

Steps towards
your financial future...

2008

Annual Report

for the year ended 31 December 2008

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This 2008 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 printing.

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.

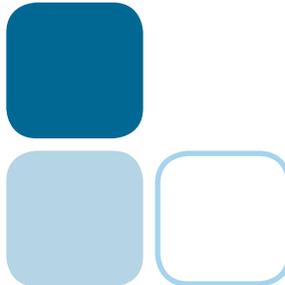
Formal legal documents ultimately govern the operation of the Scheme, including the Scheme's Trust Deed and Rules and relevant legislation. Should there be any discrepancies between the information in this Annual Report and the actual provisions in the Trust Deed and Rules, the Trust Deed and Rules will prevail. You may obtain a copy of the Trust Deed and Rules from ANZ Staff Super (see page 21 for contact details).

Published: April 2009



Chairman's message

2008 provided the most challenging investment environment that the Scheme and other investors have experienced for many years.



The consequences of the global financial crisis which emerged in 2008 were profound. We have not seen the like for some generations. Volatility in financial markets was at unprecedented high levels, resulting in an adverse investment environment for the Scheme and other superannuation funds.

A central plank of the Trustee's investment philosophy for the Scheme is to spread investments across asset classes, the behaviour of which we expect to be substantially uncorrelated. Not so in 2008. Almost all asset classes declined in value.

Net investment returns for the Scheme's options were poor in 2008. Most members of the Scheme are invested in either the Aggressive Growth or Balanced Growth options. The returns of these options have been negatively impacted by their exposure to growth assets achieving returns of -34.5% and -27.5% respectively for 2008. The Cautious option, with slightly less exposure to growth assets, achieved -13.6% and the Cash option, invested solely in defensive assets, fared best with a return for the year of 6.7%.

Investment returns have remained under pressure in early 2009 as the impact of global financial crisis continues to weigh heavily on investment markets. The Trustee will continue to closely assess developments in investment markets over 2009.

The poor investment returns for 2008 and early 2009 follow a period of solid investment returns. For the four years to the end of 2007, the cumulative investment return for the Balanced Growth option used by most of our members was 60%.

Your Trustee continues to believe in the virtues of spreading investments across asset classes, and expects that the benefit of diversifying will re-assert itself in years to come. It also believes in the long term merits of investing a substantial proportion of member's holdings in growth assets as part of the strategic asset allocations of the Aggressive Growth and Balanced Growth options.

Your Trustee reconfigured the management of the Scheme's equity holdings during 2008 after a thorough review. About 70% of the Scheme's equity holdings are now held in vehicles that track the relevant share price indices, at a very low cost; the balance is spread across a few active managers aiming to significantly outperform their respective markets. This substantially reduces costs of investment management, which are deducted from members' gross investment earnings, while maintaining the same overall level of risk.

In 2008 we have enhanced our insurance offering to members, reducing premiums for Section A, Section C and RBA members and introducing death cover for SCA members. Account management fees for SCA, RBA and ABP Section (including Transition to Retirement Account Based Pensions) members were reduced.

As we move into 2009, be assured that the Trustee is continuing to manage the Scheme carefully in the current difficult investment environment. It is also important to remember that investment markets do go up and down, and periods of negative returns will occur. The Trustee is committed to a long-term, diversified investment strategy that balances risk against reward, and meets the investment objectives of each of the Scheme's options.

Thank you for your continued support of your Scheme. The Board and management look forward to continuing our partnership with you in the coming year.

Russell Rechner
Chairman

Scheme snapshot for 2008

Returns...

Returns for the Aggressive Growth, Balanced Growth and Cautious options for year ended 31 December 2008 have been negative, reflecting their exposure to growth assets which have performed poorly over the year. The Cash option posted a positive return reflecting its investment in defensive asset classes.

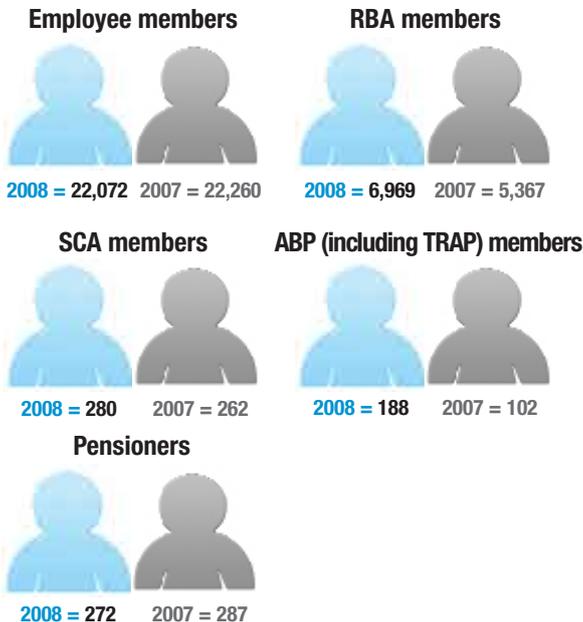
Option	1 year	3 year	5 year
Aggressive Growth	-34.5%	-6.6% p.a.	3.1% p.a.
Balanced Growth	-27.5%	-4.2% p.a.	3.0% p.a.
Cautious	-13.6%	-0.1% p.a.	3.9% p.a.
Cash	6.7%	6.5% p.a.	6.2% p.a.

