



Grow your future

2015 Annual Report

YEAR ENDED 31 DECEMBER 2015

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This 2015 Annual Report is issued by ANZ Staff Superannuation (Australia) Pty Limited ABN 92 006 680 664 AFSL 238268 RSEL L0000543, Trustee of the ANZ Australian Staff Superannuation Scheme ABN 83 810 127 567 RSE R1000863.

In this Annual Report, we refer to the ANZ Australian Staff Superannuation Scheme as either "the Scheme" or "the ANZ Staff Scheme". Any references to ANZ Staff Super are to the administrator of the Scheme, and references to other schemes or schemes in general appear in lower case. The information in this Annual Report is accurate to the best of our knowledge at the date of publication.

This Annual Report is not intended, and should not be construed, to constitute financial advice or take the place of a licensed financial adviser briefed on your individual circumstances. No person should act or not act solely on the information provided. This document doesn't take into account what you currently have or what you want and need for your financial future. It is important for you to consider these matters. Read your Product Disclosure Statement and consider consulting a licensed financial adviser before you make decisions in relation to your superannuation.

Formal legal documents ultimately govern the operation of the Scheme, including the Scheme's Trust Deed and Rules and relevant legislation. Should there be any discrepancies between the information in this Annual Report and the actual provisions in the Trust Deed and Rules, the Trust Deed and Rules will prevail. You may obtain a copy of the Trust Deed and Rules from ANZ Staff Super (see the back page for contact details).

Published: June 2016

2015 year in review

\$3.8
billion

in Scheme assets as
at 31 December 2015

Nearly



32,000
members

We continued to deliver consistent
3-year average investment returns

9.8% p.a.

Balanced Growth
for super members

10.8% p.a.

Balanced Growth for
Account Based Pension
members

Employee sections rated

lowest admin and
investment mgmt
fees in Australia



by research company Chant West.

Launch of the

Limited Financial Advice
call centre

OnePath Life Limited

now insuring the **death and Total and
Permanent Disablement (TPD)**

cover provided through the Scheme

24%
increase

in number of
account based
pensions

\$177.6
million

added to accounts
from net investment returns

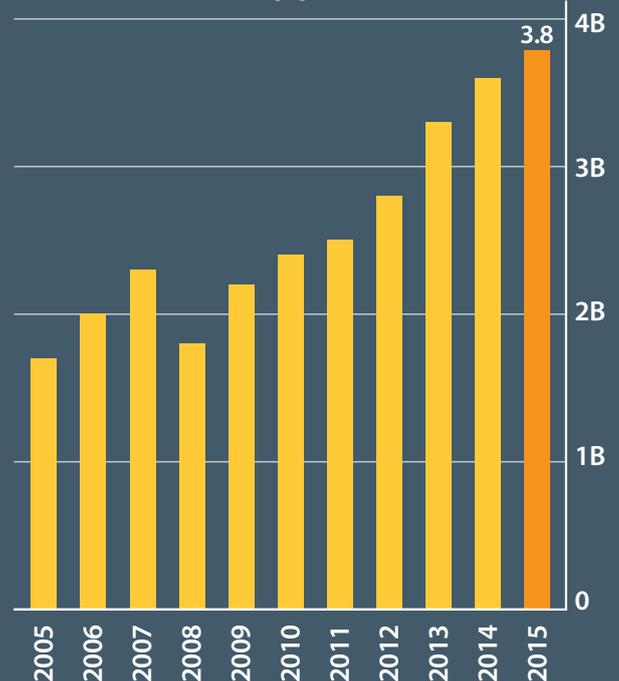


\$66
million

rolled in from other funds



Scheme assets (\$)



Chairman's message

Welcome to the 2015 Annual Report for the ANZ Australian Staff Superannuation Scheme.



The 2015 year was a turbulent one for investment markets. Global economic factors such as worries about deflation, falling commodity prices, fears of an emerging market crisis led by China and uncertainty around the US Federal Reserve's first interest rate increase in many years, led superannuation funds to their lowest average returns in five years. In a lower return environment, I'm pleased to report that net returns for 2015 for all of the Scheme's investment options were positive.

2015 was also a year of considerable activity for the Scheme.

Changes were made to the death and Total and Permanent Disablement (TPD) insurance available to current employee, retained benefit and spouse account members of the Scheme, effective 2 March 2015. This followed a detailed tender process to appoint an insurer given changes to superannuation law no longer allow the death and TPD benefits offered by the Scheme to remain self-insured. The outcome from the tender was that the Trustee took out a policy with OnePath Life Limited to insure the death and TPD benefits provided to members. Any insured cover for death and TPD through the Scheme and the payment of claims arising after 1 March 2015 are now subject to the terms and conditions of this policy.

