

Westpac KiwiSaver Scheme Annual Report

for the year ended 31 March 2015



BT Funds Management (NZ) Limited is the scheme provider and Westpac New Zealand Limited is the distributor, of the Westpac KiwiSaver Scheme.



Legislative Information

Description of the Westpac KiwiSaver Scheme

The following details relating to the Westpac KiwiSaver Scheme (Scheme) are applicable as at 31 March 2015:

- The name of the Scheme is the Westpac KiwiSaver Scheme.
- BT Funds Management (NZ) Limited is the Manager of the Scheme.
- The New Zealand Guardian Trust Company Limited is the Trustee of the Scheme.

BT Funds Management (NZ) Limited, Westpac New Zealand Limited and the directors of Westpac New Zealand Limited who are not also directors of BT Funds Management (NZ) Limited are Promoters of the Scheme. As at 31 March 2015, the directors of Westpac New Zealand Limited who are also Promoters of the Scheme are M G Bailey, P M Coffey, J A Dawson and C J D Moller.

The Hong Kong and Shanghai Banking Corporation Limited, Trustees Executors Limited and MMC Limited are Administration Managers of the Scheme.

The Manager is responsible for the Scheme's investment management. The Manager has not appointed a third party as an investment manager for the Scheme.

BT Funds Management (NZ) Limited is the Registrar of the Scheme. Trustees Executors Limited provide certain unit registry services to BT Funds Management (NZ) Limited. BTNZ KiwiSaver Nominees Limited (a subsidiary of the Trustee) is the Custodian of the Scheme. PricewaterhouseCoopers are the Auditors of the Scheme.

The registration date of the most recent prospectus that has been registered under the Securities Act 1978 for the Scheme is 18 September 2014 (as amended by an instrument to amend dated 1 April 2015).

Trustee Statement

In respect of the financial year ended 31 March 2015, the Trustee is satisfied that the Manager has not breached an issuer obligation (as defined in section 4(1) of the Financial Markets Supervisors Act 2011) in a material respect.

Manager Statement

All benefits required to be paid from the Scheme in accordance with the terms of the Trust Deed and the KiwiSaver scheme rules have been paid.

The market value of the assets of the Scheme as at the close of the financial year ended 31 March 2015 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 31 March 2015.

The Scheme Provider Agreement dated 30 April 2007 (as amended from time to time) between the Commissioner of Inland Revenue and BT Funds Management (NZ) Limited remains in force, for the year ended 31 March 2015.

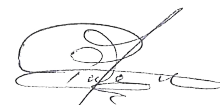
There have been no fee increases during the year ended 31 March 2015.

All contributions received in respect of each member of the Scheme, including contributions paid by way of the Commissioner of Inland Revenue in respect of that member, have been applied in accordance with the terms of the Trust Deed and the KiwiSaver Act 2006.



Cherise Barrie
Director

BT Funds Management (NZ)
Limited
25 August 2015



Patrick Farrell
Director

BT Funds Management (NZ)
Limited
25 August 2015

Investments made in the Westpac KiwiSaver Scheme do not represent bank deposits or other liabilities of Westpac Banking Corporation ABN 33 007 457 141, Westpac New Zealand Limited or other members of the Westpac group of companies. They are subject to investment and other risks, including possible delays in payment of withdrawal amounts in some circumstances, and loss of investment value, including principal invested. None of BT Funds Management (NZ) Limited (as manager), any member of the Westpac group of companies, The New Zealand Guardian Trust Company Limited (as trustee), or any director or nominee of any of those entities, or any other person guarantees the Westpac KiwiSaver Scheme's performance, returns or repayment of capital.

KiwiSaver incentives are determined by Government policy and legislation and may change in the future.

A copy of the investment statement for the Scheme is available online at westpac.co.nz and at any Westpac branch. You can also request a copy by writing to us at "The Manager – Westpac KiwiSaver Scheme, PO Box 695, Wellington 6140, New Zealand", or by calling us on 0508 972 254.

