

ANNUAL REPORT TO MEMBERS

AND

FINANCIAL STATEMENTS

**New Zealand Harbours Superannuation Scheme
and**

New Zealand Harbours KiwiSaver Scheme

Year ended 31 March 2009

INTRODUCTION

On behalf of the Trustees I present the Annual Report and Financial Statements for the Plan for the year ended 31 March 2009.

In accordance with our usual practice, the Trustees held a full meeting each quarter when the investment results were available.

In what was an unprecedented year of carnage in international economies and investment markets the Trustees focussed at each meeting with the asset consultant and the investment managers on the Plan's performance and its investment strategy. The decline in economies and investment markets since August 2008 has been dramatic and the most calamitous and damaging to investors since the great depression of the 1930's.

Historically, economies and investment markets have always recovered over time, often taking some years. Going forward, investment markets will remain volatile and this will be reflected in the Plan's overall performance. However, again history shows the importance of remaining exposed to all market sectors so as not to lose the benefit of a recovery when it occurs.

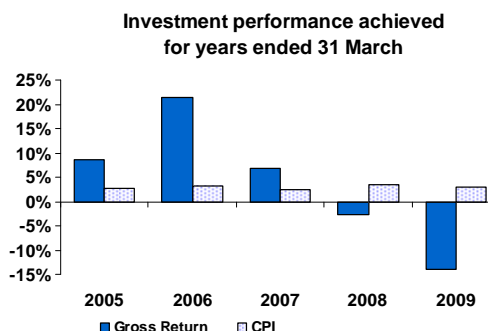
It is, therefore, pleasing to report that the first quarter to 30 June 2009 has produced a solid positive performance despite the adverse impact of a strong New Zealand dollar. The gross return after investment expenses (but before tax, insurance and general expenses) is expected to be approximately positive 7.0%. This reflects the extreme volatility being experienced in the markets at this time and supports the importance of a long term investment strategy.

INVESTMENT PERFORMANCE

The investment returns for the year to March 2009 will give members an equivalent gross return after investment expenses (but before tax, insurance and general expenses) of negative 14.1%. This return can be compared to the overall benchmark return of negative 13.2% and the movement in the CPI for the year of positive 3.0%.

Over the five years ending 31 March 2009, the average annual gross return was 4.0% against average inflation of 3.0%, so that the average gross real return has been 1.0% each year.

The following graph shows the gross returns after investment expenses (but before tax, insurance and general expenses) achieved by the Plan and allocated to members, when compared to inflation over the last five years.



It has been a very difficult year for members. The Trustees are disappointed with the overall investment return. The performance over the year of the various asset sectors that generate the overall investment performance of the Plan is covered later in the report under 'A Comment from ING' 'A Comment from TAM' and 'A Comment from Tyndall'.

OPERATION OF THE PLAN

Over the year, members' balances decreased to \$54.6 million, from \$66.2 million in the prior year. The decrease of \$11.6 million in the year can be compared to the decrease of \$6.6 million recorded in the prior year. As mentioned above the current year's result was achieved in a year of some turmoil in worldwide investment markets, with poor returns being realised through the whole year.

The reduction in the assets in the year ended 31 March 2009 primarily arose from a loss on the net investment return of \$9.5 million (compared to a loss of \$3.0 million last year) and a net cash outflow from contributions received less benefits paid of \$2.3m compared to a net outflow of \$3.1 million in the prior year.

There has been a small increase in the level of other expenses. Excluding group life premiums, over which the Trustees have no control, the increase over the prior 2008 year was some \$32,000.

The reason for the increased costs mainly relate to a one-off payment of \$50,000 to the Administration Manager for additional costs identified with the administration of the Plan incurred in the 2008 financial year.

The reasons for this payment were set out in the 2008 Report but for the benefit of members they are restated as follows:

- an appropriate share of the development of a new administration system for KiwiSaver, with particular emphasis on being able to interact electronically with Inland Revenue and its demanding requirements,
- the need to develop new systems for the new Portfolio Investment Entity (PIE) regime for the taxation of investment income that became effective on 1 October 2007, and
- the introduction of the new international financial reporting standards (IFRS).

The Trustees were satisfied that it was an essential expense. The risks in making errors in dealing with the complexity of the changes, in particular the new tax legislation, would have been costly.

In the 2008 Report members were advised that an insurance premium rebate of some \$184,000 was expected from AXA. It is pleasing to report that the actual rebate received was \$306,000. The additional costs are deductible for tax whereas the insurance rebate is not subject to tax so there is a net financial gain for members.

SUMMARY OF OPERATIONAL RESULTS

At the overall Plan level, activities in the last four years are summarised in the following table.