While we negotiated competitive premiums, it's more expensive to insure externally so gross premium rates increased for most members. However, the Trustee decided to draw on reserves to provide a rebate of 30% on the standard death and TPD premiums payable by members. This means that in a difficult insurance market where some other funds experienced premium increases in excess of 100%, most members pay less for death and TPD cover than they did before the insurance changes. The premium rates and rebate may change in the future.

Most ANZ Staff Super members pay less for death and TPD cover than they did before to the changes.

In July, ANZ announced two initiatives to help female employees build stronger super balances:

- Making an additional \$500 super contribution for every permanent and fixed term female employee active on the payroll in mid-January each year from 2016; and
- Making super contributions for all employees for any period of unpaid parental leave after 1 October 2015.

These initiatives are a good start to bridging the gap in retirement savings that currently sees women retire with an average super balance of \$105,000 compared to men with an average super balance at retirement of \$197,000*. Members can help boost their super and close any retirement savings gaps with strategies such as:

- Contributing extra to your account whenever you can from pre-tax salary (salary sacrifice) or post-tax salary;
- Consolidating any other super accounts held into your Scheme account to save on costs;
- Tracking down any lost super you may have and rolling it into your Scheme account;

* The Association of Superannuation Funds of Australia partnered with State Street Global Advisors, "The future of retirement income", March 2015.

- Regularly reviewing your investment choice to ensure it's appropriate for your changing circumstances; and
- If you're over preservation age, considering transition to retirement strategies which may give your super a boost and reduce your tax.

Using the Scheme to close any gap before retirement was one of the messages of an email campaign we conducted in September and October for some members aged 50 to 65.

Members can now receive general or limited personal financial advice about options available within the Scheme by calling an ANZ Staff Super financial adviser on 1800 000 086.

The emails provided these members with an estimate to help them work out whether they're on track for a comfortable retirement. The campaign's key theme was "live the life you want" through boosting your super before you retire or accessing a regular income in retirement with one of the Scheme's flexible pension options.

The campaign coincided with the launch of our limited advice call service. The availability of this service means that Scheme members can now call for general or limited personal financial advice about options available within the Scheme for no extra charge (see page 17 for more information). The Trustee has engaged ANZ's financial advisers to provide this service as we continue to seek new ways to deliver value for money super for our members.

Rounding out the year, we made changes to the objectives of our investment options to ensure they are appropriate for current and future expected investment conditions. In last year's Annual Report, I noted that *"the Trustee and its advisers are concerned that the high level of investment returns experienced over recent years will be difficult to replicate in the future"*. Investment market fluctuations in 2015 have lent weight to that statement. Based on a belief that the investment return objectives should be realistic and reasonably achievable, changes were made to the investment objectives for each option except Cash, effective 15 December 2015. The new investment objectives are provided in the Investment options section of this Annual Report.

Looking ahead

The Scheme is run only for the benefit of members. We take great pride in the benefits and services the Scheme provides and the fact that the Scheme's sections for current ANZ employees have the lowest administration and investment management fees in Australia according to research company Chant West. Members with Retained Benefit Accounts, Spouse Contribution Accounts and Account Based Pensions continue to have very competitive fees compared to those of other super funds. The Trustee Board and management remain focused on managing our running costs and taking advantage of our scale to deliver great product features and services to members.

We look forward to continuing to help members realise their retirement saving goals and deliver value for money super.



Gary Newman
Chairman

Investment update

Given the dramatic headlines and sore heads that financial markets have woken up to in the first few months of 2016, it is hard to remember that 2015 wasn't a bad year for investing.

Monetary policy

Key developments in 2015 included the European Central Bank's introduction of quantitative easing, the continuation of a large stimulus program in Japan and the first interest rate hike in the United States for 10 years. The combination of these, referred to in financial market circles as "monetary policy divergence", was one of the defining developments of 2015.

Despite fears that the first interest rate increase in the US since the GFC would weigh on markets, the response was subdued, largely because the hike was widely expected. In light of the fragile start to markets in 2016, which has been driven by other factors, the US Federal Reserve (Fed) is likely to tread carefully with further rate hikes.

Monetary policy decisions from the European Central Bank (ECB) and Bank of Japan (BoJ) had a much bigger impact on markets than the Fed.

Despite prior statements by ECB President Mario Draghi, the bank surprised markets by leaving its monetary easing program unchanged. An underwhelming extension of the program, and a small cut to a key benchmark interest rate failed to satisfy investors. The BoJ was not expected to increase the size of its easing program, so its December announcement of some "technical adjustments" also met with a negative market response, sending Japanese shares lower and the yen higher.

The China connection

Weakening GDP growth in China also kept investors on their toes throughout 2015 as authorities continued to encourage growth by consumption rather than investment activity – while at the same time tackling both corruption and pollution problems. GDP growth in this large but poorly understood economy finished 2015 at 6.8% year-on-year, down from 7.3% in the previous year.