Disclosure Statements under the Financial Advisers Act are available on request and free of charge from Westpac or your Westpac Financial Adviser.

Key Information

Westpac KiwiSaver Scheme investment performance

Note: These returns have not been audited. Benefit payments have been made in accordance with the unit prices applicable for a member's investment in the Scheme on the date of payment. For historical returns and unit prices call toll free 0508 972 254, between 8.30am and 5.30pm, Monday to Friday.

Returns for the Scheme's investment funds for the relevant period are shown in the table below.

Westpac KiwiSaver Scheme Funds	Returns for the year ended 31 March 2015
Cash Fund	2.53%
Defensive Fund*	5.35%
Conservative Fund	7.90%
Moderate Fund*	6.94%
Balanced Fund	11.89%
Growth Fund	14.13%
Capital Protection Plan Fund No. 1	17.64%
Capital Protection Plan Fund No. 2	17.69%
Capital Protection Plan Fund No. 3	17.67%
Capital Protection Plan Fund No. 4	17.67%
Capital Protection Plan Fund No. 5	17.70%

*The Defensive and Moderate Funds both commenced on 2 July 2014. The investment performance of these funds is for the period from 2 July 2014 to 31 March 2015.

The Capital Protection Plan funds (CPP Funds) are closed to all subscriptions.

The returns assume that an investment has been held for the full period and represent the percentage change in the per unit value of that investment for the relevant period after the deduction of management and Trustee fees, the expenses of the Scheme and PIE tax (using the highest Prescribed Investor Rate (PIR) applicable during the period).

The returns are not those that individual Members would have received as these will depend on the prices at which units were purchased on the date that contributions were processed and PIE tax at the PIR applying to each Member. No allowance is made in either case for administration fees incurred during the returns calculation period.

Past performance is not indicative of future performance. Returns can be negative as well as positive.

Total fees

The total amount of fees charged for the year ended 31 March 2015 were:

Fees charged	
Administration fees	\$8,175,703
Management fees	\$16,273,657
Trustee fees	\$1,125,198
Operating expenses*	\$3,467,613

*Operating expenses include a fee paid to Westpac Banking Corporation ABN 33 007 457 141, as the Capital Protection Provider for each of the CPP Funds, equal to 0.80% per annum of the value of the growth assets held for those funds. This fee accrues daily and is paid monthly in arrears out of the assets of the CPP Funds.

No other fees were charged directly or indirectly during the year ended 31 March 2015 by the Trustee, the Manager, the Administration Managers, any Promoters or any other person who provides services in relation to the Scheme.

Membership changes

For the year ended 31 March 2015, the numerical changes in the membership of the Scheme were:

Total number of contributing members as at 1 April 2014	179,235
Total entries during the year ended 31 March 2015	75,848
Total temporary and permanent exits for the year ended 31 March 2015	(53,631)
Number of members on section 104 contribution holidays as at 31 March 2015	12,481
Number of other non-contributing members (not on section 104 contribution holidays) as at 31 March 2015	148,393
Total number of members as at 31 March 2015	362,326

Member withdrawals

During the year ended 31 March 2015, the following withdrawals were made from the Scheme:

Withdrawal type	Number of Members	Total amount of withdrawals
First home purchase	2,371	\$31,707,034
Significant financial hardship	1,606	\$6,434,246
Serious illness	260	\$2,855,744
Permanent emigration	148	\$1,525,697

Member contributions

During the year ended 31 March 2015, the following contributions were received by BT Funds Management (NZ) Limited:

Contribution Type	Number of Members	Total amount of Contributions
Member contributions (excluding interest on member contributions)	232,305	\$313,085,237
Employer contributions (excluding interest on employer contributions)	188,371	\$165,585,864
Crown contributions (including Member Tax Credits)	212,542	\$99,884,853
Transfers in (KiwiSaver schemes, registered superannuation schemes and overseas schemes)	22,343	\$193,805,499

Member accumulations

At 31 March 2015, there were 362,326 members in the Scheme with accumulations totalling \$3,236,222,000.

