a. Trustees' Report	
b. Trust Deed amendments	
c. Additional Disclosure	
d. Actuarial report	
e. Membership Numbers	
Summary Financials	16
Auditors' report	20
Directory	21

Chairman's report



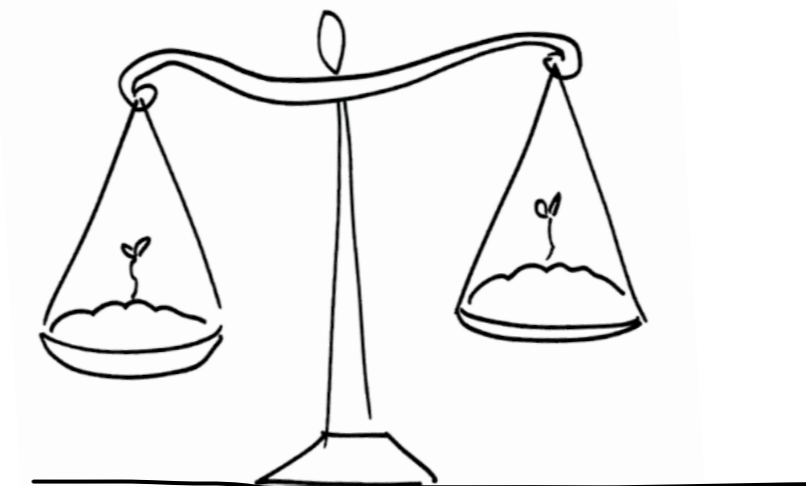
Bruce Kerr
Chairman

On behalf of the Scheme Trustees, I am pleased to present the Annual Report of the Westpac New Zealand Staff Superannuation Scheme (incorporating In-Tandem) for the year ended 30 June 2009.

Last year I said "when opening this year's annual statements most members likely let out a gasp". This year, looking at the performance numbers, it was most likely a scream.

Most members have probably read or heard more about the Global Financial Crisis than they care, or want to know. The bottom line was that for all but the last few months of the Scheme's year, financial markets have been extremely volatile, and the speed of the downturn surprised many experts.

Like other schemes around the world, your Scheme has been severely impacted by the Global Financial Crisis which has seen the worst down-turn in investment markets since the Great Depression.



Fund Manager Performance

For the year ended 30 June 2009 was:

Fund Manager	Asset Class	Actual Investment Returns %	Benchmark Returns %	Variation
BT	NZ Cash	6.99%	6.16%	0.83%
ING ¹	NZ Bonds	3.39%	5.75%	-2.36%
Brook	NZ Shares	-3.29%	-11.11%	+7.82%
ING		-8.29%	-11.11%	+2.82%
Tower - PIMCO	Overseas	+4.20%	+11.15%	-6.95%
BT - BlackRock	Bonds	+6.45%	+11.15%	-4.70%
AMP Core unhedged	Overseas	-22.74%	-17.17%	-5.57%
AMP Core hedged	Shares	-41.70%	-31.64%	-10.06%
AMP Extended		-15.30%	-17.17%	+1.87%

¹The ING NZ fixed interest mandate commenced on 2 October 2008. As such the returns reported are only part year

For more details on individual assets returns please refer to the section in this year's Annual Report titled Investment Performance by Sector.

