

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT14QW:

For each of the last five years, please provide the total cost of investment management fees and costs borne directly and indirectly by members.

Answer:

At 30 June 2019 Westpac superannuation funds have a total of approx. \$99.4 billion of funds invested across platform and unitised products.

BT offers three platform products, each of which contain thousands of investment options, including: cash, term deposits, ASX listed securities, managed funds and managed portfolios (on Panorama).

To accurately respond to this question, we would need to individually (manually) estimate the total cost of investment management fees (and further break these down into direct/indirect costs). This could only be done with information that would need to be provided and verified by fund managers, a majority of whom are external to the Westpac Group.

As part of the investment management monitoring, the Trustee monitors indirect costs reported by each fund manager. Whilst the Trustee has the latest indirect cost information, the component parts that constitute investment management fees and indirect costs is not readily available.

Any calculation of these costs, over past periods, would require a high degree of estimation, and the response could be misleading. This is not a reasonably practical exercise, given the outcome may be not be relied upon at the aggregate level across all Westpac Superannuation funds.

Westpac also offers default MySuper Options through four MySuper products which invest into Lifestage investment options.

At 30 June 2019, there was approximately \$21.8 billion in funds invested through our Lifestage investment options. Over the previous 5 years the investment management fee for our MySuper offers has remained at 0.50% p.a. Performance fees over this time have ranged from 0.00% to 0.04%p.a.

Table 1: Funds Under Management (FUM) of the four BT MySuper offers as at 30 June for the previous 5 years.

Westpac MySuper FUM	Funds Under Management \$'000				
	30/06/2019	30/06/2018	30/06/2017	30/06/2016	30/06/2015
My Super Products					
BT Super For Life / BT Lifetime Super Employer Plan	\$ 12,078,666	\$ 11,090,918	\$ 9,683,429	\$ 6,565,217	\$ 5,469,960
Westpac (Staff) Group Plan	\$ 2,627,512	\$ 2,327,505	\$ 1,972,516	\$ 1,611,220	\$ 763,173

BT Business Super	\$ 4,506,181	\$ 4,307,883	\$ 3,965,514	\$ 1,074,800	\$ 723,640
Asgard Employer Super Account	\$ 2,648,517	\$ 2,550,396	\$ 2,338,482	\$ 758,299	\$ 530,795
Total MySuper	\$ 21,860,876	\$ 20,276,702	\$ 17,959,941	\$ 10,009,536	\$ 7,487,568

Similar to platform products, the Trustee monitors indirect costs reported by each fund manager. Whilst the Trustee has the latest indirect cost information, the component parts that constitute investment management fees and indirect costs is not readily available. In addition, any calculation over past periods would require a high degree of estimation and validation by the fund managers.