Australian complying superannuation scheme transfers

During the year ended 31 March 2015, 371 members transferred money from an Australian complying superannuation scheme to the Scheme. The total amount transferred was \$7,249,654.

Changes relating to the Westpac KiwiSaver Scheme

Changes to the Trust Deed

There were no changes made to the Trust Deed during the year ended 31 March 2015.

Changes to the terms of the offer of interests in the Scheme

During the year ended 31 March 2015 the following changes were made to the terms of offer in the Scheme:

- effective 1 July 2014 BT Funds Management (NZ) Limited was appointed as a default KiwiSaver provider and the Westpac KiwiSaver Scheme became a Default KiwiSaver Scheme.
- on 8 May 2014 the Defensive Fund and the Moderate Fund were established and from 1 July 2014 these funds began accepting investments.
- effective 1 July 2014 the Westpac KiwiSaver Scheme administration fee was reduced from \$2.59 to \$2.25 per member per month.

Changes to the investment objectives and policy

In July 2014 we introduced the Defensive Fund and Moderate Fund investment policies. In September 2014 we made minor changes to the fund descriptions for the Cash Fund, Defensive Fund, Conservative Fund, Balanced Fund and Growth Fund.

Changes to those involved in providing the Scheme

Manager and directors of the Manager

During the year ended 31 March 2015, the Manager had the following director changes:

P G Clare resigned on 12 August 2014.

D A McLean was appointed on 1 December 2014.

Trustee or directors of the Trustee

During the year ended 31 March 2015, the Trustee had the following director changes:

A H Barnes, J E Douglas and R A Flannagan were appointed on 7 April 2014.

K M Downey, C McDowell, R A Wilks and G V Lloyd resigned on 7 April 2014.

T J Shaw was appointed on 2 September 2014.

C R Darlow was appointed on 10 February 2015.

Promoter

During the year ended 31 March 2015, the Promoters changed due to the following Westpac New Zealand Limited director changes (excluding those directors who are also directors of the Manager):

P L Thodey resigned on 26 August 2014.

P D Wilson resigned on 28 February 2015.

Administration Manager

During the year ended 31 March 2015, there were no changes to the Administration Managers of the Scheme.

Registrar, Custodian or Auditors

During the year ended 31 March 2015, there were no changes to the Registrar, Custodian or Auditors of the Scheme.

Financial Statements and Auditors' Report

The financial statements for the Scheme for the year ended 31 March 2015, comply with, and were registered under, the Financial Reporting Act 1993, on 31 July 2015.

The Auditor's report on those financial statements is dated 29 July 2015. The Auditor's report does not refer to any fundamental uncertainty and is not modified in any respect.

Summary financial statements that meet the requirements of clause 7 of Schedule 5A of the Securities Regulations 2009, are set out on the following page.

The following documents of, or relating to, the Scheme are filed on a public register at the Companies Office of the Ministry of Business, Innovation & Employment, and are available for public inspection (including at business.govt.nz/companies):

- the most recent prospectus;
- the financial statements;
- the Trust Deed (and any amendments);
- the establishment deeds for each of the Scheme's funds; and
- the material contracts referred to in section 11 of the prospectus.

You have a right to receive on request a copy of the following documents relating to the Scheme:

- the most recent financial statements;
- the Auditors' report;
- the most recent registered prospectus; and
- an updated estimate of benefits.

These may be obtained free of charge by calling 0508 972 254.