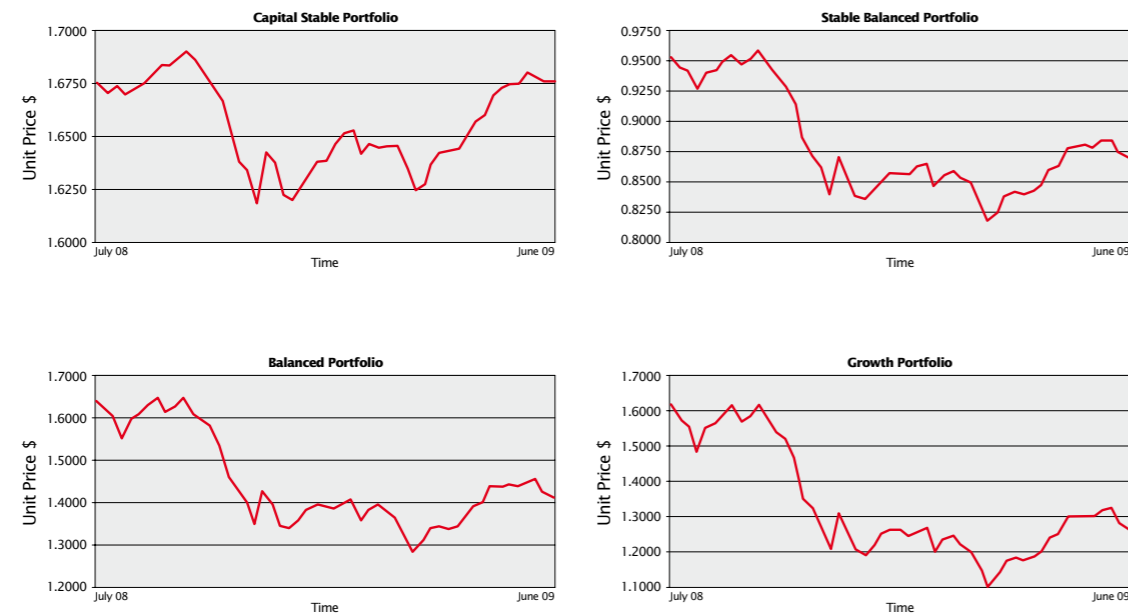
Scheme Portfolio Returns

In-Tandem and 5 year performance (after tax and manager fees) was:

In-Tandem	30 June 2009	30 June 2008	30 June 2007	5 yr annualised
Growth	-21.23%	-10.88%	6.11%	-1.64%
Balanced	-13.28%	-5.65%	5.03%	0.45%
Stable Balanced	-9.25%	-4.51%	n/a	n/a
Capital Stable	0.09%	3.46%	5.99%	4.45%

Note: *From portfolio set up in November 2007

This is how the year progressed for each of the Portfolios:



As you can see the downside impacts troughed in March 2009, following an extremely volatile ride after Lehman Brothers failed in October 2008.

Since that bottoming, particularly in the last three months of the Scheme's financial year, the markets were on an upward trajectory, albeit still producing cumulative negative returns for the year in review.

I think it is important for In-Tandem members to understand how the In-Tandem investments, in aggregate, are structured. Believing the benefits of investment diversification and following the principles of modern portfolio theory, the Scheme Trustees have set the Strategic Asset Allocation (i.e. what share of each asset class is held) for each portfolio. We have also adopted very strict procedures to re-balance the portfolios as market volatility constantly moves the value of the underlying assets. The Trustees do not undertake what is called Tactical Asset Allocation (i.e. repositioning the asset weightings, to counter or anticipate, abnormal market pricing trends), sometimes also referred to "timing the market".

The outworking of this approach is balanced with the degree of investment flexibility given to members. This is the ability members have to change between the four In-Tandem investment portfolios, or be invested in any proportion across the range of investment portfolios. So for example, if a member has a particular view, say that shares are overvalued and likely to fall dramatically in value, then it is up to the member to under-weight their exposure to shares by switching to a less risky portfolio, or mix of portfolios; and vice versa.

If you need advice on which portfolio/s are right for you, we suggest you talk to your Financial Adviser or your local Westpac Branch Wealth Specialist.

The Trustees' approach is borne out in the following survey, which reflects that while providers may label their product similarly, that diversification and re-weighting over time will produce different outcomes.

Is there a "silver lining" in down markets?

Trying to pick the best time to make an investment is like trying to guess what the weather will do next week.

You can do all the research you like but at the end of the day, some of the factors you are reliant on are beyond your control – and beyond the limits of anyone's prediction.

This is why the discipline of making regular contributions, as you do from your fortnightly salary,



The Trustees of the Scheme are:

is such an effective strategy which helps overcome the need to try to time markets.

As the market goes up and down, so does the unit price of your In-Tandem investment portfolio. However, the discipline of making regular fortnightly contributions, no matter how the market is performing (good or bad), means that you buy less units when the market is up and more when the market is down.

Why is that? Because when the market is down, each dollar buys more units. When the market is up, each dollar buys fewer. So overall, more cheap units and fewer expensive ones. This is known as Dollar Cost Averaging. You don't have to worry about where share prices sit or where interest rates are heading. In-Tandem's design means you just keep making regular contributions.

So when is the best time to invest? The answer is this payday, next payday and every payday.

Defined Benefit Scheme

Once again, on the Trustees' recommendation, Westpac approved an increase to current pensions to help offset the effects of inflation. This year's increase was 1.89% and took effect from the first pension payment after 1 October 2009.

Scheme Valuation / Funding Position

The 30 June 2009 actuarial review of the Defined Benefit section reported an actuarial deficit of almost \$19 million. In accordance with the funding framework Westpac has agreed to pay a one-off additional contribution of \$5.3 million into the Scheme.

