

# HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

## REVIEW OF THE FOUR MAJOR BANKS (THIRD REPORT)

### Westpac Banking Corporation

**WBC22QW:** Westpac Mastertrust superfund has 247,920 member accounts with a total of \$5,796,700,000 (\$5.8 billion) in funds under management. They record 0% investment fees and 0% Investment expenses. In the hearings you indicated that fees were charged for services provided by platform providers and associated parties.

Please provide the committee with a diagram that maps out all of the entities associated with Westpac Mastertrust.

**Answer:** The WMT is the superannuation fund under which the following superannuation investment products are issued: BT Business Super, BT Personal Portfolio Service Super and Pension, Westpac Lifetime Superannuation Service and Westpac Flexible Income Plan. These are Westpac superannuation products that are no longer for sale. They invest in the underlying assets (such as managed funds) via life insurance investment policies issued by Westpac Life Insurance Services Limited (Westpac Life). Westpac Life invests the assets and is also responsible for administration of the products. Westpac Life therefore deducts any direct fees either through inclusion in the unit price or a deduction from members accounts for the products and incurs costs in managing the products such as investment fees.

It should be noted that all fees are fully disclosed upfront to members in the relevant product disclosure statement and annually in the investor statements as an indirect cost ratio, investment fee or an administration fee (as either or a combination of a dollar or a percentage amount fee) regardless of the level or entity/company charging the fees.

WMT also offers two risk only products: Term Life as Super and Income Protection as Super offered within the BT Protection Plans.

The WMT legal structure is provided in Appendix 1.