Year end 31 March	2009	2008	2007	2006
Audited Accounts	\$m	\$m	\$m	\$m
Fund start of year	66.2	72.8	69.8	62.6
New tax adjustments	0.0	0.2	0.0	0.0
Contributions	4.8	4.6	4.6	4.5
Benefits	(7.1)	(7.6)	(4.4)	(5.6)
Expenses, taxes	0.2	(0.9)	(0.7)	(1.6)
Investment income	(9.5)	(3.0)	3.5	9.9
Fund end of year	54.6	66.2	72.8	69.8

INVESTMENT MANAGEMENT

The Trustees use the services of three investment managers, TOWER Asset Management, ING (NZ) and Tyndall Investment Management New Zealand Limited.

TOWER Asset Management (TAM) manages 57% of the Plan assets. TAM invests the Plan's assets in its Global Bonds, Property and Global Equities funds.

ING (NZ) manages 40% of the Plan assets, in the form of a Balanced Fund.

Tyndall manages 3% of the Plan assets in an Alternative Investment portfolio.

The Trustees are disappointed with the investment performance of the Plan and the investment results achieved by each of the managers during the year. In particular, the TAM and ING Bond portfolios, the TAM and ING Property portfolios and Tyndall's alternative investment portfolio did not perform up to expectation.

Comparing the performance of the Plan over the past 1, 3 and 5 years with that of other Balanced Funds, as reported in the Melville Jessup Weaver surveys, our Plan ranks in the mid ranges of the other Funds included in the survey.

In the 3 months to 30 June 2009 there has been a pleasing outperformance in the TAM and ING bond portfolios.

While ideally the Trustees would like to see each of their investment managers achieve top rankings in each year, this is an unrealistic goal. On the basis of the 3 year results for both managers, the Trustees remain satisfied that the combination of TAM, ING and Tyndall is likely to achieve the objectives set out in the SIPO.

Since the end of the year the Trustees have reviewed the asset allocations. Some changes will be made to improve the expected return going forward. Although members must expect continued volatility in investment markets in the near future, as commented by TAM there are positives in that they will re-emerge from the current mode of crisis.

A COMMENT FROM ING

The calendar year 2008 was a remarkably bad year for investment markets and will be placed alongside 1929, 1931 and 1937 as one of the worst ever. The March quarter of 2009 continued on with large negative returns for all growth assets, as the themes of deleveraging and sub par growth accelerated. The year to March 2009 was also characterised by extreme volatility and poor liquidity particularly in the credit markets.

This unprecedented environment saw the global authorities make substantial moves on both monetary and fiscal policy to do whatever it took to stop this problem accelerating in to a systemic problem. Of note the Reserve Bank of New Zealand cut the Overnight Cash rate from 8.25% to 3.0%, and have cut again on 30 April 2009 to 2.5%. This dramatic fall in cash rates has been seen everywhere, and the US and Japan effectively have a zero official rate. This is likely to stimulate demand and borrowing over time. The slowdown in the New Zealand housing market also gained momentum over 2008 and in to early 2009. However the correction was nowhere near as severe as that seen in the US and many European nations.

The New Zealand sharemarket was characterised by lower earnings reports and increasing uncertainty about guidance going forward. While share valuations have become cheap both here and internationally, there remains considerable uncertainty around growth and earnings prospects.

For the 12 month period ended 31 March 2009 the typical balanced fund was down by around 13%. Within that balanced fund the growth asset classes were all uniformly negative, while the income asset classes of bonds and cash did provide some relief. However any credit exposures within the bond portfolios saw credit margins move markedly wider, and this would detract from a typical bond portfolio's returns.

The individual index returns for the 12 months to 31 March 2009 for the growth asset classes provided big losses with global listed property falling an incredible 57%. The income asset classes all provided positive returns with NZ Government bonds returning a strong 12%.

ING is required to be a balanced investment manager in all investment classes.

A COMMENT FROM TAM

After a year that has seen the global banking system close to collapse and the commencement of a global recession, there now appears to be a glimmer of hope that the worst of the financial crisis is past. Even so, to date the economic news has tended to show a slowdown in the rate of decline rather than an actual turnaround.

International equity markets have fallen significantly. Of the major markets, worst performing were the US, Hong Kong and France, all down around 40% for the year to March 2009. New Zealand actually fared relatively well but was still down 24% over the period, while the Australian share market fell 33%. Government bond yields have fallen but the market for non-government bonds has suffered as investors fear defaults will increase in the tough economic environment.

For much of the past 12 months the focus has been on the US, which it is generally accepted was at the root of the problems and where many of the subsequent events have unfolded. The single most important development was probably the demise of the investment bank Lehman Brothers, which filed for Chapter 11 bankruptcy on 15 September 2008

At the root of the problems was a collapse in US residential house prices and the large number of bank loans that are now in default as a result. The International Monetary Fund estimates the total write downs that will be incurred around the world has now grown to a monstrous US\$4 trillion.

Authorities globally have adopted drastic measures to combat the impact of these losses. Official interest rates have been reduced and governments are injecting significant funds into their respective economies in attempt to boost growth

Our stance remains cautious however. The recovery by financial markets has improved sentiment, but many structural challenges remain. Consumers, both in New Zealand and elsewhere, need to reduce their debt, which will take time

As a result, while we are backing the authorities to successfully reignite economic growth, we are maintaining a restrained approach due to the structural backdrop.