Thank You

I would like to extend my sincere thanks to my fellow Trustees for their continued support and commitment during the year reported. Those Trustees are Christine Parker, David Biegel, David Cunningham, Lyn McMorran and Royce Brennan.

Each Trustee has contributed diligently and with enthusiasm, bringing a broad range of skill and acumen to the governance of the Scheme.

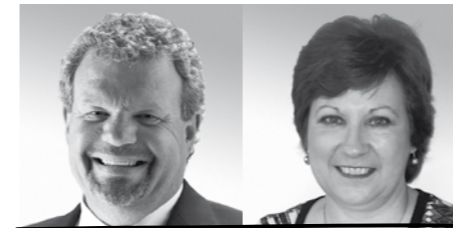
Since the end of the financial year there has been a change in the Scheme's Trustees group. After six years as a Trustee David Cunningham has resigned and been replaced by Richard Jamieson (Chief Financial Officer).

The smooth running of your Scheme is not achieved by the Trustees alone. I would also like to extend my thanks to the people who supply services to the Trustees throughout the year, and who assist the smooth running of your Scheme. These include the Westpac People team, our Scheme Secretary, investment consultants, lawyers, insurers, and the administrators of the Scheme.

If any member has questions or comments, I can be contacted at Bruce_Kerr@westpac.co.nz

Bruce Kerr, Chairman
25 September, 2009

Member Elected Trustees



David Biegel
Senior KiwiSaver
Manager,
BT Financial Services

Lyn McMorran
Area Manager, Private
Bank Southern

Bank Appointed Trustees



Bruce Kerr
Independent
Chairman of
Trustees and
Executive Director,
Workplace Savings
NZ – *the voice of
workplace super*

Christine Parker
General Manager,
People

Richard Jamieson
Chief Financial Officer

Royce Brennan
General Manager,
Risk

Changes to the Trustees since the last annual report

- **Richard Jamieson** was appointed to the role of Trustee on 31 August 2009 replacing David Cunningham who resigned from his role as Scheme Trustee on 25 August 2009.

The choice is yours.

You should invest in the portfolio that best fits your own risk profile.

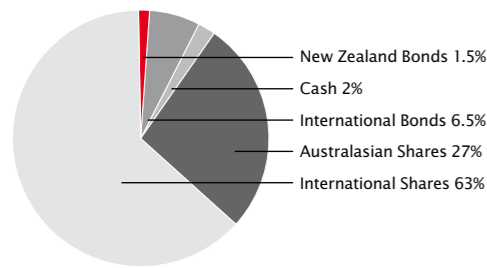
Changing portfolios is easy. You can invest your accumulated savings in one or more and even have new contributions going elsewhere if you wish.

Growth Portfolio

The objective of the Growth Portfolio is to maximise the investment return over the long-term by way of a diversified share portfolio. In particular, the specific investment objective of the portfolio is to achieve a return, after tax and investment expenses, as measured by the increase in the unit price, which **exceeds the rate of inflation by at least 4.0% p.a. (400 basis points) over each rolling ten year period.**

While the objective of the portfolio is to maximise the long-term return, it is recognised that in the short-term the returns will be volatile because the portfolio will be primarily invested in shares.

The current investment strategy for the Growth Portfolio is

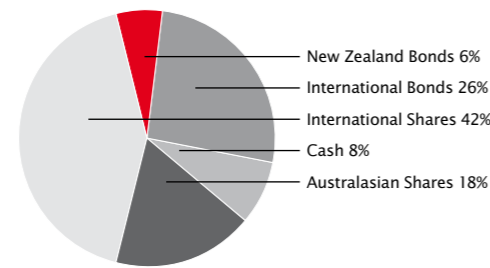


Balanced Portfolio & Defined Benefit Assets

The objective of the Balanced Portfolio is to provide significantly above average investment returns while maintaining the value of members' investments in real terms over the medium to long-term. In particular, the specific investment objective of the portfolio is to achieve a return, after tax and investment expenses, as measured by the increase in the unit price, which **exceeds the rate of inflation by at least 3.5% p.a. (350 basis points) over each rolling ten year period.**

The investments of the portfolio will be diversified across the main investment sectors of shares, bonds and cash.

