

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT17QW:

Over the last five financial years:

- a. What is the total budget for all costs associated with the fund?
- b. What were the total assets under management?
- c. What are the total number of employees?
- d. What are the total number of contractors?
- e. What are the total number of externally hired contracts, and their value?

Answer:

The information for BT17QW(a) – (d) can be found in the table below.

Year	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
a. Total budget	\$310,888,000	\$288,974,000	\$277,592,000	\$280,171,000	\$311,183,000
b. Total assets under management	\$89,366,945,000	\$103,033,409,000	\$100,471,265,000	\$94,984,445,000	\$88,819,139,000
c. Total number of employees	690	801	635	633	726
d. Total number of superannuation contractors	28	13	12	13	31

Please note that employees are provided for the benefit of the superannuation business of BT Funds Management Limited and Westpac Securities Administration Limited by Westpac Group under an employee and resources sharing arrangement. The total number of contractors for BT17QW(d) is based on a 'reporting to' hierarchy for relevant superannuation business units, where employees in those business units reported directly or indirectly up to the *General Manager, Superannuation*.

The figures provided for BT17QW(d) are also applicable to BT17QW(e) given all contractors are hired externally. The estimated cost of contractors ranged from approx. \$307,000 to 2,478,000 p.a. over the past five financial years.

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BT – Westpac

BT18QW:

Over the last five financial years:

- What is the total number of member accounts?
- What is the total increase in the number of members as a result of the fund's default status?
- What is the total increase in the number of members through voluntary adoption or switching?
- What was the average member balance?
- What was the average dollar amount deducted in insurance fees per member, across all fund products in dollar terms and as a share of a member account?
- What was the total number of inactive accounts? (Please use the APRA definition: no contributions for two years)

Answer:

- The total number of member accounts in BT Funds Management Limited and Westpac Securities Administration Limited's (collectively referred to as 'BT' for our responses captured in this document) superannuation funds for the past five financial years are provided in the table below.

Year	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
Total member accounts	1,262,064	1,293,183	1,485,150	1,496,602	1,517,408

- Please note that no BT superannuation funds have been assigned 'default status' in modern awards by Fair Work Australia over the past five financial years. The total increase in number of default members (i.e. MySuper members) in BT's superannuation funds for the past five financial years are provided in the table below.

Year	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
MySuper member increase	30,125	54,182	66,491	60,366	90,617

- The total increase in number of members through voluntary adoption or switching (i.e. choice members) in BT's superannuation funds for the past five financial years are provided in the table below.

Year	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
Choice member increase	83,143	101,403	103,530	113,617	206,657

- d. The average member balance for BT's superannuation funds for the past five financial years are provided in the table below.

Year	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
Average member balance	\$78,812	\$74,826	\$61,988	\$57,749	\$55,734

- e. The amount paid by members in BT's superannuation funds for insurance consist of the following components:

- insurance fee, being the insurance premium (kept by insurers);
- administration fee – paid as a percentage of the insurer premium; and/or
- administration fee – paid as a set monthly amount.

The average insurance fee per member across BT's superannuation funds for the past five financial years are provided in the table below. Please refer to our response under BT33QW for information on BT's administration fees.

Year	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
Average insurance fee	\$498	\$468	\$369	\$337	\$283

- f. The total number of inactive member accounts in BT's superannuation funds for the past five financial years are provided in the table below.

Year	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
Total inactive member accounts	345,824	329,265	493,580	650,811	554,500

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BT – Westpac

BT19QW:

Please provide the one, five, and ten year net return after fees, costs, and taxes for the primary default MySuper balanced product.