TAM is required to be an active investment manager in all investment classes

A COMMENT FROM TYNDALL

The fund returned -14.39% for the year 1 April 08 to 31 March 09. The majority of this poor performance occurred in the December quarter of 2008.

The financial year kicked off with one of the worst equity sell-offs in many years - most developed markets down between 7% and 12% and many emerging markets down between 10% and 20%. Financial stocks were the greatest detractor, losing around 18%, followed by consumer discretionary and consumer staples. The strongest performing sectors were energy, utilities and materials

As the global credit crises deepened, traded volumes were low and share market volatility remained high. Government bonds, cash and gold proved to be among the few safe havens for investors as asset values for global equities, high-yield bonds and commodities dropped precipitously and on a scale not seen since the Great Depression. A number of large financial players gave way to insolvency. Government actions to stem the financial crisis met with only partial success. Global equity markets produced the weakest returns, and the Multi-Strategy Fund, for the first time since inception, posted negative returns for three consecutive months

Only after significant intervention from the US government and central banks in the form of fiscal stimulus, capital infusions and deposit guarantees did financial markets eventually ease up from the downward spiral, ending the year with a short relief rally.

Although the global economy continues to face significant head winds and remains in a recession, equity markets began to offer some positive signs in March 2009 – recouping some of the early quarter losses. Further there was a significant divergence between the performance of various countries and sectors compared to the pure indiscriminate selling and demand for liquidity that was witnessed in 2008.

At 31 March 2009, the Fund had 34 managers. Just over half the fund is made up of two strategies - 11 relative value managers which comprise 38% of the fund and 8 long/short equity managers that comprise 18% of the fund.

Tyndall invests 3% of the Plan's assets in their Alternative Investment portfolio

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES (SIPO)

The Trustees have a duty under the Trust Deed and at law to ensure that the assets of the Plan are properly managed.

Over the last year the strategy has been modified. This has involved

- Investing into an Alternative investment portfolio with Tyndall.
- Marginally increasing the exposure to global shares
- Reducing the exposure to NZ bonds while increasing the exposure to global bonds
- Reducing the exposure to cash.
- Reducing the exposure to currency.

The revised asset allocation is shown below.

Sector	%	Range		
		Lower	Upper	
NZ shares	7.50	3.75	11.25	
Australian shares	7.50	3.75	11.25	
Combined	15.00	7.50	22.50	
Global shares	Active	36.25	31.25	41.25
Property	Direct	2.50	0.00	5.00
	Listed	2.50	0.00	5.00
	Global	2.50	0.00	5.00
	Combined	7.50	5.00	10.00
<i>Total Growth Assets</i>		<i>58.75</i>	<i>43.75</i>	<i>73.75</i>
<i>Alternative assets</i>		<i>2.50</i>	<i>0.00</i>	<i>5.00</i>
NZ Bonds		13.25	8.75	18.75
Global Bonds		18.00	13.00	23.00
Cash		7.50	5.00	10.00
<i>Total Income Assets</i>		<i>38.75</i>	<i>26.25</i>	<i>56.25</i>
Total		100.00		
Currency		18.13	13.00	23.00

The Trustees are confident that in the longer term the changes made will enhance the long term return to members within an acceptable level of volatility

ASSET ALLOCATION

As at 31 March 2009, the assets of the Plan were invested as shown in the table below, where the 31 March 2008 sector proportions are also shown for comparison.

Investment sector	31.3.2009		31.3.2008
	\$m	Proportion	Proportion
Shares NZ / Australian	8.1	14.8	12.2
Shares Overseas	17.3	31.7	36.4
Property	3.5	6.4	10.0
Growth Assets	28.9	52.9	58.6
Fixed Interest NZ	7.0	12.8	14.8
Fixed Interest Overseas	11.5	21.1	17.5
Alternative assets	1.5	2.7	
Cash, net current assets	5.7	10.5	9.1
Income Assets	25.7	47.1	41.4
Total	54.6	100.0%	100.0%

MEMBERSHIP

A summary of the movements in the membership of the Plan for the Superannuation Scheme and the KiwiSaver Scheme in the last two years is given in the following table.

Summary of membership Superannuation Scheme	Year Ending	
	31.3.2009	31.3.2008
Members at start of year	580	598
New entrants over the year	26	32
Withdrawals during the year	(65)	(50)
Members at end of year	541	580

Summary of membership KiwiSaver Scheme	Year Ending	
	31.3.2009	31.3.2008
Members at start of year	83	0
New entrants over the year	16	83
Withdrawals during the year	(4)	(0)
Members at end of year	95	83

TRUSTEE CHANGES

In March this year Gary Smith advised that he would be stepping down as Trustee. Matt Ballard was appointed as his replacement in June.

Matt has been General Manager Human Resources and IT at Port Otago Ltd since December 2007. Matt has worked extensively in

employee relations and business consulting in New Zealand, Australia and Europe. He has also been a Director of a southern Apprenticeship Training Trust since 2006.