The current investment strategy for the Balanced Portfolio is

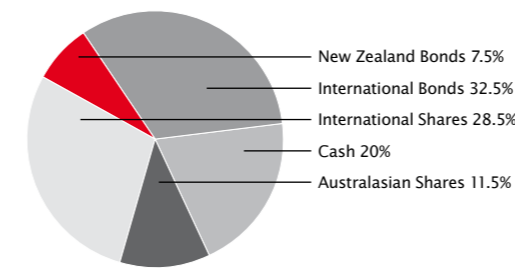


Stable Balanced Portfolio

The objective of the Stable Balanced Portfolio is to provide above average investment returns while maintaining the value of members' investments in real terms over the medium to long-term. In particular, the specific investment objective of the portfolio is to achieve a return, after tax and investment expenses, as measured by the increase in the unit price, which **exceeds the rate of inflation by at least 2.5% p.a. (250 basis points) over each rolling ten year period.**

The investments of the portfolio will be diversified across the main investment sectors of shares, bonds and cash.

The investment strategy for the Stable Balanced Portfolio is

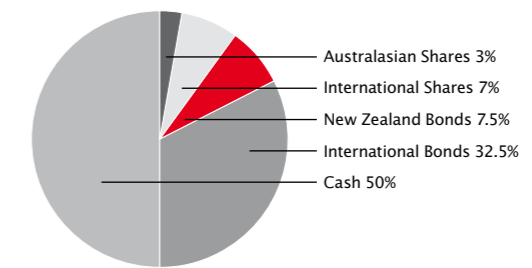


Capital Stable Portfolio

The objective of the Capital Stable Portfolio is to provide above average investment returns while maintaining the real value of members' investments over the short to medium-term. In particular, the specific investment objective of the portfolio is to achieve a return, after tax and investment expenses, as measured by the increase in the unit price, which **exceeds the rate of inflation by at least 2% p.a. (200 basis points) over each rolling five year period.**

The investments of the portfolio will be largely invested in New Zealand cash, bank deposits and fixed interest securities (both New Zealand and overseas).

The investment strategy for the Capital Stable Portfolio is



All returns given below are one-year returns to 30 June 2009 gross of tax and fees.

Trans-Tasman shares

Managed by Brook Asset Management (50%) and ING (NZ) Ltd (50%) from 1 November 2007

Gross return -5.8%
Benchmark return -11.1%

The New Zealand market suffered losses in the first three quarters of the financial year as the New Zealand economy felt the effect of the recession, before bouncing back somewhat in the final quarter. Active management in this sector has resulted in a significant outperformance of the benchmark.

International shares

Managed by AMP Capital Investors (*was passively managed until Nov 2008*)

Gross return -25.6%
Benchmark return -18.8%

As the subprime and credit crisis of 2008 morphed into the Global Financial Crisis, global share markets experienced significant losses in the period to March 2009. The June quarter, however, experienced a large positive rebound as talk of "greenshoots" emerged and the possibility of a full blown depression receded. Overall, a tough year for global equities marked by significant losses, high volatility and where many active managers struggled.

New Zealand fixed interest

Managed by ING (NZ) Ltd from 2 October 2008

Managed by BT Funds Management to 2 October 2008

Gross return 6.9%
Benchmark return 9.8%

The above returns include the returns for the BT Funds Management New Zealand fixed interest that were transferred to ING in October 2008. The local fixed interest market provided very respectable returns considering the global financial problems. This was fueled in part by the "flight to quality", in particular to government bonds. However, ING under-performed against the benchmark due mainly to write-downs of a few individual securities.

International fixed interest

Managed by BT Funds Management (BlackRock - 50%) and Tower (PIMCO - 50%) from 31 October 2007

Gross return 5.4%
Benchmark return 11.2%

In the first half of the year the "flight to quality" saw government bond yields fall dramatically (some US treasuries even had a negative yield for a period), giving high returns to the holders. The second half was a slight reversal as corporate bonds outperformed government bonds. However, during this period many active managers suffered as liquidity issues caused individual securities to be written down in value.