ABP and TRAP returns...

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 year	3 year	5 year
Aggressive Growth	-34.2%	n/a	n/a
Balanced Growth	-26.8%	-3.2% p.a.	4.3% p.a.
Cautious	-11.9%	0.9% p.a.	4.9% p.a.
Cash	7.0%	n/a	n/a

Membership in 2008...



Note:

Average returns for the Aggressive Growth and Cash options over 3 and 5 years are not available for the ABP Section because these options have only been used since November 2006 and March 2007 respectively.

- 84% growth in ABP and TRAP membership
- 30% growth in RBA membership
- 7% growth in SCA membership

The year in review

February 2008

- Susie Babani, Group Managing Director Human Resources, joined the Trustee Board as an ANZ-appointed Director, replacing Share Freeman who took up an international assignment with ANZ.

March 2008

- Members aged 54 and over were invited to attend presentations held throughout March on superannuation options for transitioning to retirement. These presentations focused on the Account Based Pensions and Transition to Retirement Account Based Pensions offered by the Scheme.

June 2008

- 30 June 2008 marked the end of the first year when concessional and non-concessional contribution limits applied. Members were reminded throughout the year to make sure they are aware of their level of concessional and non-concessional contributions to super, and the limits that apply to both kinds of contributions, so that they do not incur additional tax.

July 2008

- From July 2008, ANZ was required to use a new earning base to calculate superannuation contributions for employees due to changes to the Superannuation Guarantee legislation.

August 2008

- Implementation of the new approach for managing the Scheme's investments in Australian and international shares was finalised. The new approach for managing the Scheme's equity investments is designed to reduce the associated investment costs and improve net investment returns, while maintaining the same level of risk.

The new approach involves the appointment of:

- two "core" managers – one with a mandate to manage the Scheme's Australian share investments, the other to manage the Scheme's international share investments; and
- three "satellite" managers each for Australian shares and international shares.

The core managers adopt a "passive" investment style with the aim of matching or slightly exceeding the investment performance of the Australian or international sharemarkets respectively. The satellite managers adopt "active" investment styles with the aim of outperforming their respective markets.

Consistent with this new approach, the mandates of some existing investment managers were cancelled and new managers were appointed to undertake the core and satellite investment management roles.

More details of the Scheme's investment managers is set out on page 13.

October 2008

- Enhancements to the Scheme's insurance arrangements became effective from 1 October 2008.
 - Premium rates for death and Total and Permanent Disablement cover for Section A and C members and for death cover for RBA Section members were reduced by 25%, up to 30% and up to 10% respectively. These reductions were recommended by the Scheme Actuary following his triennial actuarial review in 2008.
 - Death-only cover was introduced for SCA Section members. SCA Section members will be able to apply for up to seven 'blocks' of cover, with each block providing \$50,000 of cover. Members will be required to provide satisfactory health evidence before any cover is granted.
 - Section A members were also given the option to increase their cover by half a 'block' in the event of certain 'life events' including the birth or adoption of a child or taking out a mortgage to buy a home.

Full details of the revised premium rates and insurance arrangements are set out in the Product Disclosure Statements which are available on the Scheme's website www.anzstaffsuper.com.

- The account management fee for the Retained Benefit Account, Spouse Contribution Account and Account Based Pension Sections were reduced. The account management fee in the RBA and SCA Sections reduced from 0.8% to 0.7% p.a. while the account management fee in the ABP Section (including members who hold Transition to Retirement Account Based Pensions) reduced from 0.8% to 0.5% p.a..

A cap of \$500,000 applies to the account balance in each Section when this fee is calculated so no account management fee applies to the portion of any account balance over \$500,000.

Your Scheme

Section A

- For full and part-time employees of ANZ and associated companies in Australia.
- Section A offers all the features you would expect of a modern, progressive superannuation scheme.

Section C

- For full and part-time employees of ANZ and associated companies in Australia who joined prior to 4 July 1997, unless they have elected to transfer to Section A.
- Closed to new entrants.

Retained Benefit Account (RBA) Section

- For members of Section A, Section C or the SCA Section who would like to continue their membership with the Scheme when they leave employment with ANZ or are no longer eligible to remain in the SCA Section.
- Eligible to be your chosen fund with your new employer.

Spouse Contribution Account (SCA) Section

- For eligible spouses of members of the Scheme who are currently or were formerly ANZ employees.
- Eligible to be your chosen fund with your employer.