The rollercoaster ride in Chinese equities, which had little connection to the real economy in China, also gained a lot of attention and media headlines. A bubble brewed in the first half of the year and the market essentially crashed in the third quarter. But for many global investors dramatic headlines were really the extent of the damage, due to their limited exposure to Chinese shares. However, the headlines did damage sentiment globally.

The price of oil

Commodity prices, including oil, have fallen dramatically. Oil prices dropped 11% to \$37 in December alone, taking its 2015 losses to 31%. That followed a dismal 2014 when oil prices fell by 46%.

High supply from the US shale oil boom and reluctance from the Saudis and other Middle Eastern producers to cut supply maintained downwards pressure on oil prices. Demand for oil is also estimated to be falling as industrial activity in China and other emerging markets slows.

At home in Australia

Commodity prices for key exports from Australia fell dramatically due to slower demand from China. This, combined with a narrower interest rate difference between Australia and other economies, caused the Australian dollar to fall substantially against other major currencies. Falling mining investment remained a drag on growth and the Australian economy continued to adapt to a slower growth environment. The Reserve Bank of Australia cut the cash rate twice during 2015 to help support the economy's transition to a post-mining boom.

The biggest surprise over 2015 was probably the strong gain in employment, which rose the most since 2006.

The housing sector remained strong, with large price gains in Sydney and Melbourne in particular, combined with ultra-low interest rates which supported high building approvals and construction activity. Meanwhile, wage growth continued to slow, putting pressure on household incomes. The biggest surprise over 2015 was probably the strong gain in employment, which rose the most since 2006. With housing activity appearing to have peaked, mining investment continuing to fall and income growth weak, Australia likely faces a challenging 2016.

Staying positive

Despite some challenging developments and bouts of volatility during 2015, markets ultimately delivered positive returns. Internationally, conditions are likely to stay strong in the US, gradually improve in Europe and Japan, and steadily slow in China and emerging markets. How financial markets will react is less clear, but the start to 2016 appears to be weaker than it ought to have been.

Investment returns

Investment performance for super members

ANZ Staff Super performed consistently in 2015 with positive returns across all investment options for Section A, Section C, Retained Benefit Account (RBA) and Spouse Contribution Account (SCA) members.

Option	1 yr	QCP	3 yr	QCP	5 yr	QCP
Aggressive Growth	5.0%	3rd	12.5% p.a.	2nd	8.5% p.a.	3rd
Balanced Growth	4.2%	3rd	9.8% p.a.	2nd	8.1% p.a.	2nd
Cautious	3.4%	3rd	6.0% p.a.	3rd	6.1% p.a.	2nd
Cash	2.0%	3rd	2.4% p.a.	2nd	3.0% p.a.	2nd

QCP: Quartile Comparative Performance as measured by Rainmaker Information Services

Investment performance for Account Based Pension members

Account Based Pension (ABP) and Transition to Retirement Account Based Pension (TRAP) members, whose investment income is exempt from tax, had the following returns:

Option	1 yr	3 yr	5 yr
Aggressive Growth	5.4%	13.5% p.a.	9.0% p.a.
Balanced Growth	4.5%	10.8% p.a.	9.0% p.a.
Cautious	3.7%	6.8% p.a.	7.0% p.a.
Cash	2.3%	2.8% p.a.	3.6% p.a.

Unit prices

Your account is recorded as a unit holding in one or more of the underlying investment options.

There are different types of units depending on the investment option(s) in which your account is invested. The unit price of a particular investment option is the value of its net assets divided by the number of units on issue. The "value of net assets" is the current market value of assets in an investment option, after deducting current

liabilities such as accrued investment tax (where applicable) and investment related expenses.

Unit prices are set weekly or in certain circumstances more frequently as determined by the Trustee. As asset values fluctuate, unit prices will go up and down. The investment return for each investment option is calculated as the percentage change in unit prices for the year, to provide a measure of investment performance.

Unit prices are available on our website under the Investments menu – click on Unit Prices and select the "Super members" option if you are a Section A, C, RBA or SCA member or "Pension members" option if you are an ABP or TRAP holder.

Measuring investment performance

With the exception of pensioner beneficiaries, the investment earnings for each member depend on the number, prices and types of investment units held, acquired or relinquished during the year.

The investment return for each investment option is calculated as the percentage change in unit prices for the year, to provide a measure of investment performance. The investment returns for each option are set out on pages 6 to 9, together with details of the investment returns of previous years. Remember, past investment returns are not necessarily indicative of future performance.

Investment income earned in the Account Based Pension Section is exempt from tax. Therefore, returns for each investment option will generally be higher for ABP and TRAP members than for other members, though this is not always the case. Where applicable, the investment returns and unit price information for the ABP Section and other sections are shown separately.

ANZ Staff Super's investment options performed consistently in 2015 and over the last five years.