Cash

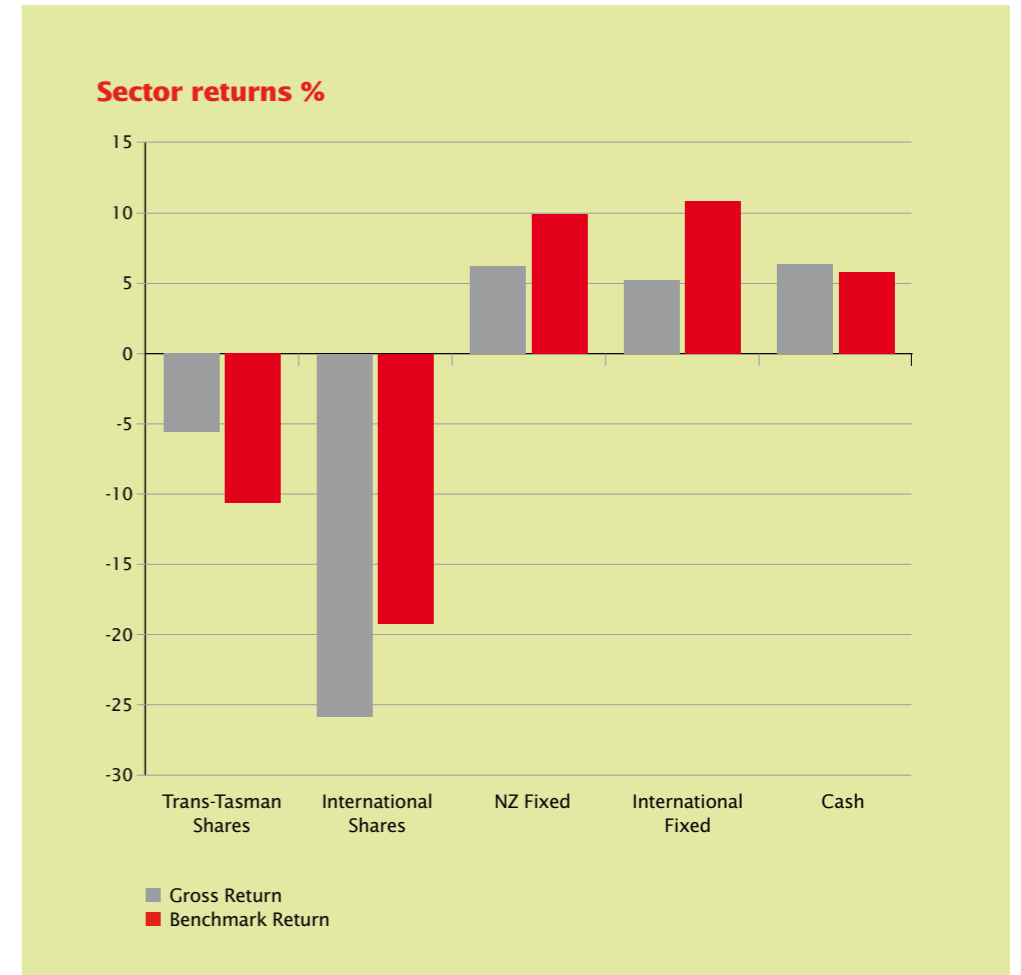
Managed by BT Funds Management

Gross return 7.0%
Benchmark return 6.2%

The year to June 2009 saw cash rates tumble. The Reserve Bank dropped the Official Cash Rate seven times from 8.25% to 2.50% during the year. Thus, while cash was one of the best performing sectors during this particularly volatile year, the low current rates mean that the following year's return will be significantly lower.

The following chart summarises the performance for the year, inclusive of manager transitions.

Your investments are held in diversified portfolios. Understanding your risk appetite is important.





Journey from market performance to your portfolio return

You get there by taking the asset class return (after fees and tax) and multiplying it by the allocation held by your portfolio.

In-Tandem/KiwiSaver Combo Option

After tax and investment manager fees

In-Tandem	30 June 2009	30 June 2008
Growth	-21.23%	-10.88%
Balanced	-13.28%	-5.65%
Stable Balanced	-9.25%	-4.51%
Capital Stable	0.09%	3.46%
Defined Benefit	-14.36%	-5.66%

Portfolio Returns

Unit Price History					
Date	Balanced	Capital Stable	Growth	Stable Balanced	Defined Benefit
25/06/08	1.6405	1.6738	1.6111	0.9549	1.3271
30/07/08	1.6082	1.6747	1.5583	0.9422	1.3009
27/08/08	1.6284	1.6865	1.5798	0.9514	1.3173
24/09/08	1.5788	1.6715	1.5140	0.9273	1.2772
29/10/08	1.3600	1.6149	1.2153	0.8327	1.1001
26/11/08	1.3500	1.6155	1.2000	0.8281	1.0908
31/12/08	1.3964	1.6433	1.2501	0.8517	1.1281
28/01/09	1.3920	1.6436	1.2400	0.8502	1.1239
25/02/09	1.3377	1.6335	1.1671	0.8282	1.0806
25/03/09	1.3539	1.6395	1.1898	0.8340	1.0946
29/04/09	1.4072	1.6585	1.2548	0.8579	1.1235
27/05/09	1.4453	1.6736	1.3033	0.8746	1.1543
24/06/09	1.4227	1.6753	1.2691	0.8666	1.1365

In-Tandem/KiwiSaver Combo Option

In April 2007 the Trustees changed In-Tandem, with the consent of the Bank, to enable members to participate in KiwiSaver without the need to sacrifice any more of their discretionary earning. These changes allowed In-Tandem members to choose to divert 4% of their member contribution, along with a matching Bank contribution, to a KiwiSaver scheme of their choice.

