

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (THIRD REPORT)

Westpac Banking Corporation

WBC18QW: Please provide an example of what the benchmarks used by the bank would be.

Answer: During the relevant period in question in the proceedings, the HEM Benchmark was compiled by reference to expenditure data from the 2009/2010 ABS Household Expenditure Survey (as updated each quarter by reference to the Consumer Price Index). In applying the benchmark, Westpac scaled it for the geographic location of the borrower's intended place of residence after loan settlement, the borrower's number of dependents and marital status.

For example, in June 2014, the corresponding HEM living expenses benchmark (excluding housing) for a married couple with two children living in NSW Metro was \$3,081 per month.