Investment options

Aggressive Growth

Objectives

The investment objectives of the Aggressive Growth option are to:

- maximise returns over the long term whilst accepting a high degree of performance variability; and
- exceed inflation (CPI increases), on average, by at least 3.0% p.a. over rolling ten year periods.

Suitability

Members who are seeking to maximise investment returns over the long term while accepting a high degree of performance variability.

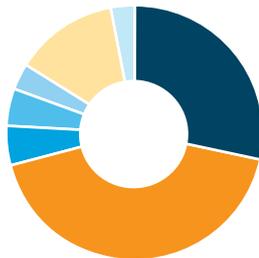
Risks

The returns of the Aggressive Growth option are likely to be more volatile from year to year than the Balanced Growth option. Therefore if you are considering the Aggressive Growth option, you should be aware of the higher risks involved.

Asset mix

The majority of assets in the Aggressive Growth option are invested in shares with small allocations to property and alternative investments. There is typically a split of 48% invested in international shares, 31% invested in Australian shares, 13% alternative assets, 5% property and 3% cash.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



Growth assets	Alternative assets*	Defensive assets
28.4% Australian equities - large caps	13% Alternative assets	3% Cash
42.7% International equities	• Diversity	
5% Property	• Global private equity	
4.7% Emerging market equities	• Global infrastructure	
3.2% Australian equities - small caps	• Global credit	

* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.

Returns

Year ended 31 December	Net return	ABP net return ¹	CPI increase ²
2015	5.0%	5.4%	1.7%
2014	10.0%	10.7%	1.7%
2013	23.4%	25.4%	2.7%
2012	12.4%	13.8%	2.2%
2011	-6.3%	-7.4%	3.1%
2010	4.4%	4.7%	2.7%
2009	26.6%	23.0%	2.1%
2008	-34.5%	-34.2%	3.7%
2007	7.8%	6.8%	3.0%
2006	15.5%	3.0%*	3.3%

* For the period from inception in November 2006 to December 2006.

Notes

- The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
- The increase in the Consumer Price Index (CPI) is a measure of inflation.

Balanced Growth

Objectives

The investment objectives of the Balanced Growth option are to:

- maximise returns over the long term whilst accepting a moderate degree of performance variability; and
- exceed inflation (CPI increases), on average, by at least 2.5% p.a. over rolling ten year periods.

Suitability

Members who are seeking to maximise investment returns over the long term while accepting a moderate degree of performance variability.

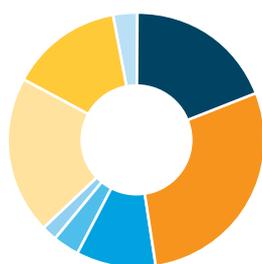
Risks

The returns of the Balanced Growth option are likely to be more volatile from year to year than the Cautious option. Therefore, if you are considering the Balanced Growth option you should be aware that there will be fluctuations in returns from year to year.

Asset mix

Typically around 60% of the Balanced Growth option is invested in shares and property and around 20% is invested in alternative assets. The remainder is normally invested in fixed interest securities and cash.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



Growth assets

- 19.1% Australian equities - large caps
- 28.6% International equities
- 10% Property
- 3.2% Emerging market equities
- 2.1% Australian equities -small caps

Alternative assets*

- 20% Alternative assets
 - Diversity
 - Global private equity
 - Global infrastructure
 - Global credit

Defensive assets

- 14% Fixed interest securities
 - Australian
 - International
 - Inflation linked
- 3% Cash

* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.

Returns

Year ended 31 December	Net return	ABP net return ¹	CPI increase ²
2015	4.2%	4.5%	1.7%
2014	9.2%	10.0%	1.7%
2013	16.5%	18.3%	2.7%
2012	12.1%	13.8%	2.2%
2011	-0.5%	-0.7%	3.1%
2010	7.3%	8.4%	2.7%
2009	22.0%	18.7%	2.1%
2008	-27.5%	-26.8%	3.7%
2007	7.2%	8.1%	3.0%
2006	13.2%	14.7%	3.3%

Notes

- The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
- The increase in the Consumer Price Index (CPI) is a measure of inflation.

Cautious

Objectives

The investment objectives of the Cautious option are to:

- a. achieve returns which exceed those available on cash investments over the long term whilst achieving reasonable stability in returns from year to year; and
- b. exceed inflation (CPI increases), on average, by at least 1.5% p.a. over rolling ten year periods.

Suitability

Members who are seeking to achieve returns which exceed those available on cash investments over the long term whilst achieving reasonable stability in returns from year to year.

Risks

The Cautious option is designed to reduce the chance of experiencing a negative return in any one year compared to the Aggressive or Balanced Growth options and to protect the capital value of your investment over a 12-month period.