Following the election of the National lead government in 2008, KiwiSaver was altered in the following ways

1. The minimum Member contribution was reduced from 4% to 2%.
2. The compulsory Employer contribution was pegged at 2% rather than previous scaled approach which saw the rate cap-out at 4% in 2011.
3. The Employers Superannuation Contribution Tax (ESCT) was also capped exempt Employer contribution was also capped at 2%, down from 4%.
4. The \$40 per annum government fee subsidy was removed.
5. The progressive ESCT schedule became

Earnings in prior tax year, plus before-tax employer contributions	30 June 2009
\$0 - \$16,800	12.5%
\$16,801 - \$57,600	21.0%
\$57,601 upwards	33.0%

If you are currently diverting 4% of your member contribution along with a matching Bank contribution to your KiwiSaver scheme, you can now reduce this to 2%. To do this, go to the forms on the Scheme's website www.westpacintandem.co.nz

Those things that remained the same were

- the one-off \$1000 kick-start for new KiwiSaver members, and
- the government's co-contribution matching your member contribution to a maximum of \$1043 p.a.

Unlike In-Tandem, your KiwiSaver savings are locked in until you reach the eligibility age for New Zealand Super (currently age 65), or for five years from the date of joining if you are over age 60 when you join.

Individually members will need to decide whether the loss of earlier access is adequately compensated for by the KiwiSaver incentives. Thinking about how you can maximise your savings before you retire, the Scheme's "Combo" Option will, in most cases, produce the biggest savings outcome, given time. I encourage members to think about taking up the In-Tandem "Combo" Option if they haven't already done so. If you need advice on which investment structure is right for you, we suggest you talk to your financial adviser or your local Westpac Branch Wealth Specialist.

Commonly asked questions

For a full Q & A on KiwiSaver and In-Tandem use the following links in the Westpac Intranet:

People> Staff Offers> Staff Superannuation> Click Here > Q&A on Superannuation



Trustees' report and certificates

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

- The Trustees confirm that all contributions required to be made to the Scheme, in accordance with the terms of the Scheme's trust deed, have been made.
- The Trustees certify that all benefits required to be paid from the Scheme were paid in accordance with the terms of the Scheme's trust deed.
- The Trustees are unable to certify that the market values of the assets of the Scheme as at 30 June 2009 exceeds the value of the benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 30 June 2009. Further details are provided in the Actuarial Report.
- The Trustees confirm that contributions are currently being made by the Bank, in accordance with the most recent actuarial review of the Scheme.
- The Trustees confirm that no more than 10 percent of the market value of the Scheme's assets were invested with employers (or associated entities), either directly or indirectly, who are parties to the Scheme.

Additional Disclosure

During the year ended 30 June 2009, the Scheme's assets were invested as follows

Trans-Tasman shares

The Trustees' investment in Trans-Tasman shares is arranged 50:50 through two unit trusts. The first is known as the UT1 Brook Australasian Companies Fund. The Trustee of the Fund is Trustees Executors Limited. Brook Asset Management manages, administers and monitors the Fund.

The second is known as the ING Australasian Share Fund. The Trustee of the Fund is the New Zealand Guardian Trust Company Limited. ING (NZ) Limited manages, administers and monitors the Fund. (Previously these funds were invested passively in New Zealand shares arranged through their membership of a registered superannuation scheme known as the AMP Superannuation Tracker Fund).

International shares

The Trustees' investment in International shares is arranged through three unit trusts. These are known as the AIC I AMP Capital Core Global Shares Fund, the AIH I AMP Capital Core Hedged Global Shares Fund and the AIE M AMP Capital Extended Markets Global Shares Fund. The Trustee of these Funds is BNP Paribas. AMP Capital Investors manages, administers and monitors the Funds. (Previously these funds were invested passively in International Shares arranged through their membership of registered superannuation schemes known as the AMP Superannuation World Index Fund ("Super WINZ") and AMP Superannuation Investment Trust ("ASIT")).