Summary Financial Statements for the Westpac KiwiSaver Scheme

Summary Statement of Changes in Net Assets

For the year ended 31 March	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income					
Interest income	2,365	1,642	1,624	5,161	3,559
Net gains on financial assets at fair value through profit or loss	315,605	141,647	159,298	43,045	44,150
Net investment income	317,970	143,289	160,922	48,206	47,709
Expenses					
Audit fees	-	-	-	-	-
Fees (management and trustee fees, net of rebates)	16,169	11,151	6,917	5,204	3,018
Other operating expenses	3,466	3,085	3,106	2,296	873
Total expenses	19,635	14,236	10,023	7,500	3,891
Profit before membership activities	298,335	129,053	150,899	40,706	43,818
Membership activities					
Member contributions	313,610	262,924	186,629	147,485	109,805
Employer contributions	165,965	134,203	81,945	76,508	52,180
Crown contributions	25,076	24,853	30,470	36,938	37,122
Transfers in	193,806	175,211	138,839	115,470	86,847
Member tax credits	74,808	62,466	84,293	113,135	77,483
Members' administration fee	(8,175)	(8,266)	(7,201)	(5,468)	(3,721)
Transfers out	(129,077)	(91,865)	(49,259)	(26,712)	(20,652)
Retirement	(60,927)	(57,119)	(51,109)	-	-
Death and disability	(7,455)	(4,816)	(4,432)	(3,171)	(1,631)
Members' PIE Tax	(26,229)	(13,210)	(12,974)	(8,963)	449
Other permitted withdrawals	(40,440)	(36,515)	(25,970)	(14,357)	(7,300)
Net membership activities	500,962	447,866	371,231	430,865	330,582
Net benefits accrued to Members	799,297	576,919	522,130	471,571	374,400
Balance at the beginning of the year	2,436,925	1,860,006	1,337,876	866,305	491,905
Balance at the end of the year	3,236,222	2,436,925	1,860,006	1,337,876	866,305

Summary Statement of Net Assets

As at 31 March	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets and total tangible assets	3,273,307	2,456,494	1,878,942	1,350,447	869,863
Total liabilities	37,085	19,569	18,936	12,571	3,558
Net assets available to pay benefits	3,236,222	2,436,925	1,860,006	1,337,876	866,305

Notes to the Summary Financial Statements

GENERAL INFORMATION

Reporting Entities

The Westpac KiwiSaver Scheme (the "Scheme") as at 31 March 2015 comprised the following eleven investment funds and the Cash Transaction Fund:

Cash Fund
Defensive Fund
Conservative Fund
Moderate Fund
Balanced Fund
Growth Fund
Capital Protection Plan Fund No. 1
Capital Protection Plan Fund No. 2
Capital Protection Plan Fund No. 3
Capital Protection Plan Fund No. 4
Capital Protection Plan Fund No. 5

Relationship to full financial statements

The summary financial statements have been prepared in accordance to Schedule 5A of the Securities Regulations 2009 for KiwiSaver schemes. The amounts in the summary financial statements have been taken from the audited financial statements for each year presented. The full audited financial statements complied with and were registered under the Financial Reporting Act 1993. The amounts presented in the summary financial statements are in New Zealand dollars which is the Scheme's functional and presentation currency. All values are rounded to the nearest thousand dollars.

Items of material incidence, size or nature

There are no items of such incidence and size or of nature that require disclosure to explain the performance or financial position of the Scheme.

Material changes in activities or accounting policies

There has been no significant changes in activities or accounting policies impacting the Scheme for the year ended 31 March 2015.

Report of the Independent Auditors' on the Summary Financial Statements

to the members of the Westpac KiwiSaver Scheme



The accompanying summary financial statements on pages 5 and 6 which comprise the summary statement of net assets as at 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, and the summary statement of changes in net assets for the years then ended, and related notes, are derived from the audited financial statements of Westpac KiwiSaver Scheme (the "Scheme") comprising the Cash Fund, Defensive Fund, Conservative Fund, Moderate Fund, Balanced Fund, Growth Fund, Capital Protection Plan Fund No. 1, Capital Protection Plan Fund No. 2, Capital Protection Plan Fund No. 3, Capital Protection Plan Fund No. 4, Capital Protection Plan Fund No. 5 and the Cash Transaction Fund (the "Funds") for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011.

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

Our audit of the financial statements for the year ended 31 March 2015 was completed on 29 July 2015 and our unmodified opinion was issued on that date. We have not undertaken any additional audit procedures in relation to those financial statements from the date of the completion of our audit and those financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to our report on those financial statements.