TRUST DEED AMENDMENTS

As noted in the previous annual report, an amendment to the Trust Deed was approved by the Trustees at their June 2008 Trustees' meeting. The amendment removed the vesting scale applicable to the Superannuation Scheme (noting that there is no vesting scale in the KiwiSaver Scheme).

FINANCIAL HARDSHIP

During the year the Trustees received one application for payment of a significant financial hardship benefit, but there was not enough financial information provided by the member for the application to be proceeded with.

Significant financial hardship is defined in the Trust Deed. This includes significant financial difficulties because of inability to meet mortgage repayments, costs of modifying a residence to meet special needs or the cost of palliative care. The definition has been taken directly from the KiwiSaver legislation.

To be able to pay a significant financial hardship benefit the Trustees must be satisfied that all reasonable alternative sources of funding have been explored and been exhausted.

CHANGE OF INSURER

During the year the Trustees carried out a review of the Plan's insurance provider. As a result of that review the Trustees decided to change the Plan's insurance provider to Sovereign Limited.

From 1 April 2009 Sovereign are providing insurance cover to the members of the Plan. As a result of the change in insurance provider the premiums deducted from the members' accounts are lower than in previous years.

MEMBER SERVICES

Contacts

For members, initial contact is with the Secretary,
Leonie Stieller,
Rail & Maritime Transport Union
phone (04) 499 2066, email
lstieller@rmtunion.org.nz .



An alternative contact is the Administrator, **Lyn Rattee**,
Melville Jessup Weaver
phone (04) 499 0277, email
lyn.rattee@mjwactuary.co.nz .

Complaints

The Trustees have established a process to deal with any complaints that members might have.

The process is confidential, providing members with the ability to be satisfied that all their dealings with the Plan have been handled properly. Details can be obtained from the Administrator or from the Secretary to the Trustees.

FINANCIAL STATEMENTS

Summarised Financial Statements and Auditor's Report are attached and form part of this report.

The summary financial report has been extracted from the full financial report as at 31 March 2009, signed on 21 July 2009. As the summary financial report does not include all the disclosures included in the full report it cannot be expected to provide as complete an understanding as provided by the full financial report of the financial performance, financial position and cash flows of the Plan.

A full copy of the financial report can be obtained from Melville Jessup Weaver (Lyn Rattee);
telephone (04) 499 0277 email
lyn.rattee@mjwactuary.co.nz .

KIWISAVER

Matters relating to the KiwiSaver Scheme in the year ended 31 March 2009 that require disclosure are:

- (a) no members during the year have made a withdrawal for the purposes of:
 - purchase of a first home under clause 8 of the KiwiSaver Scheme rules,
 - significant financial hardship under clause 10 of the KiwiSaver Scheme rules,
 - serious illness under clause 12 of the KiwiSaver Scheme rules, or
 - permanent migration under clause 14 of the KiwiSaver Scheme rules.
- (b) in total \$2,684 has been charged as fees during the year;
- (c) total contributions of \$624,227 have been received during the year, as follows:
 - member contributions of \$355,884, in respect of 94 members,
 - employer contributions of \$173,389, in respect of 80 members, and
 - Government contributions of \$94,954 in respect of 94 members.
- (d) total member accumulations at the end of the year were \$651,073, in respect of 94 members;
- (e) fee subsidies totalling \$3,660 were credited to 94 members for the year.
- (f) There were no withdrawals from the Scheme on the grounds of buying a first home, significant financial hardship, serious illness or permanent emigration as defined in the KiwiSaver Act 2006.

TRUSTEE PROFILES

David Stevens was appointed Chairman of the Trustees in 1994. He is a retired General Manager of a major bank and a retired Executive Director of ASFONZ. He is a Trustee of several superannuation plans and charitable organisations.



Peter Clemens was appointed a Trustee in May 2002, having been an Alternative Trustee since 1995. He is working for PrimePort Timaru as a Ship Planner.

Roy Cowley was appointed a Trustee in May 2002. He holds a number of company directorships and trustee appointments and is Chairman of the NZ Locomotive Engineers Superannuation Fund.



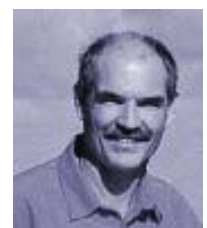
Andrew McFarlane was appointed a Trustee in 2002, having been an Alternate Trustee since 1999. Drew is employed as a Linesman at the Port of Tauranga Ltd and has had involvement with the Rail & Maritime Transport Union for many years.

Gary Smith was appointed a Trustee in 2003. He has been Chief Financial Officer at the Port of Napier since 1997. Prior to this he has performed finance roles in the health industry and as manager with accounting firm Ernst & Young in New Zealand, the United Kingdom and the USA. Gary resigned as a Trustee in March 2009.



Harold Upton was appointed a Trustee in 2007. Employed at Lyttleton Port since 1984, he became a dock master in 2003. His career started in Merseyside in the United Kingdom and has included work in New Zealand and Holland. Hal has been a union Vice President and President, with an involvement in the Health sector.