International fixed interest

The Trustees' investment in International fixed interest is arranged 50:50 through two unit trusts. The first is known as the Tower International Bond Fund. The Trustee of the Fund is Trustees Executors Limited. The investment management is undertaken by PIMCO.

The second is known as the Wholesale International Fixed Interest Trust. The Trustee of the Fund is The New Zealand Guardian Trust Company Limited. The investment management is undertaken by BlackRock. BT Funds Management administer and monitor the Fund.

New Zealand fixed interest

The Trustees' investment in New Zealand fixed interest is arranged through two unit trusts. These are known as the ING Wholesale Government Bond Fund and the ING Wholesale New Zealand Bond Fund. The Trustee of the Funds is the New Zealand Guardian Trust Company Limited. ING (NZ) Limited manages, administers and monitors the Funds. (Previously the funds were invested in a segregated account with BT Funds Management).

In addition, when the securities were in-specie transferred over from BT Funds Management there were a number of securities that ING could not take into the pooled products. These are held directly by ING on behalf of the Scheme and form part of the Defined Benefit Portfolio allocation only.

New Zealand cash

The Trustees' investment in New Zealand cash is arranged through a segregated account with BT Funds Management (NZ) Limited, which manages, administers and monitors the account.

Investment managers

AMP Capital Investors
Brook Asset Management
BT Funds Management (NZ) Limited
ING (NZ) Limited
TOWER Asset Management

Trustees' Certification

The most recent Prospectus for the Scheme was registered on 19 December 2003. The Scheme is currently relying on the Securities Act (Employer Superannuation Schemes) Exemption Notice to qualify for the exemption to maintain and file a Prospectus. For the purpose of clause 8 of that Exemption Notice, the Trustees confirm that in their opinion, after due enquiry by them, neither of the following have materially and adversely changed since 30 June 2008

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

The Trustees also confirm that no person was required to incur costs for the year ended 30 June 2009 under the terms of the offer required by clause 7 of the Securities Act (Employer Superannuation Schemes) Exemption Notice 2004 relating to any funding shortfall.

Actuarial report

An actuarial valuation of the Scheme was carried out as at 30 June 2009. The purpose of the valuation was to determine the financial position of the Scheme and to determine the level of contributions required from the Bank to meet the benefits payable from the Scheme.

The results of the valuation show that there is a past service deficit, with the value of the accrued liabilities exceeding net assets by \$18.977m. This compares with a past service deficit of \$12.789m as at 30 June 2008. The deterioration in the Scheme's financial position is mainly as a result of poor investment performance over the year.

As noted in previous years' annual reports, the Trustees have agreed a formal funding policy with the Bank. Under the funding policy, the target funding ratio for the defined benefit section is 95% to 105%. If the defined benefit funding ratio falls below 95% then additional Bank contributions are payable in order to meet the shortfall over a four year period. If the ratio exceeds 105%, then the Bank contribution required to meet the cost of the future service benefits can be reduced. The defined benefit funding ratio as at 30 June 2009 was 78.9%; which is below the 95% threshold. Consequently the Bank is required to pay a shortfall contribution of \$5.3m p.a. over a four year period.

The contributions that I have recommended be paid by the Bank are as follows

- 12.0% of the salaries of defined benefit members.
- The actual credits to the employer accounts of In-Tandem members.
- The cost of the credits to the employer accounts of members who participate in the Superannuation Incentive Plan.
- By way of reimbursement, the actual administration expenses incurred by the Scheme.
- The expected cost of the group life premiums for In-Tandem members.
- An additional \$5.3m during the financial year ending 30 June 2010 in respect of the past service shortfall.

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

Bobby Schoonraad *BSc FIA FNZSA*
Mercer (N.Z.) Limited
7 October 2009

Summary of the Financial Statements for the year ended 30 June 2009.

