

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

Westpac

WBC83QON: Dr MULINO: For those funds that were identified in that report—there are only three of them—it would be great to get a breakdown of the different fees you're talking about.

Mr Vance: APRA also publishes, in that sense, a guide on fees and a heatmap on fees for those. It breaks those down by administration fees, which is only one component, but it also then publishes a table on the total fees, which covers investment fees, administration fees and cost recoveries from the fund. From our point of view, it is the most meaningful way to look at the cost to members of running the fund, because they look at what the all-up amount is that's coming out from their investment returns, essentially.

Dr MULINO: I think that's right. I think those total admin fees are critical. On a separate point, that's why a number of people have been saying they should be included in benchmarks, which is part of the debate around the current bill. It might be that this could be backed out of information already in the public realm, but it would be interesting to see a breakdown of how much is going back to Westpac, for example, versus other types of fees.

Mr Vance: We can provide that and also the benchmark data.

Answer: BT Funds Management Limited currently has three MySuper products under its trusteeship: BT Super MySuper; Asgard Employee MySuper; and Westpac Group Plan MySuper. The fee breakdown for each of the MySuper products is provided in the table below (see separate Table 1 below).

APRA's December 2020 MySuper Heatmap identified:

- The 'total fees' applicable to BT's MySuper members with an account balance of \$50,000 meet APRA's most recent Heatmap benchmark. BT MySuper's average member balance is greater than \$50,000.
- When considering 'administration fees' in isolation for BT Super MySuper and Asgard Employee MySuper members, these funds do not meet APRA's Heatmap benchmark for account balance thresholds prescribed by APRA.

	BT Super MySuper PDS link: https://www.bt.com.au/content/dam/public/btfg-bt/documents/legacy/pdf/btsfl-PDS.pdf	Asgard Employee MySuper PDS link: https://www.advisernet.com.au/avncontent/asgard/product_info/about/AESA_PDS.pdf	Westpac Group Plan MySuper This MySuper product is not available to the general public. ¹
Administration fee	<ul style="list-style-type: none"> Flat fee: \$108 p.a. Percentage fee: 0.28% of account balance p.a. 	<ul style="list-style-type: none"> Flat fee: \$108 p.a. Percentage fee: 0.28% of account balance p.a. 	0.12% of account balance p.a.
Investment fee	0.50% of account balance p.a.	Nil ²	0.50% of account balance p.a.
Indirect cost ratio³	0.15% of account balance p.a.	0.64% of account balance p.a. Plus cost recovery up to 0.01% p.a.	0.15% of account balance p.a.

¹ Large corporate super plans typically have tailored fee structures. The fee structure for the Westpac Group Plan MySuper is shown here as it has a separate large employer MySuper licence authorisation. Many MySuper members in large corporate plans within BT Super MySuper and Asgard Employee MySuper may also benefit from lower tailored fee structures.

² Included in the Indirect cost ratio.

³ Note the indirect cost ratio provided relate to the most expensive Lifestage option, i.e. the indirect cost ratio is lower for other Lifestage options.