Account Based Pension (ABP) Section (including TRAPs)

The Scheme offers two retirement income options:

- Account Based Pensions for members who have reached their preservation age (currently age 55) and retired from the workforce. Account Based Pensions enable members who have retired to convert their lump sum superannuation benefits into a flexible and tax-effective income stream.
- Transition to Retirement Account Based Pensions (TRAPs), which give members who have reached their preservation age but are still employed an opportunity to take up to 10% of their superannuation each year as a tax-effective income stream as they approach retirement. This gives you flexibility as you move towards retirement to scale back your work hours without necessarily scaling down your income or, in combination with salary sacrifice contributions, to potentially increase your super savings while maintaining your after-tax income.

You can draw an income from a TRAP while continuing to work and contribute to your accumulation account in Section A, Section C, the RBA Section or the SCA Section.

Feature	Section A	Section C	RBA	SCA	ABP	TRAP
Opportunity to make voluntary personal contributions to the account (and receive Government co-contributions, if eligible)	✓	✓	✓	✓	✗ ³	✗ ³
Able to accept contributions from other employers	✓	✓	✓	✓	✗ ³	✗ ³
Ability to rollover money from other funds	✓	✓	✓	✓	✓ ⁴	✓ ⁴
Investment choice – choose one or a combination of the Scheme's investment options: Aggressive Growth, Balanced Growth, Cautious or Cash	✓	✓	✓	✓	✓	✓
No entry, exit, transfer, withdrawal, rollover, investment switching or contribution fees	✓	✓	✓	✓	✓	✓
Account management fee (0.7% p.a. of the amount invested, subject to a maximum of \$500,000 – no fees apply to the account balance in excess of \$500,000)	✗	✗	✓	✓	✗	✗
Account management fee (0.5% p.a. of the amount invested, subject to a maximum of \$500,000 – no fees apply to the account balance in excess of \$500,000)	✗	✗	✗	✗	✓	✓
Death cover	✓	✓	✓ ²	✓ ²	✗	✓ ⁵
Total and Permanent Disablement (TPD) cover	✓	✓	✗	✗	✗	✓ ⁵
Salary continuance cover	✓	✓	✗	✗	✗	✓ ⁵
Weekly unit pricing	✓	✓	✓	✓	✓	✓
Access to an interactive website housing your account information in a secure section	✓	✓	✓	✓	✓	✓
A say in the running of the Scheme via Trustee elections	✓	✓	✓	✓	✓	✓
Monthly payments from account	✗	✗	✗	✗	✓	✓
Lump sum withdrawals from account after reaching preservation age	✓	✓	✓	✓	✓ ²	✗

1. Investment management fees apply, ranging from 0.07% p.a. to 0.60% p.a. of account balance, depending on your investment option. These fees are deducted before unit prices are declared.

2. Conditions apply.

3. Alternative options may be available.

4. On commencement – alternative options may be available.

5. Insurance may be able to continue in Section A, Section C, SCA or RBA (if applicable).

Investment markets overview

2008 proved to be an historic year of decline for all investment markets, but in particular for the Australian and international share markets. Volatility hit extreme levels across all asset classes.

Australian and international shares

The initial driver of the decline in share markets was the emergence of the global financial crisis, driven by the continued fall out in the US sub-prime mortgage market (which began to unravel in 2007) followed by the collapse of Lehman Brothers in the US and a significant restriction in credit availability.

The five year bull market in Australia, led by the resources boom, transformed rapidly into one of the worst bear markets on record with the ASX200 price index declining by 41% over 2008. Only the bear market of 1973/74 was more significant in terms of its decline.

All sectors within the Australia share market declined during 2008.

Financial stocks and those with excessive levels of gearing were the initial casualties driving the share market lower towards mid year. The increased leverage in the Australian market reflected significant levels of margin lending and the activities of hedge funds which had expanded significantly during the bull market.

The Australian resources sector finished the first half of 2008 higher as commodity prices remained firm with many investors expecting China would remain relatively immune from the emerging slowdown in advanced economies. The oil price was a major contributor to this performance, hitting record highs of US\$145 per barrel in mid-July. Resources drove the share market lower during the second half of 2008 as commodity prices retraced sharply in line with ever diminishing growth forecasts. This trend was once again led by oil, which declined to US\$40 per barrel by the end of 2008.

The Australian dollar traded up to 98 cents against the US dollar (the highest level since it was floated in the early 1980s) by mid-year, before declining to 60 cents against the US dollar over three months.

Fixed interest and cash

Investors became increasingly risk averse and investors moved into bonds and cash. Usually defensive assets, such as fixed interest, also recorded negative returns as investors became concerned about the creditworthiness of the underlying issuers and the veracity of the credit ratings. Spreads widened considerably to reflect the relative risks of issuers and securities.