Roy Weaver was appointed a Trustee in 2003. He is CEO of Port Taranaki, home of this country's offshore oil and gas industry. He was previously CEO of the Port of Timaru. Roy has worked extensively on port and marine projects as designer and project manager.



STATUTORY INFORMATION

As a requirement of the Superannuation Schemes Act 1989 the Trustees' annual report to members must include certain specified information. In relation to the Superannuation Scheme, the Trustees certify that

- (a) All the contributions required to be made to the Plan in accordance with the terms of the Trust Deed have been made.
- (b) All the benefits required to be paid from the Plan in accordance with the terms of the Trust Deed have been made.
- (c) The market value of the assets of the Plan on 31 March 2009 equalled the total value of benefits that would have been payable had all members of the Plan ceased to be members at that date.
- (d) The crediting investment rates applied to member and employer accounts during the year have been:

Quarter ended	Crediting Rate	
	30.0% PIR	19.5% PIR
30 June 2008	0.28%	0.43%
30 September 2008	-3.45%	-3.29%
31 December 2008	-8.51%	-8.33%
31 March 2009	-3.26%	-3.66%

- (e) The registration date of the current Superannuation Scheme prospectus of the Plan was 27 February 2009. The registration date of the current KiwiSaver Scheme prospectus of the Plan was 27 February 2009. No refresher certificates were required for either Scheme at the date of this report.

As a requirement of the KiwiSaver Act the Trustees' annual report to members must include certain specified information. In relation to the KiwiSaver Scheme, the Trustees certify that:

- (a) they have in respect of each member of the Scheme applied contributions received in respect of that member, including contributions paid via the Commissioner of Inland Revenue, in accordance with prescribed requirements; and
- (b) they have in respect of each member of the Scheme applied any fee subsidies in respect of that member in accordance with prescribed requirements; and

- (c) there is a scheme provider agreement between the Commissioner of Inland Revenue and the Trustees that remains in force; and
- (d) there has been no increase in any fees during the year as referred to in clause 2 of the KiwiSaver rules.

This report contains the other information that is required to be provided to members.

CONCLUSION

In closing this report I wish to again emphasise the importance the Trustees place on managing the Plan in the best interest of members.

We take no comfort on reporting on a most difficult year. However, it should be noted that, on a rolling 5 year period, the equivalent gross investment returns (before tax, insurance and general expenses) from the Plan have averaged 4.0% in each year.

I record with thanks the valuable contribution made by my colleagues during the year under review.

Particular thanks are due to Gary Smith. During the time he has been a Trustee he has made a strong contribution to the Plan. This has been of value to the members and well appreciated by his fellow Trustees. I wish Gary well for the future.

For the Trustees



21 July 2009

SUMMARY FINANCIAL STATEMENTS

Presented on pages 10 to 15 are the Summary Financial Statements of the New Zealand Harbours Superannuation Scheme and the Summary Financial Statements of the New Zealand Harbours KiwiSaver Scheme, both profit-orientated entities, for the year ending 31 March 2009 which were extracted from the full Financial Statements authorised for issue by the Trustees on 21 July 2009. An unqualified audit report was issued on 21 July 2009.

As the summary Financial Statements do not include all the disclosures that are in the full Financial Statements, it cannot be expected to provide as complete an understanding as produced by the full Statement of the Changes in Net Assets, Net Assets and Cash Flows of both schemes. These Summary Financial Statements are in compliance with FRS-43: *Summary Financial Statements*.

NEW ZEALAND HARBOURS SUPERANNUATION SCHEME

**Statement of Net Assets
As at 31 March 2009**

	2009	2008
	\$	\$
FINANCIAL ASSETS - Fair Value Through Profit & Loss		
Short Term Deposits	4,479,202	12,436,464
Fixed Interest - Onshore	6,901,664	9,752,361
Fixed Interest - Offshore	11,372,745	11,607,910
Equities - Trans Tasman	7,974,734	8,059,846
Equities - Offshore	17,137,022	24,097,836
Property Domestic	2,329,246	4,763,949
Property International	1,090,539	1,781,878
Alternative Assets	1,438,330	0
Forward Foreign Exchange	336,793	(385,145)
Total Investments	<u>53,060,275</u>	<u>72,115,099</u>
CURRENT ASSETS		
Cash at Bank	77,989	4,138
Accrued Investment Income	11,920	6,733
Accrued Investment Settlements	531,128	0
Contributions Receivable - Member	134,154	159,024
Contributions Receivable - Employer	83,925	96,549
Taxation Receivable	142,226	18,578
Total Current Assets	<u>981,342</u>	<u>285,022</u>
Total Assets	54,041,617	72,400,121
Less LIABILITIES		
Sundry Accounts Payable	113,333	96,451
Investment Settlements Payable	0	5,943,138
Deferred taxation	12,469	244,901
Total Liabilities	<u>125,802</u>	<u>6,284,490</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>53,915,815</u></u>	<u><u>66,115,631</u></u>
LIABILITY FOR PROMISED BENEFITS		
<i>Represented By:</i>		
Member Accounts	35,273,589	43,049,766
Employer Accounts	18,642,226	23,065,865
	<u>53,915,815</u>	<u>66,115,631</u>