Asset mix

Typically around 60% of the Cautious option is invested in diversified fixed interest securities and cash, with the remainder in shares, property and alternative assets.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



Growth assets

- 8.8% Australian equities - large caps
- 13.2% International equities
- 10% Property

Alternative assets*

- 8% Alternative assets
 - Diversity
 - Global private equity
 - Global infrastructure
 - Global credit

Defensive assets

- 35% Fixed interest securities
 - Australian
 - International
 - Inflation linked
- 25% Cash

* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.

Returns

Year ended 31 December	Net return	ABP net return ¹	CPI increase ²
2015	3.4%	3.7%	1.7%
2014	7.2%	8.1%	1.7%
2013	7.6%	8.7%	2.7%
2012	8.1%	9.7%	2.2%
2011	4.5%	4.8%	3.1%
2010	7.6%	9.0%	2.7%
2009	16.0%	14.1%	2.1%
2008	-13.6%	-11.9%	3.7%
2007	5.9%	6.1%	3.0%
2006	9.0%	9.7%	3.3%

Notes

1. The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.

Cash

Objectives

The investment objectives of the Cash option are to:

- a. achieve money market rates of return; and
- b. maintain capital stability over short time periods.

Suitability

Members who are seeking to maintain capital stability over short time periods.

The Cash option is a conservative investment option that only invests in short-term money market securities and fixed interest securities with short durations.

It should provide lower returns than the other options over the long term and would not normally be selected as a long-term investment strategy for superannuation.

Risks

The Cash option is designed for investors who seek to remove market risk in the short term for a specific reason and are prepared to forgo expected capital growth or higher returns.

Asset mix

All assets in this option are invested in short-term money market securities and fixed interest securities with short durations.

The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



* Including short term money market and fixed interest securities.

Returns

Year ended 31 December	Net return	ABP returns ¹	CPI increase ²
2015	2.0%	2.3%	1.7%
2014	2.4%	2.8%	1.7%
2013	2.8%	3.3%	2.7%
2012	3.5%	4.2%	2.2%
2011	4.4%	5.1%	3.1%
2010	4.5%	4.7%	2.7%
2009	3.4%	3.5%	2.1%
2008	6.7%	7.0%	3.7%
2007	5.8%	4.5%*	3.0%
2006	7.1%	n/a	3.3%

* For the period from inception in March 2007 to December 2007.

Notes

1. The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension.
2. The increase in the Consumer Price Index (CPI) is a measure of inflation.

Investment management

ANZ Staff Super's assets held by each investment manager as at 31 December 2015 are shown in the table below. Invested assets at the end of 2015 were \$3,866 million.

	As at 31 December 2015	
	\$m	%
Australian Shares		
Macquarie Investment Management Ltd – core manager	575.2	14.9
Kinetic Investment Partners – satellite manager	86.5	2.2
Allan Gray (Australia) – satellite manager	82.4	2.1
Hyperion Asset Management – satellite manager	86.3	2.2
International Shares		
BlackRock Investment Management – core manager	910.1	23.5
Realindex Investments – satellite manager	97.3	2.5
Altrinsic Global Advisors – satellite manager	142.6	3.7
Trilogy Global Advisors – satellite manager	144.8	3.8
Australian Direct Property		
AMP Capital Investors	159.2	4.1
Global Listed Property		
Resolution Capital	93.2	2.4
Vanguard Investments	84.9	2.2
Australian Fixed Income		
BlackRock Investment Management	165.3	4.3
Queensland Investment Corporation	121.9	3.2
International Fixed Income		
Schroder Investment Management	157.3	4.1
Diversity		
Schroder Investment Management	129.1	3.3
Bridgewater All Weather Fund (Australia)	115.3	3.0
Private Equity		
Industry Funds Management	6.0	0.2
Morgan Stanley	51.1	1.3
Pantheon Ventures Limited	36.1	0.9
Global Infrastructure		
EQT Infrastructure Ltd	1.9	0.1
Morgan Stanley	15.9	0.4
Macquarie Specialised Asset Management	29.0	0.8
Palisade Diversified Infrastructure	92.8	2.4
Maple-Brown Abbot	49.9	1.3
Global Credit		
Colonial First State	51.1	1.3
Westbourne Capital	20.7	0.5
Cash		
ANZ (cash deposits)	360.5	9.3
Total	3,866	100%

Investment manager changes

In 2015 Hyperion Asset Management replaced Independent Asset Management for Australian equities. Maple Brown Abbot was appointed to manage global listed infrastructure.

Hedging policy

A portion of the investments in the Aggressive Growth, Balanced Growth and Cautious options is invested in international assets such as shares, fixed interest and property securities. The exposure to currency risk in these options can be managed by hedging, i.e. locking in future exchange rates using derivatives.

For international shares, the Trustee's policy is to have a partial currency hedge. This provides some protection against decreases in the value of foreign currencies in which the shares are held, but also allows some of the benefits of increases in these foreign currency values to flow through to investment returns.