The restriction in credit worldwide resulted in a sharp fall in global growth, initially sending the majority of developed economies into recession and putting pressure on emerging economies, including China. Global growth expectations finished 2008 at +0.6%, its lowest level since the 1982 recession. Governments sought to open credit markets and maintain liquidity by providing guarantees and putting in place significant stimulus programs.

Cash rates fell to all time lows in many countries, including Australia, as central banks made aggressive interest rate cuts.

Investment market developments in early 2009

The global financial crisis continued to weigh heavily on the Australian and international share markets in January and February before recovering some ground in March. For example, for the Australian market, the ASX200 price index fell by around 10% by the end of February before gaining around 7% in March.

The credit restrictions and falls in listed equities may detract from the performance of private equity and other unlisted holdings in the near term. While the Scheme's allocations to private equity and infrastructure holdings represent less than 10% of the overall fund, their valuations will continue to be carefully monitored over 2009.

Your investment returns

Unit prices

Your account in the Scheme is recorded as a unit holding in one or more of the Scheme's 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 more frequently as determined by the Trustee. As asset values fluctuate, unit prices will go up and down. Over time, we would expect unit prices to increase because assets gain in value and investment income is reinvested. However, there will be times when the market value of assets declines causing unit prices to go 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 the Scheme's website – click on 'Unit Prices' or 'Allocated Pension Unit Prices' (as applicable) under the 'Investment Choice' tab.

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 8 and 9, together with details of the investment returns and distribution rates 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, the returns for each investment option will generally be slightly higher for the ABP and TRAP members than for other members of the Scheme. Where applicable, the investment returns and unit price information for the ABP Section and other sections are shown separately.



Investment options' returns

Aggressive Growth

Net investment return <i>Sections A, C, RBA & SCA</i>	-34.8%
Net investment return <i>ABP Section</i>	-34.2%

The return for the Aggressive Growth option reflected its heavy weighting to share investments which were particularly adversely impacted by the global financial crisis.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2008	\$1.1141
Price at 31/12/2007	\$1.7009
Unit prices – ABP Section	
Price at 31/12/2008	\$0.7242
Price at 31/12/2007	\$1.0999

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

Aggressive Growth option returns			
Year ended 31 December ¹	Net return	ABP returns ²	CPI Increase ³
2008	-34.8%	-34.2%	3.7%
2007	7.8%	6.8%	3.0%
2006	15.5%	3.0%*	3.3%
2005	20.3%	n/a	2.8%
2004	18.9%	n/a	2.6%
2003	8.5%	n/a	2.4%
2002	-14.8%	n/a	3.0%
5-year average	3.1% p.a.	n/a	3.1% p.a.
7-year average	1.1% p.a.	n/a	3.0% p.a.

Balanced Growth

Net investment return <i>Sections A, C, RBA & SCA</i>	-27.5%
Net investment return <i>ABP Section</i>	-26.8%

The asset mix for the Balanced Growth option includes an allocation to fixed interest and cash which helped to lessen the impact of the poor returns on share investments.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2008	\$1.2424
Price at 31/12/2007	\$1.7135
Unit prices – ABP Section	
Price at 31/12/2008	\$1.3363
Price at 31/12/2007	\$1.8258

Balanced Growth option returns			
Year ended 31 December ¹	Net return	ABP returns ²	CPI Increase ³
2008	-27.5%	-26.8%	3.7%
2007	7.2%	8.1%	3.0%
2006	13.2%	14.7%	3.3%
2005	14.9%	16.8%	2.8%
2004	14.8%	16.7%	2.6%
2003	7.7%	8.5%	2.4%
2002	-5.2%	n/a	3.0%
5-year average	3.0% p.a.	4.3% p.a.	3.1% p.a.
7-year average	2.5% p.a.	n/a	3.0% p.a.

Cautious

Net investment return <i>Sections A, C, RBA & SCA</i>	-13.6%
Net investment return <i>ABP Section</i>	-11.9%

The Cautious option benefited from having higher allocations to fixed interest and cash, which helped to reduce the impact of poor returns on share investments.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2008	\$1.3571
Price at 31/12/2007	\$1.5708
Unit prices – ABP Section	
Price at 31/12/2008	\$1.4291
Price at 31/12/2007	\$1.6226

* For the period from April 2003 to December 2003.

Cautious option returns

Year ended 31 December ¹	Net return	ABP returns ²	CPI Increase ³
2008	-13.6%	-11.9%	3.7%
2007	5.9%	6.1%	3.0%
2006	9.0%	9.7%	3.3%
2005	9.7%	10.7%	2.8%
2004	10.9%	12.1%	2.6%
2003	7.8%	5.3%*	2.4%
2002	-0.3%	n/a	3.0%
5-year average	3.9% p.a.	4.9% p.a.	3.1% p.a.
7-year average	3.9% p.a.	n/a	3.0% p.a.