Statement of Changes in Net Assets	2009	2008
	\$	\$
Investment Activities		
Net Investment Income	(24,209,909)	16,600,111
Other Income	532,799	975,366
Net (Loss)	<u>(23,677,110)</u>	<u>(15,624,745)</u>
<i>Less</i>		
Other Expenses		
Actuarial Fees	51,683	131,290
Administration Fees	298,470	282,064
Auditors' Remuneration – Audit Fees	39,646	39,153
Auditors' Remuneration – Tax Agent Fees	17,168	41,805
Investment Consultancy Fees – Retainer	132,197	145,166
Legal Fees	79,153	122,258
Group Life Premiums	792,051	690,444
Other Expenses	22,991	65,659
Total Other Expenses	<u>1,433,359</u>	<u>1,517,839</u>
Change in Net Assets before Taxation and Membership Activities	(25,110,469)	(17,142,584)
Income Tax Expense	370,545	1,668,503
Change in Net Assets after Taxation and before Membership Activities	<u>(25,481,014)</u>	<u>18,811,087</u>
Membership Activities		
Member Contributions	11,488,893	13,138,537
Employer Contributions	19,531,781	14,788,313
Group Life Claims	403,367	520,979
Transfers from Other Schemes	-	412,598
<i>Less</i>		
Pensions	4,390,741	4,857,979
Pensions Commutations	-	16,511,529
Benefits Paid	21,239,064	28,488,150
Net Membership Activities	<u>5,794,236</u>	<u>(20,975,231)</u>
Net Decrease in Net Assets during year	<u>(19,686,778)</u>	<u>(39,786,318)</u>

Statement of Net Assets	2009	2008
	\$	\$
Assets		
Financial Assets – At Fair Value Through Profit or Loss	198,153,208	216,596,284
Current Assets	33,086,240	34,575,713
Total Assets	<u>231,239,448</u>	<u>251,171,997</u>
<i>Less</i>		
Liabilities		
Benefits Payable	209,006	426,605
Contributions Refundable	7,583	-
Trade and Other Payables	255,335	291,090
Total Liabilities	<u>471,924</u>	<u>717,695</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>230,767,524</u></u>	<u><u>250,454,302</u></u>
Statement of Cash Flows		
Net Cash Flows from Operating Activities	7,504,398	(17,959,603)
Net Cash Flows from Investing Activities	(8,850,947)	23,068,080
Net Increase/(Decrease) in Cash Held	<u>(1,346,549)</u>	<u>5,108,477</u>
Cash at Beginning of Year	34,137,508	29,029,031
Cash at End of Year	<u>32,790,959</u>	<u>34,137,508</u>
Vested Benefits	<u>245,839,000</u>	<u>257,797,000</u>

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

A summary of the Scheme's audited financial statements for the year ended 30 June 2009 which were authorised for issue on 17 November 2009 is shown on pages 16 and 17. The summary financial report has been extracted from the full audited financial statements dated 17 November 2009 which have been issued an unqualified opinion. The summary financial statements were authorised for issue by the Trustees and have been prepared in accordance with FRS-43 - Summary Financial Statements.

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

There has been no change to any previously reported financial information.

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

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

The Scheme is a profit orientated entity.

The auditor has examined the summary financial report for consistency with the audited financial statements and has issued an unqualified opinion.



To the members of
Westpac New Zealand
Staff Superannuation Scheme



We have audited the summary financial statements of the Scheme for the year ended 30 June 2009 on pages 16 to 18.

Trustee's responsibilities

The Trustees are responsible for the preparation and presentation of the summary financial statements in accordance with generally accepted accounting practice in New Zealand.

Auditors' responsibilities

We are responsible for expressing to you an independent opinion on the summary financial statements presented by the Trustee.

Basis of opinion

Our audit was conducted in accordance with New Zealand Auditing Standards and involved carrying out procedures to ensure the summary financial statements are consistent with the full financial statements on which the summary financial statements are based. We also evaluated the overall adequacy of the presentation of information in the summary financial statements against the requirements of Financial Reporting Standard No.43 - Summary Financial Statements.

We have no relationship with or interests in the Scheme other than in our capacity as auditors and tax advisors.

Unqualified opinion

In our opinion:

- (a) the amounts set out in the summary financial statements have been correctly extracted from the full financial statements of the Scheme and are consistent in all material respects with the full financial statements, upon which we expressed an unqualified audit opinion in our report to the members dated 17 November 2009; and
- (b) the information reported in the summary financial statements complies with Financial Reporting Standard No.43 - Summary Financial Statements.

We completed our work for the purposes of this report on 3 December 2009 and our unqualified opinion is expressed as at that date.

Chartered Accountants

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PricewaterhouseCoopers

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Questions?

If you have any questions about your Scheme or would like more information, please give the In-Tandem helpline a call. All other correspondence about the Scheme or for the Trustees should be sent to the Scheme Secretary.

Freephone: 0508 INTANDEM (468 263)

Internal Extn: 83995

Helpline hours are 9.00am until 7.00pm
Monday to Friday.