The Trustee has adopted a hedging range for each investment option to allow flexibility to respond to changes in the Australian dollar's value from time to time. In December 2015, the hedging levels for the Scheme's investment options were changed to:

Investment option	Hedging ratio	Range
Aggressive Growth	30% hedged to A\$	0% – 50%
Balanced Growth	40% hedged to A\$	25% – 75%
Cautious	50% hedged to A\$	50% – 100%

For international fixed interest and listed international property securities, the Trustee's policy is to have a full currency hedge so that investment returns relate solely to the performance of this asset class.

Changes to the hedging ratios in 2015 were included in the Product Disclosure Statements issued in December 2015.

The Trustee's hedging policy is reviewed from time to time. Members will be advised of any future changes.

Use of derivatives

The Trustee does not directly invest in any derivatives (such as futures and options) other than foreign exchange contracts used for hedging.

Investment managers may use derivatives in managing portfolios for the Trustee and in managing pooled investment vehicles in which the Trustee invests. Limits on the extent of derivative use are specified in the investment management agreements between the Trustee and the various investment managers.



Fees

Having very competitive fees is just one of the member benefits that set ANZ Staff Super apart from the rest. 2015 saw our employee sections again recognised for having the lowest administration and investment management fees by research company Chant West.

ANZ Staff Super's Retained Benefit Account and Spouse Contribution Account sections and account based pension options also remain very competitive compared to those of other super funds due to our strong focus on value for members.

Membership section	Account management fees for 2015 ^{1,2}	Investment management fee ³			
		Aggressive Growth option	Balanced Growth option	Cautious option	Cash option
Section A	0.10% p.a. of first \$500,000 invested, nil thereafter				
Section C	0.10% ⁴ p.a. of first \$500,000 invested, nil thereafter				
Retained Benefit Account (RBA)	0.20% p.a. of first \$500,000 invested, nil thereafter	0.30% or \$3.00 per \$1,000 invested	0.33% or \$3.30 per \$1,000 Invested	0.23% or \$2.30 per \$1,000 Invested	0.01% or \$0.10 per \$1,000 invested
Spouse Contribution Account (SCA)	0.20% p.a. of first \$500,000 invested, nil thereafter				
Account Based Pension (ABP)	0.15% p.a. of first \$500,000 invested, nil thereafter				
Transition to Retirement Account Based Pension (TRAP)	0.15% p.a. of first \$500,000 invested, nil thereafter				

Other fees and costs (such as insurance premiums) may apply. For details, refer to the Product Disclosure Statements for your section available from www.anzstaffsuper.com or by calling ANZ Staff Super on **1800 000 086**.

Notes

- Account management fees are only charged on the first \$500,000 of assets in any account in Sections A and C and the RBA, SCA and ABP Sections. For 2015, there was a fee rebate of 0.05% p.a. of the first \$500,000 invested. The fees quoted allow for this rebate. The fee rebate is reviewed annually and also applies for 2016.
- Calculated on a pro rata basis, deducted weekly by redeeming some of your units.
- The investment management fees shown were applicable for 2015 and applied for the investment options across all membership sections listed above. These fees vary from year to year and may include performance management fees.
- Account management fees are not payable by Section C members who are classified as Choice members for legislative purposes.

Financial information

The following information is taken from the audited accounts for the years ended 31 December 2014 and 2015. Copies of the full audited accounts and the auditor's report are available to members on request from ANZ Staff Super. See the back page for contact details.

Statement of financial position

Statement of financial position at 31 December	2015 \$000	2014 \$000
Assets		
Unlisted unit trusts	3,417,434	3,176,760
Listed Australian equities	83,465	146,597
Forward foreign exchange	4,974	5,422
Cash and cash equivalents	360,553	295,020
Receivables	12,388	11,143
Prepayments	130	92
Deferred tax asset	240	22
Total assets	3,879,184	3,635,056
Less liabilities		
Payables	1,932	3,184
Forward foreign exchange	323	1,588
Deferred tax liability	51,260	49,632
Income tax payable	18,710	6,877
Total liabilities	72,225	61,281
Net assets available to pay benefits	3,806,959	3,573,775

Operating statement

Operating statement for the year ended 31 December	2015 \$000	2014 \$000
Net assets available to pay benefits at beginning of the year	3,573,775	3,252,439
Plus		
Investment revenue	188,283	302,291
Contributions revenue		
Employer	223,969	208,437
Members	28,941	21,047
Transfer from other funds	65,922	65,033
Insurance proceeds	1,819	21
Other	4,079	2,991
Total revenue	513,013	599,820
Less		
Benefits paid or payable	216,670	211,759
Group life insurance premiums	9,868	-
Investment and other expenses	15,689	15,478
Income tax expense	37,602	51,247
Total benefits, expenses and tax	279,829	278,484
Net assets available to pay benefits at end of the year	3,806,959	3,573,775