Cash

Net investment return <i>Sections A, C, RBA & SCA</i>	6.7%
Net investment return <i>ABP Section</i>	7.0%

The return for the Cash Option reflects the positive returns on the Scheme's cash holdings.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2008	\$1.3807
Price at 31/12/2007	\$1.2944
Unit prices – ABP Section	
Price at 31/12/2008	\$1.1180
Price at 31/12/2007*	\$1.0451

* For the period from inception in July 2003 to December 2003.

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

Cash option returns

Year ended 31 December ¹	Net return	ABP returns ²	CPI Increase ³
2008	6.7%	7.0%	3.7%
2007	5.8%	4.5%**	3.0%
2006	7.1%	n/a	3.3%
2005	5.6%	n/a	2.8%
2004	6.0%	n/a	2.6%
2003	2.1%*	n/a	2.4%
5 year average	6.2% p.a.	n/a	3.1% p.a.

Notes:

- The 5-year and 7-year averages are for the periods 1 January 2004 to 31 December 2008 and 1 January 2002 to 31 December 2008 respectively.
- The Account Based Pension (ABP) Section return is generally higher because tax is not payable on the investment earnings of an account based pension. Returns – where applicable – are shown from 2003, when the section started.
- The increase in the Consumer Price Index (CPI) is a measure of the growth of inflation.

Investment objectives and strategies

	Aggressive Growth	Balanced Growth
Objectives	<p>The investment objectives of the Aggressive Growth option are to:</p> <ol style="list-style-type: none"> maximise returns over the long term whilst accepting a high degree of performance variability; and exceed inflation (CPI increases), on average, by at least 3.5% p.a. over rolling five and seven year periods. 	<p>The investment objectives of the Balanced Growth option are to:</p> <ol style="list-style-type: none"> maximise returns over the long term whilst accepting a moderate degree of performance variability; and exceed inflation (CPI increases), on average, by at least 3% p.a. over rolling five and seven year periods.
Returns	<p>This option has more growth assets than the Balanced Growth option and consequently has the potential to yield higher returns than the Balanced Growth option in the long term.</p>	<p>This option has the potential to achieve capital growth over the medium to long term. In the long term, these assets also have the potential to produce greater returns than the Cautious option.</p>
Risks	<p>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.</p>	<p>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.</p>
Asset mix	<p>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 41% invested in international shares, 41% invested in Australian shares, 13% alternative assets and 5% property.</p> <p>The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.</p>	<p>Typically around 65% of the Balanced Growth option is invested in shares and property and around 18% is invested in alternative assets. The remainder is normally invested in diversified fixed interest securities and cash.</p> <p>The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.</p>
	<p>Growth assets</p> <ul style="list-style-type: none"> Australian equities – large caps Australian equities – small caps International equities Emerging market equities Property <p>Alternative assets*</p> <ul style="list-style-type: none"> Alternative assets: <ul style="list-style-type: none"> Global tactical asset allocation Commodity futures Structured Beta Global private equity Global infrastructure Global credit <p>* 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.</p> <p>The investment objective is to exceed inflation (CPI), on average, by at least 3.5% p.a. over the long term.</p>	<p>Growth assets</p> <ul style="list-style-type: none"> Australian equities – large caps Australian equities – small caps International equities Emerging market equities Property <p>Alternative assets*</p> <ul style="list-style-type: none"> Alternative assets: <ul style="list-style-type: none"> Global tactical asset allocation Commodity futures Structured Beta Global private equity Global infrastructure Global credit <p>Defensive assets</p> <ul style="list-style-type: none"> Fixed interest securities <ul style="list-style-type: none"> Australian International Inflation linked Cash <p>* 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.</p> <p>The investment objective is to exceed inflation (CPI), on average, by at least 3% p.a. over the long term.</p>

	Cautious	Cash
Objectives	The investment objectives of the Cautious option are to: <ol style="list-style-type: none"> achieve returns which exceed those available on cash investments over the long term whilst achieving reasonable stability in returns from year to year; and exceed inflation (CPI increases), on average, by at least 2% p.a. over rolling five and seven year periods. 	The investment objectives of the Cash option are to: <ol style="list-style-type: none"> achieve money market rates of return; and maintain capital stability over short time periods.
Returns	This option should provide lower returns than the Aggressive Growth and Balanced Growth options over the long term, but with reduced volatility of returns from year to year.	This 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 Cautious option is designed to reduce the chance of experiencing a negative return in any one year and to protect the capital value of your investment over a 12-month period.	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	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.	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.
	<p>Growth assets</p> <ul style="list-style-type: none"> Australian equities – large caps International equities Property <p>Alternative assets*</p> <ul style="list-style-type: none"> Alternative assets: <ul style="list-style-type: none"> Global tactical asset allocation Commodity futures Structured Beta Global private equity Global infrastructure Global credit <p>Defensive assets</p> <ul style="list-style-type: none"> Fixed interest securities <ul style="list-style-type: none"> Australian International Inflation linked Cash <p>* 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.</p> <p>The investment objective is to exceed inflation (CPI), on average, by at least 2% p.a. over the long term.</p>	<p>Defensive assets</p> <ul style="list-style-type: none"> Cash* <p>* Including short term money market and fixed interest securities.</p> <p>The investment objective is to achieve money market rates of return.</p>

Investing the Scheme's assets

Asset allocation

In October 2008, the Scheme's assets were further diversified across asset classes with the introduction of global credit holdings.