For and on behalf of the Trustees, who authorised the issue of these financial statements on:

Trustee		Date	21 July 2009
Trustee		Date	21 July 2009

NEW ZEALAND HARBOURS SUPERANNUATION SCHEME

Statement of Changes in Net Assets For the year ended 31 March 2009

INVESTMENT ACTIVITIES	2009 \$	2008 \$
Investment revenue		
Interest	16,961	331,236
Dividends	43,339	1,970,703
Property Unit Trust Distributions	0	123,563
Gains/(losses) on Financial Assets at Fair Value Through Profit & Loss	(9,142,162)	(5,090,776)
	<u>(9,081,862)</u>	<u>(2,665,274)</u>
Investment Expenses		
Gross Investment Management Fees	(339,681)	(361,718)
Investment Management Fee Rebates	7,792	27,705
Net Investment Revenue	<u>(9,413,751)</u>	<u>(2,999,287)</u>
 OTHER REVENUES		
Group Life Claims	306,295	0
Total Other Revenue	<u>306,295</u>	<u>0</u>
Total Operating Revenue	(9,107,456)	(2,999,287)
 OTHER EXPENSES		
Administration and Investment Advisor Fees	(173,699)	(130,651)
Auditors' Remuneration - Audit Fees	(31,014)	(11,801)
Group Life Premiums	(289,572)	(291,396)
Prospectus & Disclosure Costs	(6,705)	(3,419)
Trustees Remuneration	(22,431)	(25,417)
Auditors' Remuneration - Taxation	(42,570)	(72,439)
Total Other Expenses	<u>(565,991)</u>	<u>(535,124)</u>
Change in Net Assets Before Taxation and Membership Activities	(9,673,447)	(3,534,410)
Income Tax Credit/(Expense)	374,012	(208,014)
Change in Net Assets After Taxation and before Membership Activities	<u>(9,299,435)</u>	<u>(3,742,425)</u>
 MEMBERSHIP ACTIVITIES		
Contributions		
Member Contributions	2,564,850	2,747,421
Employer Contributions	1,606,670	1,678,249
Total Contributions	<u>4,171,520</u>	<u>4,425,670</u>
Benefits Paid		
Retirement	(3,804,581)	(3,679,610)
Withdrawals	(1,533,032)	(2,499,786)
Redundancy	(1,163,923)	(463,556)
Death and Permanent Incapacity	(565,024)	(958,605)
Transfers Out to Other Schemes	(5,340)	0
Total Benefits Paid	<u>(7,071,900)</u>	<u>(7,601,557)</u>
Net Membership Activities	(2,900,380)	(3,175,887)
Net (Decrease)/Increase in Net Assets During Year	(12,199,815)	(6,918,312)
Net Assets Available for Benefits at Beginning of Year	66,115,630	73,033,942
Net Assets Available for Benefits at End of Year	<u>53,915,815</u>	<u>66,115,630</u>

NEW ZEALAND HARBOURS SUPERANNUATION SCHEME

Statement of Cash Flows

For the year ended 31 March 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Cash provided from</i>		
Member Contributions	2,589,720	2,733,672
Employer Contributions	1,619,294	1,670,145
Transfers from Other Schemes	0	331,790
Group Life Claims	306,295	2,002,217
Interest Received	18,388	122,500
Dividends Received	43,340	(10,179)
Unit Trust Distributions	0	(638)
	<hr/> 4,577,037	<hr/> 6,849,507
<i>Cash applied to</i>		
Benefits Paid	(7,071,900)	(7,601,556)
Other Administration Expenses	(243,717)	(224,319)
Taxation Paid	17,932	(741,471)
Insurance	(289,572)	(291,396)
Trustee Fees	(22,431)	(25,417)
	<hr/> (7,609,688)	<hr/> (8,884,159)
Net Cash Flows from Operating Activities	(3,032,651)	(2,034,652)
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Cash was applied to</i>		
Investment Management Fees	(331,889)	(24,293)
Net Purchase of Investments	3,438,391	1,488,919
	<hr/> 3,106,502	<hr/> 1,464,626
Net Cash Flows from Investing Activities	3,106,502	1,464,626
Net (Decrease)/Increase in Cash Held	73,851	(570,026)
Cash at Beginning of Year	4,138	574,163
Cash at End of Year	<hr/> <hr/> 77,989	<hr/> <hr/> 4,138

NEW ZEALAND HARBOURS KIWISAVER SCHEME

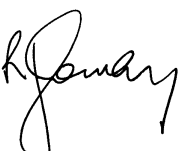
**Statement of Net Assets
As at 31 March 2009**