Answer:

MySuper lifecycle cohort	1 Year return	5 Year return	10 Year return
Super for Life - 1940s	-0.03	2.97	4.16
Super for Life - 1950s	-0.26	3.22	5.13
Super for Life - 1960s	-1.61	4.11	6.24
Super for Life - 1970s	-3.00	5.01	7.16
Super for Life - 1980s	-2.91	5.04	7.32
Super for Life - 1990's	-2.72	5.16	7.40
Super for Life - 2000s	-2.35	5.48	N/A – cohort inception on 28/01/2014

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BT – Westpac

BT20QW:

Over the last five financial years:

- a. What was the average dollar amount deducted for administration and asset management fees per member, across all fund products? (please do not include insurance fees)
- b. What was the cost (%) of fund administration expenses as a proportion of funds under management?
- c. What was the total cost of in-house administration expenses?
- d. What was the cost of in-house administration expenses as a proportion of funds under management?
- e. What was the total cost of any external administration expenses?
- f. What was the cost of any external administration expenses as a proportion of funds under management?
- g. What was the total cost of any external administration expenses to Related Parties?
- h. What was the cost of any external administration expenses to Related Parties as a proportion of funds under management?
- i. How many staff are employed in roles considered part of the administrative cost?

Answer:

- a. The average dollar amount deducted for administration and investment management fees per member across BT's superannuation funds are captured in the table below. Please note that this information is derived from our SRF 320.0 and SRF 330.0 reporting to APRA.

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Average administration fee per member	\$345*	\$276	\$244	\$240	\$248
Administration fee as % of FUM	0.44%*	0.37%	0.39%	0.42%	0.44%
Average investment management fee per member	\$77*	\$175	\$154	\$149	\$147
Investment management fee as % of FUM	0.10%*	0.23%	0.25%	0.26%	0.26%

*Please note that the significant drop in investment management fee (and increase in administration fee) for 30 June 2019 relates to the reapportioned costs linked to the following BT superannuation funds: Asgard Independence Plan – Division Two; and Advance Retirement Suite.

b. Refer to information provided in BT20QW(a).

c-f. Please refer to the table below for the relevant information.

	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Total in-house administration cost	\$257,307,000	\$247,087,000	\$228,739,000	\$246,512,000	\$293,707,000
In-house administration cost as % of FUM	0.29%	0.24%	0.23%	0.26%	0.33%
Total external administration cost	\$15,996,000	\$16,371,000	\$21,781,000	\$20,079,000	\$18,034,000
External administration cost as % of FUM	0.02%	0.02%	0.02%	0.02%	0.02%

g-h. Not applicable. BT does not have any external administration expenses linked to related parties.

- i. Please refer to our response provided in BT17QW(c) for total number of BT staff. The number of staff that administer BT's superannuation products as part of its administration function within the Customer Service Delivery division over the last 5 financial years are set out in the table below.

	FY2020	FY2019	FY2018	FY2017	FY2016
Number of administration staff	659	591	512	557	551

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BT – Westpac

BT21QW:

What is the total number of statutory fines over the past five years?

Answer:

BT has not received any statutory fines between FY2016 and FY2020.

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BT – Westpac

BT22QW:

Over the last five financial years:

- a. The number of rollover requests that the fund did not pay out to another fund for each year?
- b. The average dollar value of a rollover for each year?
- c. The value of any clawback accounts and/or funds held that is used to hold funds between financial years?

Answer:

- a. Not applicable. BT superannuation funds are required to process rollover requests in accordance with regulation 6.34 of the *Superannuation Industry (Supervision) Regulations 1994*.
- b. The average dollar value of a rollover for BT superannuation funds (including transfers in and out) over the last five financial years is provided in the table below.

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Average rollover in value	\$48,834	\$28,917	\$17,900	\$21,528	\$23,203
Average rollover out value	\$46,590	\$34,065	\$30,102	\$19,821	\$31,181

- c. BT superannuation funds do not hold clawback accounts and/or funds that is used to hold funds between financial years.

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BT – Westpac

BT23QW:

- a. Does the fund maintain a reserve at least partially funded through insurance premiums, rebates from an insurance company (such as profit share arrangements) or tax benefits that have arisen from insurance?
- b. The total value of that reserve?
- c. The total value of tax rebates received from the ATO on insurance premiums?

Answer:

- a. BT superannuation funds do not maintain a reserve that is at least partially funded through insurance premiums, rebates from an insurance company, or tax benefits arising from insurance.
- b. Not applicable, please refer to response provided in BT23QW(a).
- c. The total value of BT superannuation funds' tax rebates received from the ATO on insurance premiums is \$96,602,586 for the year ending 30 June 2019.