Your assets may be structured quite differently from those illustrated, especially if you have chosen the Aggressive Growth, Cautious or Cash options.

Asset allocation		
As at 31 December 2008	\$m	%
Australian shares	394.1	22.6
Australian shares - small caps	34.0	2.0
International shares*	542.1	31.0
Global tactical asset allocation	47.1	2.7
Commodity futures	31.9	1.8
Structured Beta	71.5	4.1
Global infrastructure	38.3	2.2
Australian property	121.0	6.9
International property	37.4	2.1
Australian fixed interest	93.1	5.3
International fixed interest	162.9	9.3
Global credit	12.9	0.8
Cash	161.3	9.2
Total	1,747.6	100.0
As at 31 December 2007	\$m	%
Australian shares	582.4	25.3
Australian shares – long/short	104.1	4.5
Australian shares – small caps	61.8	2.7
International shares*	743.9	32.3
Global tactical asset allocation	95.5	4.1
Commodity futures	55.6	2.4
Structured Beta	92.2	4.0
Global infrastructure	11.5	0.5
Australian property	130.8	5.7
International property	61.1	2.7
Australian fixed interest	108.8	4.7
International fixed interest	188.4	8.2
Cash	66.0	2.9
Total	2,302.1	100.0

* Including International Private Equity

Use of derivatives

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

Investment managers

The Scheme's assets held by each investment manager as at 31 December 2008 and 2007 are shown in the table on the right.

The changes arising from the new approach for managing the Scheme's investments in Australian and international shares are reflected in this table with the core and satellite managers for Australian and international shares being specifically identified. It also reflects the appointment of Colonial First State as an investment manager with a mandate in respect of global credit securities.

Invested assets at the end of 2008 were \$1,748 million compared to \$2,302 million at the end of 2007.

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, ie. 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.

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.

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

Investment managers		
As at 31 December 2008	\$m	%
Australian Shares:		
• Macquarie Investment Management Ltd – core manager	310.6	17.8
• Kinetic Investment Partners – satellite manager	34.0	2.0
• Orbis Investment Management (Australia) – satellite manager	42.0	2.4
• Independent Asset Management – satellite manager	41.5	2.4
International Shares		
• Barclays Global Investors – core manager	288.9	16.5
• Russell Investment Management Limited – satellite manager	40.2	2.3
• Altrinsic Global Advisors – satellite manager	56.6	3.2
• Trilogy Global Advisors – satellite manager	46.4	2.7
Australian Direct Property		
• AMP Capital Investors	121.0	6.9
Global Listed Property		
• Russell Investment Management Limited	37.4	2.1
Australian Fixed Income		
• Barclays Global Investors	93.1	5.3
International Fixed Income		
• Pimco Australia	162.9	9.3
Global Tactical Asset Allocation		
• Queensland Investment Corporation	47.1	2.7
Commodity Futures		
• Barclays Global Investors	31.9	1.8
Structured Beta		
• Bridgewater All Weather Fund	71.5	4.1
Private Equity		
• Industry Funds Management	26.9	1.5
• Morgan Stanley	20.9	1.2
• Pantheon Ventures Limited	62.2	3.6
Global Infrastructure		
• EQT	0.4	0.0
• Morgan Stanley	8.1	0.5
• Macquarie Specialised Asset Management	29.8	1.7
Global Credit		
• Colonial First State	12.9	0.8
Cash		
• ANZ (cash deposits)	161.3	9.2
Total	1,747.6	100.0
As at 31 December 2007	\$m	%
AMP Capital Investors	121.5	5.3
ANZ (cash deposits)	66.0	2.9
Barclays Global Investors Australia	245.8	10.7
Bridgewater All Weather Fund	92.2	4.0
Industry Funds Management	25.1	1.1
Kinetic Investment Partners	61.8	2.7
Macquarie Specialised Asset Management	11.5	0.5
Morgan Stanley	7.1	0.3
Pantheon Ventures	33.4	1.5
Pimco Australia	188.4	8.2
QIC	49.2	2.1
Russell Investment Management	1,331.1	57.8
Tactical Global Management	17.2	0.7
WestLB Mellon	51.8	2.2
Total	2,302.1	100.0