	2009 \$	2008 \$
FINANCIAL ASSETS - Fair Value Through Profit & Loss		
Short Term Deposits	53,065	20,161
Fixed Interest - Onshore	81,764	15,810
Fixed Interest - Offshore	134,732	18,818
Equities - Trans Tasman	94,476	13,066
Equities - Offshore	203,022	39,066
Property Domestic	27,594	7,723
Property International	12,920	2,889
Alternative Assets	17,040	0
Forward Foreign Exchange	3,990	(624)
Total Investments	<u>628,603</u>	<u>116,909</u>
CURRENT ASSETS		
Cash at Bank	923	7
Accrued Investment Income	141	11
Accrued Investment Settlements	6,294	0
Taxation Receivable	6,022	5,517
Total Current Assets	<u>13,380</u>	<u>5,535</u>
NON-CURRENT ASSETS		
Deferred taxation	10,433	0
Total Non-Current Assets	<u>10,433</u>	<u>0</u>
Total Assets	652,416	122,444
Less LIABILITIES		
Sundry Accounts Payable	1,343	156
Investment Settlements Payable	0	9,635
Total Liabilities	<u>1,343</u>	<u>9,791</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>651,073</u>	<u>112,653</u>
LIABILITY FOR PROMISED BENEFITS		
<i>Represented By:</i>		
Member Accounts	454,625	81,224
Employer Accounts	196,448	31,429
	<u>651,073</u>	<u>112,653</u>

For and on behalf of the Trustees, who authorised the issue of these financial statements on:

Trustee 

Date 21 July 2009

Trustee 

Date 21 July 2009

NEW ZEALAND HARBOURS KIWISAVER SCHEME

Statement of Changes in Net Assets For the year ended 31 March 2009

INVESTMENT ACTIVITIES	2009	2008
	\$	\$
Investment revenue		
Interest	164	1,711
Dividends	421	10,179
Property Unit Trust Distributions	0	638
Gains/(losses) on Financial Assets at Fair Value Through Profit & Loss	(88,721)	(27,895)
	<u>(88,136)</u>	<u>(15,367)</u>
Investment Expenses		
Gross Investment Management Fees	(3,296)	(1,868)
Investment Management Fee Rebates	76	1,743
Net Investment Revenue	<u>(91,356)</u>	<u>(15,492)</u>
 OTHER EXPENSES		
Administration and Investment Advisor Fees	(1,687)	(675)
Auditors' Remuneration - Audit Fees	(301)	(61)
Prospectus & Disclosure Costs	(65)	(18)
Trustees Remuneration	(218)	(131)
Auditors' Remuneration - Taxation	(413)	(374)
Total Other Expenses	<u>(2,684)</u>	<u>(1,259)</u>
 Change in Net Assets Before Taxation and Membership Activities	 (94,040)	 (16,751)
Income Tax Credit	13,573	5,517
Change in Net Assets After Taxation and before Membership Activities	<u><u>(80,467)</u></u>	<u><u>(11,234)</u></u>
 MEMBERSHIP ACTIVITIES		
Contributions		
Government KickStart Contributions	22,000	37,000
Government Tax Credits	69,294	0
Government Fee Subsidy	3,660	740
Member Regular Contributions	239,373	45,104
Employer Contributions	173,389	38,850
Lump Sum Contributions	116,511	2,194
Total Contributions	<u>624,227</u>	<u>123,887</u>
 Benefits Paid		
Opt Out	(1,155)	0
Transfer	(4,185)	0
Total Benefits Paid	<u>(5,340)</u>	<u>0</u>
 Net Membership Activities	 618,887	 123,887
 Net (Decrease)/Increase in Net Assets During Year	 538,420	 112,653
Net Assets Available for Benefits at Beginning of Year	112,653	0
Net Assets Available for Benefits at End of Year	<u><u>651,073</u></u>	<u><u>112,653</u></u>

NEW ZEALAND HARBOURS KIWISAVER SCHEME

**Statement of Cash Flows
For the year ended 31 March 2009**

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Cash provided from</i>		
Government KickStart Contributions	22,000	37,000
Government Tax Credits	69,294	0
Government Fee Subsidy	3,660	740
Member Regular Contributions	239,372	45,103
Employer Contributions	173,389	38,850
Lump Sum Contributions	116,511	2,194
Interest Received	35	1,700
Dividends Received	421	10,179
Unit Trust Distributions	0	638
	<u>624,682</u>	<u>136,404</u>
<i>Cash applied to</i>		
Benefits Paid	(5,340)	0
Other Administration Expenses	(1,279)	(972)
Taxation Paid	2,635	0
Trustee Fees	(218)	(131)
	<u>(4,202)</u>	<u>(1,103)</u>
Net Cash Flows from Operating Activities	620,480	135,301
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Cash was applied to</i>		
Investment Management Fees	(3,220)	(125)
Net Purchase of Investments	(616,344)	(135,169)
	<u>(619,564)</u>	<u>(135,294)</u>
Net Cash Flows from Investing Activities	(619,564)	(135,294)
Net (Decrease)/Increase in Cash Held	916	7
Cash at Beginning of Year	7	0
Cash at End of Year	<u>923</u>	<u>7</u>

AUDIT REPORT

TO THE MEMBERS OF THE NEW ZEALAND HARBOURS SUPERANNUATION SCHEME

We have audited the summary financial statements of the New Zealand Harbours Superannuation Scheme (the 'Scheme') for the year ended 31 March 2009 as set out on pages 10 to 12.