Reserves and accounts

Five types of reserves or accounts are held within ANZ Staff Super for efficient financial management. They are:

1. The Scheme Operating Reserve (SOR). This is part of the financial management of the Scheme, and may be used in certain circumstances to address operational risk events or claims against the Scheme arising from operational risk events. Under APRA Prudential Standard SPS114 Operational Risk Financial Requirement, the Trustee is required to hold adequate financial resources to address losses arising from operational risks. These financial resources are held in the Scheme Operating Reserve and exceed the level required by the prudential standard.
2. The Death and Disablement Reserve (DDR) operates as a reserve to manage the cashflows relating to the death and Total and Permanent Disablement cover provided through the Scheme.
3. The Employer Funding Reserve (EFR) is also part of the financial management of the Scheme.
4. The Unallocated Transfer Reserve (UTR) relates to monies transferred from other ANZ staff superannuation schemes which were not allocated to transferring members. There is currently no money in the UTR.
5. The Pension Section Account (PSA) relates to assets transferred from the ANZGROUP (Australia) Staff Pension Scheme to finance the benefits paid to pensioner beneficiaries. As at 31 December 2015, there were 144 lifetime pensioners in the Scheme.

Reserve and account balances at 31 December

Year	SOR \$m	DDR \$m	EFR \$m	PSA \$m
2015	20.5	49.8	17.7	20.4
2014	19.7	54.3	18.0	22.2
2013	18.0	44.9	18.2	21.8
2012	14.6	37.9	15.4	17.9
2011	12.7	34.3	12.2	15.1

These reserves and accounts do not affect the pricing of units or the investment earnings on members' accounts.



Governance

Your Trustee is ANZ Staff Superannuation (Australia) Pty Limited, which is responsible for the operation and management of the Scheme.

The Board of the Trustee has eight Directors, four elected by members and four appointed by ANZ.

The Board has an excellent mix of skills and experience to oversee the operations and management of the Scheme and represent member interests.

Your Trustee Directors at 31 December 2015

ANZ representative directors:



Gary Newman
Non-Executive Director



Anthea Kane
Chief Financial Officer, TSO



Sue Carter
Non-Executive Director



Kylie Rixon
Chief Risk Officer,
ANZ Wealth

Member representative directors:



Tracey Sturgeon
Director, Lending Services



Geoffrey King
Non-Executive Director



Jo McKinstry
Customer Advocate



Adam Vise
Head of Equity Capital
Markets

Changes in 2015

On 1 April 2015, Anthea Kane replaced Susie Babani who resigned as an ANZ-appointed director effective 31 March 2015.

During 2015, an election was held for two member-representative Directors for the Trustee Board. Tracey Sturgeon and Adam Vise were the successful candidates and their terms commenced on 1 July 2015. Adam replaced Peter Davis whose term expired on 30 June 2015.

We thank all the candidates who nominated for the election and all the members who voted. The next election for Member Representative Directors for the Trustee Board will be held in 2017.

Kylie Rixon replaced Paul Edwards who resigned as an ANZ-appointed Director effective 29 July 2015.

The Trustee and management thank Susie, Peter and Paul for their valuable contribution and service to the Board over many years.

Changes since 31 December 2015

In April 2016, Tracey Sturgeon resigned as a member-representative Director. Peter Davis accepted an invitation to fill the vacancy following Tracey's resignation. Peter has been appointed as a member-representative Director to complete the remainder of Tracey's four year term.

The Trustee and management thank Tracey for her valuable contribution and service to the Board over the last 12 years.

Board meeting attendance for 2015

Trustee Director	Possible number of Board meetings*	Number of Board meetings attended**
Susie Babani	2	1
Sue Carter	7	7
Peter Davis	4	4
Paul Edwards	4	2
Anthea Kane	5	4
Geoffrey King	7	7
Jo McKinstry	7	7
Gary Newman	7	7
Kylie Rixon	2	2
Tracey Sturgeon	7	5
Adam Vise	3	3

* Directors also attend committee meetings as required.

** Where a Director is unable to attend a Board meeting, his or her alternate Director usually attends the meeting.

Corporate governance

The Trustee is committed to maintaining the highest standards of corporate governance practice and ethical conduct in undertaking its responsibilities to manage the Scheme on behalf of its members.

The Trustee uses the collective skills and experience of its Directors to efficiently and soundly manage and monitor the operations and performance of the Scheme. The Trustee has a Governance and Audit Committee to assist the Board in identifying and addressing issues to maintain a best practice corporate governance framework for the Scheme and to ensure compliance with the Scheme's Trust Deed and Rules, all relevant legislation and prudential standards.