This report is made solely to the Directors of the Manager. Our work has been undertaken so that we might state those matters we are required to state to the Manager in a report from the auditor and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Manager, for this report. In addition, we take no responsibility for, nor do we report on, any part of the annual report in which these summary financial statements are contained not specifically mentioned in this report.

Manager's Responsibility for the Summary Financial Statements

The Manager is responsible for the preparation and presentation of summary financial statements in accordance with clause 7 of Schedule 5A of the Securities Regulations 2009 as required to be presented in the annual report pursuant to clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006.

Auditors' Responsibility

Our responsibility is to provide a report on the summary financial statements of the Scheme, stating whether the amounts stated in the summary financial statements of the Scheme for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, in accordance with clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006 have been correctly taken from the audited financial statements of the Scheme, in all material respects.

We are independent of the Scheme. Our firm carries out other services for the Scheme, the Manager, and related entities of the Manager in the areas of other assurance and advisory services. The provision of these other services has not impaired our independence.

Report on the Summary Financial Statements

The summary financial statements of the Scheme for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 on pages 5 and 6 as required by clause 4(3)(b)(ii) of Schedule 1A of the KiwiSaver Regulations 2006 have been correctly taken from the audited financial statements of the Scheme for the years then ended, in all material respects.

Restriction on Use of our Report

This report has been prepared for inclusion in the annual report. We disclaim any responsibility for reliance on this report or the amounts included in the summary financial statements, for any purpose other than that for which they were prepared.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
20 August 2015

Auckland

INQUIRIES AND COMPLAINTS

If you have inquiries about the Scheme, you can contact us as follows:

Write to: Westpac KiwiSaver Scheme
PO Box 695, Wellington 6140
Phone: Our specialist KiwiSaver team are available on
0508 972 254
Westpac on Takutai Square, 53 Galway Street, Auckland
1010, or visit the team at any Westpac branch

If you have complaints about the Scheme, you can contact us as follows:

Write to: Westpac KiwiSaver Scheme
PO Box 695, Wellington 6140
Phone: Our specialist KiwiSaver team are available on
0508 972 254
Westpac on Takutai Square, 53 Galway Street,
Auckland 1010, or visit the team at any Westpac branch

You can make a complaint about the Manager to the Trustee:

Write to: Relationship Manager, Corporate Client Services
The New Zealand Guardian Trust Company Limited
PO Box 1934, Auckland 1140
Phone: (09) 909 5100
Level 14, 191 Queen Street, Auckland 1010

The Manager is a member of the independent dispute resolution scheme operated by the Banking Ombudsman and approved by the Ministry of Consumer Affairs, for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (FSP Act).

Under the terms of this scheme, the Manager has three months to resolve your complaint. If you are not satisfied by the Manager's response you may refer the matter to the Banking Ombudsman (at no cost). You can contact the Banking Ombudsman as follows:

Write to: Banking Ombudsman
Freepost 218002, PO Box 25327, Featherston Street
Wellington 6146
Phone: 0800 805 950
Level 5, Huddart Parker Building, 1 Post Office Square,
Wellington 6011
Email: help@bankomb.org.nz

The Trustee is a member of the independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL), which is also approved by the Ministry of Consumer Affairs for FSP Act purposes.

Under the terms of that scheme, the Trustee has 40 working days to respond to your complaint. If you are not satisfied by the Trustee's response, you may refer the matter to the FSCL as follows:

Write to: Financial Services Complaints Limited
PO Box 5967, Lambton Quay, Wellington 6145
Visit: 4th Floor, 101 Lambton Quay, Wellington 6145
Email: info@fscl.org.nz
Phone: 0800 347 257

Full details of how to access the Financial Services Complaints Limited (FSCL) Scheme can be obtained from FSCL's website fscl.org.nz.

There is no cost to you to use the services of FSCL.

You can also make a complaint about your investment in certain circumstances directly to the Financial Markets Authority:

Write to: Financial Markets Authority
DX Box CX10033, PO Box 106 672, Auckland 1143
Phone: (09) 300 0400
Level 5, Ernst & Young Building, 2 Takutai Square, Auckland

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