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BT – Westpac

BT24QW:

The number of trusts or investment vehicles the fund controls in each of the low tax regions, including Andorra, the Bahamas, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, the Cook Islands, Hong Kong, the Isle of Man, Mauritius, Lichtenstein, Luxembourg, Monaco, Panama, St Kitts and Nevis?

Answer:

The number of trusts or investment vehicles that BT's superannuation funds control in each of the regions captured in BT24QW are outlined in the table below.

Andorra	
Bahamas	
Belize	
Bermuda	
British Virgin Islands	
Cayman Islands	4
Channel Islands	
Cook Islands	
Hong Kong	
Isle of Man	
Mauritius	
Lichtenstein	
Luxembourg	1
Monaco	
Panama	
St Kitts	
Nevis	

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BT – Westpac

BT25QW:

- a. The number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation?
- b. The value of the money that will be paid to the ATO as a result of the 'Protecting your Super' legislation?
- c. The number of accounts that has been transferred into an eligible rollover fund in the 2019 financial year?
- d. The value of the money that has been transferred into an eligible rollover fund in the 2019 financial year?

Answer:

- a. BT has transferred 83,621 member accounts to the ATO as a result of 'Protecting your Super' legislation.
- b. BT has transferred \$73,004,254 of member monies to the ATO as a result of the 'Protecting your Super' legislation.
- c. BT has transferred 2,237 member accounts into an eligible rollover fund in the 2019 financial year.
- d. BT has transferred \$5,289,892 of member monies into an eligible rollover fund in the 2019 financial year.

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BT – Westpac

BT26QW:

Have you ever made a donation and/or subscription fee to the ACTU Member Connect and/or ACTU Superannuation Partnerships program, and if so, to what value over the past five years?

Answer:

BT has not made a donation and/or subscription fee to the ACTU Members Connect and/or ACTU Superannuation Partnerships program.

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BT – Westpac

BT27QW:

Does the fund pay any external consultants for any advocacy and communication services, and if so can you please name them and the costs incurred over the past five years?

Answer:

BT conducts customer surveys on a periodic basis to measure net promoter score. Over the past five years, BT's suppliers have been DBM Consultants and CSBA. The corresponding costs for these suppliers over the past five years are reflected in the table below.

Financial Year	Advocacy and communication services cost
FY15	\$164,165
FY16	\$160,668
FY17	\$106,107
FY18	\$136,424
FY19	\$120,308

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BT – Westpac

BT28QW:

- a. How many staff are employed for the purpose of policy research or analysis?
- b. How much was spent on engaging external policy and data analysis consultants?
- c. How much was spent on membership of industry advocacy organisations that provide policy and data analysis service to member funds?

Answer:

- a. BT have nine staff employed for the purpose of policy research and analysis (please note these resources are predominately used for responding to the changing legislative landscape).
- b. Please refer to figures provided in BT28QW(c).
- c. BT spent the following amounts on membership of industry advocacy organisations that provide policy and data analysis service to member funds in the 2019 financial year:
 - Financial Services Council: \$392,931
 - Association of Superannuation Funds of Australia: \$130,273

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BT – Westpac

BT29QW:

In the context of building investments:

- a. Have you completed assessments of the prevalence of flammable cladding across some properties?
- b. Have you completed assessments of the prevalence of flammable cladding across all properties?
- c. Have you taken any remediation to reduce your exposure to risk to identify flammable cladding, and if so, what?
- d. Have you taken any remediation to reduce your exposure to risk to remove flammable cladding, and if so, what?
- e. Do you hold any properties where insurance has been refused or are uninsured due to defective building construction such as cladding?

Answer:

Not applicable, BT's superannuation funds do not directly hold any building investments.

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BT – Westpac

BT30QW:

- a. What external parties manage your investments, if any?
- b. What are the fee structures per member from external management?

Answer:

BT's superannuation funds invest in 3rd party unit trusts, no direct ownership occurs. External investment managers are responsible for managing the portfolios' investments which results in a commingling of a broad spectrum of investors. There is no single asset ownership. Fee structures are charged at the 3rd party trust level and are an investment management fee. Investment fee information can be found in our response to BT33QW.