Key governance issues considered by the Trustee include:

- corporate structures, processes, policies and conduct;
- prudential measures such as security, fraud prevention, insurance and business continuity;
- monitoring of service providers including the administrator and investment managers;
- risk management;
- legislative and regulatory compliance; and
- communication with members and other stakeholders.

Group Superannuation's role

ANZ Group Superannuation is responsible for managing the Scheme's relationship with its service providers.

ANZ Group Superannuation also supports the Trustee by overseeing member communication and education, compliance and governance, risk management, investment services and statutory requirements.

Indemnity insurance

The Trustee has indemnity insurance to cover the Scheme and Directors in case of a loss due to a claim against the Trustee. The insurance is designed to cover a financial loss incurred as a result of an honest mistake that may occur in operating the Scheme.

It does not cover the Directors for fines or penalties that may be imposed by law, or for claims resulting from intentional or reckless neglect or dishonest conduct.

Other information

Enquiries

You can call ANZ Staff Super with any enquiry about your account or the Scheme on **1800 000 086**. You can also access your account information via our website at www.anzstaffsuper.com.

Most member enquiries can be easily answered by ANZ Staff Super service representatives over the phone. In some cases, you may be asked to put your enquiry in writing and provide contact details for a reply. Enquiries will generally be answered within a few days.

Our website includes a range of articles and educational material, including product dashboards, certain details about the Trustee and documents relating to the Scheme. For the product dashboards, go to www.anzstaffsuper.com, select Forms & publications>Product dashboards and for the Trustee details and Scheme documents go to www.anzstaffsuper.com, select Forms & publications> Fund information.

Financial planning advice

The Trustee has entered into an agreement with ANZ under which ANZ's financial advisers have been engaged to provide Scheme members with general or limited personal financial advice about options available within the Scheme over the phone for no extra charge. These financial planning services are provided by ANZ's financial advisers under AFSL 234527. Any advice provided by ANZ's financial advisers is not provided or endorsed by the Trustee. If you'd like to talk to a financial adviser, call us on **1800 000 086**.

If you require more complex personal advice, you'll be given the option of receiving comprehensive personal advice from an ANZ financial adviser and ANZ will charge you a fee for this advice which you may be able to have debited from your account in the Scheme. The Trustee's arrangement with ANZ Financial Planning gives eligible members the option to have fees for Scheme-related superannuation advice debited from their account in the Scheme. For more information about this facility, refer to the Financial Planning fact sheet available at www.anzstaffsuper.com.

Complaints

If you have an issue or concern regarding the Scheme you can outline your concerns in writing to the Trustee and the matter will be investigated in accordance with our inquiries and complaints handling procedure.

ANZ Staff Super
GPO Box 4303
Melbourne VIC 3001

The Trustee will advise you in writing of its decision.

If your complaint is not resolved to your satisfaction by our internal procedures within 90 days, you can contact the Superannuation Complaints Tribunal (SCT).

You can contact the SCT by phoning **1300 884 114** for the cost of a local call, or email info@sct.gov.au or by visiting its website at www.sct.gov.au.

Access your account information
 at www.anzstaffsuper.com



Eligible Rollover Fund

If you are a Retained Benefit Account member with a benefit less than \$7,500 and you do not provide payment instructions within 30 days, your benefit will automatically be transferred to the Scheme's Eligible Rollover Fund (ERF) selected by the Trustee.

AMP Eligible Rollover Fund

Locked Bag 5400

Parramatta NSW 1741

Phone: 1300 653 456

You will no longer be a member of the Scheme and any insurance cover you may have had through the Scheme will also cease. The ERF does not offer insurance in the event of death or disablement.

If your benefit is transferred to the ERF, the Scheme will provide it with your current contact details so the ERF can send you its current Product Disclosure Statement outlining the operational details of the ERF.

If your benefit is \$7,500 or more it will be transferred to the RBA Section of the Scheme.

Service providers

The Trust Deed permits the Trustee to appoint independent specialists to assist with the management and operation of the Scheme. The Trustee has appointed the following professional firms to provide services to it:

Member Services	Mercer Outsourcing (Australia)
Actuary	Russell Employee Benefits
Investment Adviser	Willis Towers Watson
Insurer	OnePath Life Limited
Legal Adviser	Lander and Rogers
Master Custodian	JP Morgan
Eligible Rollover Fund	AMP Eligible Rollover Fund
Auditor	KPMG
Accounting	Sharon Long Chartered Accountants

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Contact details



Write to
ANZ Staff Super
GPO Box 4303
Melbourne VIC 3001

Or email anzstaffsuper@superfacts.com



Phone
1800 000 086
or +61 3 8687 1829 from overseas

Fax
03 9245 5827



Website
www.anzstaffsuper.com

Superannuation Complaints Tribunal
1300 884 114

Australian Tax Office
Superannuation Help Line 13 10 20