Fees and charges

Membership category	Account Management fees ^{1,2}	Investment management fee ³				Insured cover for death and disablement ⁴	Salary continuance insurance ⁴	Government taxes ⁵
		Aggressive Growth option	Balanced Growth option	Cautious option	Cash option			
Section A	No fees	0.60% or \$6.00 per \$1,000 invested	0.55% or \$5.50 per \$1,000 invested	0.26% or \$2.60 per \$1,000 invested	0.07% or \$0.70 per \$1,000 invested	Cost varies depending on your age and the level of cover	Cost varies depending on your age and monthly benefit	The Government's contribution and super surcharge taxes ⁶ are deducted from your account (if applicable) and paid to the Australian Taxation Office (ATO)
Section C	No fees					Cost for death cover varies depending on your age and the level of cover No TPD cover available	No cover available	
Retained Benefit Account (RBA)	0.70% p.a. of the amount invested					Cost for death cover varies depending on your age and the level of cover	No cover available	
Spouse Contribution Account (SCA)	0.70% p.a. of the amount invested					No cover available	No cover available	
Account Based Pension (ABP)	0.50% p.a. of the amount invested					No cover available	No cover available	
Transition to Retirement Account Based Pension (TRAP)	0.50% p.a. of the amount invested					No cover available	No cover available	

Notes

- Account management fees are only charged on the first \$500,000 of assets in any account in the RBA, SCA and ABP Sections.
- Calculated on a pro rata basis, deducted weekly by redeeming some of your units.
- The investment management fees shown were applicable for the year ended 31 December 2008.
- Cost of cover is deducted from your account.
- These taxes apply to all superannuation funds.
- Members charged superannuation surcharge tax receive notification from the ATO. Your annual benefit statement will show these deductions, if applicable.

Financial statements

The following information is taken from the audited accounts for the year ended 31 December 2008. Copies of the full audited accounts and the auditor's report are available to members on request from ANZ Staff Super. See page 21 for the Scheme's contact details.

Statement of financial position

Statement of financial position at 31 December	2008 \$'000	2007 \$'000
Assets		
Australian shares	428,028	748,309
International shares	743,883	998,714
Property	158,468	191,860
Australian fixed interest	93,069	108,853
International fixed interest	162,850	188,396
Cash / liquidity	161,347	65,999
Total assets	1,747,645	2,302,131
Less liabilities		
Payable	1,494	1,086
Income tax payable	(11,461)	9,412
Deferred tax liability	(24,178)	24,117
Total liabilities	(34,145)	34,615
Net assets available to pay benefits	1,781,790	2,267,516
Represented by liability for accrued benefits	1,781,790	2,267,516

Operating statement

Operating statement for the year ended 31 December	2008 \$'000	2007 \$'000
Net assets available to pay benefits at the beginning of the period	2,267,516	2,013,144
Plus		
Net investment revenue	(612,467)	188,169
Contributions revenue		
> Employer	187,527	147,337
> Members	16,560	41,906
Transfer from other funds	37,691	58,998
Other	29	85
Total revenue	(370,660)	436,495
Less		
Benefits paid or payable	127,390	136,620
Operating expenses	12,482	14,598
Income tax expense	(24,806)	30,905
Total benefits, expenses and tax	115,066	182,123
Net assets available to pay benefits at the end of the period	1,781,790	2,267,516

Reserves and accounts

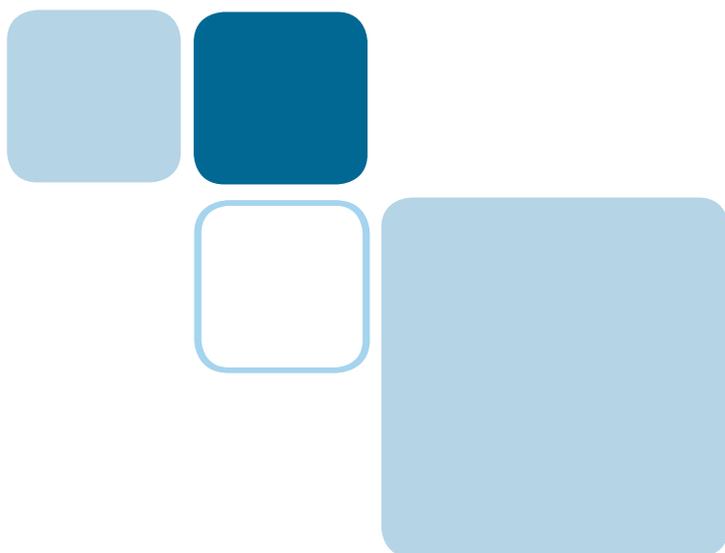
Five types of reserves or accounts are held within the Scheme for efficient financial management. They are:

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 unit pricing issues or claims against the Scheme.
2. The Death and Disablement Reserve (DDR) which operates as a reserve to which premiums for death and Total and Permanent Disablement cover are paid and from which any excess of death and Total and Permanent Disablement benefits over members' account balances is paid.
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.
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.