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BT – Westpac

BT31QW:

Governance:

- a. How many trustee board members did the fund have?
- b. What was the total salary of all trustee board members?
- c. What was the average salary of all trustee board members?
- d. Are there any performance-based assessments that determine trustee board remuneration, and if so what are they?
- e. What was the salary of the trustee board chair?
- f. What was the average length of service of all trustee board members?
- g. What is the length of service of the longest serving trustee board member?
- h. Are trustee board members asked whether they have conflicts of interest at each meeting, and if not, why not?
- i. What is the conflict of interest policy for trustee board members?
- j. Does your fund have a policy on gender diversity and/or balance for listed companies?
- k. Does your board have gender balance?

Answer:

- a. BT currently has six trustee board members (four non-executive directors and two executive-directors).
- b. The total salary of the non-executive BT trustee board members is \$668,000 p.a. split equally across BTFM, BTFM2 and WSAL. This includes a temporary increase (due to workload) of \$72,000 for the 12 months to 30/9/2020. Executive directors are not paid additional income for their trustee role.
- c. The average salary of all BT trustee board members is \$167,000 (i.e. \$668,000 is split amongst four trustee board members).
- d. There are no performance-based assessments that determine trustee board remuneration.
- e. Current directors fee for the Chairman is \$200,000 p.a. (which is split equally across BTFM, BTFM2 and WSAL) and includes a temporary increase of \$25,000 for the 12 months to 30/9/20 due to workload.
- f. The average length of service of BT's trustee board members is 3.66 years.
- g. The length of service of the longest serving BT trustee board member is 9 years.
- h. Yes, BT trustee board members are asked whether they have conflicts of interest at each meeting.

- i. Yes, a copy of BT's conflicts of interest policy can be found at <https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/bt-funds-management-limited.html>.
- j. Yes, a copy of BT's diversity policy can be found at <https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/bt-funds-management-limited.html>.
- k. The BT trustee board had 50% gender balance prior to the retirement of Jane Perry on 10/7/2020. However, the current composition is four male and two female.

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BT – Westpac

BT32QW:

In the context of the ACCC's legal action and question for competition in monopoly infrastructure entities:

- a. What are the implications for infrastructure investment returns if the ACCC is successful in its legal action?
- b. Have you analysed your infrastructure investment portfolio to examine the risk of ACCC action to reduce anti-competitive monopoly or oligopoly pricing?
- c. If so, can you provide details of the likely impact, and what is the project impact on revenue and income?

Answer:

BT's superannuation funds do not directly hold any infrastructure assets, and therefore no such analysis has been conducted. Given we invest in infrastructure via third party funds managed by professional investment managers, we rely upon their diligence processes to consider such action. BT has not yet received any specific guidance from our investment managers regarding the ACCC action.

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BT – Westpac

BT33QW:

In dollar terms, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a. Investment fees
- b. Administration fees
- c. Indirect costs
- d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e. An aggregate total of all fees mentioned above.

Answer:

BT MySuper & Choice

The relevant fee information for BT's MySuper product (BT Lifestage Investment Option) and Choice products are provided in the attached spreadsheet. Please note the following:

- The information captured in the spreadsheet is based on the fee details contained in our Product Disclosure Statements.
- There have been changes to indirect costs reported over the past five financial years due to the release of RG97 in 2017.
- The MySuper option is a lifecycle arrangement. As such, we have provided the max and min fee ranges to capture the different age cohorts.
- Given BT has 34 Choice options (for accumulation, transition to retirement and pension phases), we have provided the max and min ranges to capture the full spectrum of Choice products (as opposed to individually listing each Choice product).
- The 'total fee' maximum and minimum figures provided for the Choice products are not representative of a single product. We considered the indirect costs, investment fee and administration fee in isolation for each Choice product, and have selected the maximum and minimum amounts across the spectrum. For example, product X may

have the highest administration fee and product Y may have the highest investment fee, and the 'total fee' is a culmination of the two products.