This report is provided solely for your exclusive use. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence.

Trustees' Responsibilities

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

Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the summary financial statements.

Basis of Opinion

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed procedures to ensure the summary financial statements are consistent with the full financial statements on which the summary report is based. We also evaluated the overall adequacy of the presentation of information in the summary financial statements against the requirements of FRS-43: *Summary Financial Statements*.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Scheme.

Unqualified Opinion

In our opinion, the information reported in the summary financial statements for the year ended 31 March 2009 on pages 10-12:

- complies with FRS-43: *Summary Financial Statements*;
- has been correctly taken from the audited financial statements of the Scheme from which it was extracted; and
- is consistent in all material respects with the audited financial statements of the Scheme upon which we expressed an unqualified audit opinion in our report to the members dated 21 July 2009.

For a better understanding of the scope of our audit of Scheme financial statements and of Scheme's statement of net assets, changes in net assets and cash flows for the year ended 31 March 2009, this report should be read in conjunction with Scheme's audited financial statements for that period.

Our examination of the summary financial statements was completed on 23 July 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants
WELLINGTON, NEW ZEALAND

This audit report relates to the summary financial statements of the New Zealand Harbours Superannuation Scheme for the year ended 31 March 2009 included on the New Zealand Harbour's website. The Trustees are responsible for the maintenance and integrity of the New Zealand Harbour's website. We have not been engaged to report on the integrity of New Zealand Harbour's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 21 July 2009 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.

AUDIT REPORT

TO THE MEMBERS OF THE NEW ZEALAND HARBOURS KIWISAVER SCHEME

We have audited the summary financial statements of the New Zealand Harbours Kiwisaver Scheme (the 'Scheme') for the year ended 31 March 2009 as set out on pages 13 to 15.

This report is provided solely for your exclusive use. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the report or this engagement, including without limitation, liability for negligence.

Trustees' Responsibilities

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

Auditors' Responsibilities

It is our responsibility to express to you an independent opinion on the summary financial statements.

Basis of Opinion

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed procedures to ensure the summary financial statements are consistent with the full financial statements on which the summary report is based. We also evaluated the overall adequacy of the presentation of information in the summary financial statements against the requirements of FRS-43: *Summary Financial Statements*.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Scheme.

Unqualified Opinion

In our opinion, the information reported in the summary financial statements for the year ended 31 March 2009 on pages 13-15:

- complies with FRS-43: *Summary Financial Statements*;
- has been correctly taken from the audited financial statements of the Scheme from which it was extracted; and
- is consistent in all material respects with the audited financial statements of the Scheme upon which we expressed an unqualified audit opinion in our report to the members dated 21 July 2009.

For a better understanding of the scope of our audit of Scheme financial statements and of Scheme's statement of net assets, changes in net assets and cash flows for the year ended 31 March 2009, this report should be read in conjunction with Scheme's audited financial statements for that period.

Our examination of the summary financial statements was completed on 23 July 2009 and our unqualified opinion is expressed as at that date.



Chartered Accountants
WELLINGTON, NEW ZEALAND

This audit report relates to the summary financial statements of the New Zealand Harbours Kiwisaver Scheme for the year ended 31 March 2009 included on the New Zealand Harbour's website. The Trustees are responsible for the maintenance and integrity of the New Zealand Harbour's website. We have not been engaged to report on the integrity of New Zealand Harbour's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 21 July 2009 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.

ADMINISTRATION MANAGER

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WELLINGTON

Telephone: (04) 499 0277

PRIVACY OFFICER

Leonie Stieller
P O Box 4197
WELLINGTON

Telephone: (04) 499 2066

INSURER (up to 31 March 2009)

AXA New Zealand
P O Box 1692
WELLINGTON

INSURER (from 1 April 2009)

Sovereign Limited
P O Box 291
WELLINGTON

SOLICITOR

Johnston Lawrence
P O Box 1213
WELLINGTON

AUDITOR

Deloitte
P O Box 1990
WELLINGTON

INVESTMENT MANAGERS

ING (NZ) Limited
P O Box 7149
Wellesley Street
AUCKLAND

TOWER Asset Management Limited
P O Box 2798
WELLINGTON

Tyndall Investment Management New Zealand Limited
P O Box 3892
Shortland Street
AUCKLAND

PLAN SECRETARY

Information can be obtained from and all correspondence from members to the Trustees should be addressed to:

Leonie Stieller
Secretary to the Trustees
New Zealand Harbours Superannuation Plan
P O Box 4197
WELLINGTON

Telephone: (04) 499 2066