Reserve balances at 31 December					
Year	SOR \$m	DDR \$m	EFR \$m	UTR \$m	PSA \$m
2008	10.0	24.6	7.5	0	20.7
2007	13.9	29.6	10.5	0	33.0
2006	13.1	25.6	9.7	0	35.2
2005	12.4	21.1	8.7	0*	35.4
2004	11.4	17.3	7.7	0.5	34.6

* Following the actuarial review in 2005, the balance of the UTR was transferred to the PSA.

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



Your Trustee

The Trustee for your Scheme 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 your Scheme and represent member interests.

Board meeting attendance for 2008

Trustee Director	Possible number of Board meetings*	Number of Board meetings attended**
Susie Babani	9	8
Sue Carter	9	9
Peter Davis	9	9
Geoffrey King	9	9
Jo McKinstry	9	9
Russell Rechner	9	9
Wayne Stevenson	9	6
Tracy Sturgeon	9	8

* 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.

Trustee election in 2009

During 2009, an election will be held for two member representative directors. Members will be invited to nominate for these important positions and members are encouraged to vote when the election material is issued.

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 and all relevant legislation.

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 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, investment services and statutory requirements.

Your Trustee at 31 December 2008

<p>Russell Rechner ANZ representative director Former Director, Major Projects, ANZ Metrobanking</p>				<p>Tracey Sturgeon Member representative director Director Lending Services</p>
	<p>Geoffrey King Member representative director Senior Superannuation Account Manager, ING Australia</p>		<p>Susie Babani ANZ representative director Group General Manager, Human Resources</p>	
<p>Jo McKinstry Member representative director Senior Manager, Process Control Australia Operations</p>			<p>Peter Davis Member representative director Relationship Manager, Financial Institutions Group</p>	
	<p>Wayne Stevenson ANZ representative director Chief Financial Officer Asia Pacific</p>			<p>Sue Carter ANZ representative director Consultant – Corporate Governance and Board Effectiveness</p>

Administration

Certain administration and member services have been outsourced to Russell Employee Benefits. The Trustee also engages professional firms and consultants to provide expert advice.

Trust Deed Changes

During 2008, the Trust Deed was amended to:

- implement the insurance enhancements for Section A and the SCA Section and make the consequential changes to the cover provided in the RBA Section; and
- clarify aspects of the Trustee's investment powers.

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

Inquiries

You can call ANZ Staff Super with any inquiry about your account or the Scheme. You can also access your account information via the Scheme's website.

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

As a Scheme member, you can access:

- Product Disclosure Statements (PDSs);
- the Scheme's Trust Deed and Rules;
- full copies of the Scheme's audited accounts and the auditor's report;
- extracts from the most recent actuary's report;
- copies of annual returns lodged, and compliance notices from APRA and ASIC;
- rules for the appointment and removal of member representative Directors;
- the Privacy Policy Statement;
- the Statement of Investment Objectives and Policy;
- the Risk Management Plan; and
- copies of recent annual reports, newsletters and brochures

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 the Scheme's inquiries and complaints handling procedure.

ANZ Staff Super
Locked Bag A5055
Sydney South NSW 1235

The Trustee will advise you in writing of its decision.

If your complaint is not resolved to your satisfaction by the Scheme's internal procedures within 90 days, you can contact the Superannuation Complaints Tribunal (SCT) an independent body set up by the Federal Government to resolve certain types of complaints against superannuation fund trustees.

When the SCT accepts a complaint it will try to resolve the matter through inquiry and conciliation. If this is unsuccessful, the complaint is formally referred to the SCT for a determination that is binding.

You can contact the SCT by phoning 1300 780 808 for the cost of a local call, or email info@sct.gov.au or by visiting its website at www.sct.gov.au

The Scheme's Eligible Rollover Fund

When your membership of Section A, Section C or the SCA Section ceases, you will need to decide what to do with your benefit.

If your benefit is 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 if your benefits are transferred to the ERF. Any insurance cover you may have had with the Scheme will also cease. The ERF does not offer insurance in the event of death or disablement.

You will need to contact the ERF directly to access your benefits. 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.

The Scheme's 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 the Scheme:

Member Services	Russell Employee Benefits
Actuary	Russell Employee Benefits
Investment Adviser	Watson Wyatt
Legal Adviser	Freehills
Master Custodian	ANZ Custodian Services
Eligible Rollover Fund	AMP Eligible Rollover Fund

Contact details...

ANZ Staff Scheme

Locked Bag A5055
Sydney South NSW 1235
or email anzadmin@russellsuper.com

ANZ Staff Super

(to speak with an ANZ Staff Super Service Representative)
1800 000 086
or +61 2 9374 3990 from overseas

Scheme fax

02 9372 6288

Scheme Internet site

www.anzstaffsuper.com

Superannuation Complaints Tribunal

1300 780 808

Australian Tax Office

Superannuation Help Line 13 10 20