BT Platforms

Please note that BT offers over 1000 investment options on its platform offering via Panorama Super, BT SuperWrap and Asgard. Administration fees, investment fees and indirect costs would typically vary depending on the specific investment options selected by each individual member. A copy of the relevant Product Disclosure Statements (PDS) for BT's platform offering can be found in the follow fund website links:

- Panorama Super and BT SuperWrap PDS:
<https://www.bt.com.au/professional/support/support-resources/forms-and-disclosure.html>
- Asgard Infinity eWRAP Super and Pension PDS:
<http://www.asgard.com.au/products-and-services/infinity/>
- Asgard eWRAP Super and Pension:
<http://www.asgard.com.au/products-and-services/eWRAP/>
- Asgard Elements Super:
<http://www.asgard.com.au/products-and-services/elements/>

As a reference point, Panorama Super (BT's flagship platform offering) charges the following administration fees:

- Compact menu – access to approximately 100 managed funds: \$180 fixed dollar and 15bps per annum on the total account balance up to \$1,000,000.
- Full menu – access to full suite of investment options: \$540 fixed dollar and 15bps per annum on the total account balance up to \$1,000,000.

Panorama Super provides access to a range of managed funds, managed portfolio, term deposits and ASX-listed securities. In relation to the unlisted managed funds, the responsible entity of each option charges a Management Cost (independently of the Superannuation Trustee). The average Management Cost (which includes management fees, performance fees and indirect costs) across the range of unlisted managed funds is approximately 96bps per annum.

Given the nature of BT's platform offering (as set out above), it would be difficult to provide information that would be representative of our members in the format set out in BT33QW. The table below attempts to provide a reference point on the fees charged on Panorama Super, by utilising the administration fees and the average Management Cost of unlisted managed funds. However, please note there are over 650 investment options with a range of different Management Costs, and some asset types (e.g. ASX-listed securities) may not have any Management Costs.

Panorama Super (full menu)	\$6,000 account balance		\$50,000 account balance		\$150,000 account balance	
	\$ value	account balance %	\$ value	account balance %	\$ value	account balance %
Management cost (average)*	\$57.60	0.96%	\$480.00	0.96%	\$1,440.00	0.96%
Administration fee (% fee)	\$9.00	0.15%	\$75.00	0.15%	\$225.00	0.15%
Administration fee (dollar based flat fee)	\$540.00	9.00%	\$540.00	1.08%	\$540.00	0.36%
Total fee	\$606.60	10.11%	\$1,095.00	2.19%	\$2,205.00	1.47%

* The management cost (set out in the table above) is charged directly by the Responsible Entity of the associated managed fund. The Trustee has regard for the appropriateness of the fees for any given managed fund, when approving addition to the menu of options offered to members.

MySuper	FY2020		FY2019		FY2018		FY2017		FY2016	
	\$ value	account balance %	\$ value	account balance %	\$ value	account balance %	\$ value	account balance %	\$ value	account balance %
\$6,000 account balance										
Indirect cost (min)	\$ 7.20	0.12%	\$ 8.40	0.14%	\$ 8.40	0.14%	\$ 3.60	0.06%	\$ 7.80	0.13%
Indirect cost (max)	\$ 9.11	0.15%	\$ 11.40	0.19%	\$ 9.00	0.15%	\$ 3.60	0.06%	\$ 7.80	0.13%
Investment fee (min)	\$ 24.00	0.40%	\$ 30.00	0.50%	\$ 30.00	0.50%	\$ 30.00	0.50%	\$ 30.00	0.50%
Investment fee (max)	\$ 24.00	0.40%	\$ 30.00	0.50%	\$ 30.00	0.50%	\$ 30.00	0.50%	\$ 30.00	0.50%
Administration fee (min)	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%
Administration fee (max)	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%
Dollar based admin fee (pa)	\$ 78.00	1.30%	\$ 78.00	1.30%	\$ 78.00	1.30%	\$ 78.00	1.30%	\$ 60.00	1.00%
Total fee (min)	\$ 136.20	2.27%	\$ 143.40	2.39%	\$ 143.40	2.39%	\$ 138.60	2.31%	\$ 124.80	2.08%
Total fee (max)	\$ 138.11	2.30%	\$ 146.40	2.44%	\$ 144.00	2.40%	\$ 138.60	2.31%	\$ 124.80	2.08%
\$50,000 account balance										
Indirect cost (min)	\$ 60.00	0.12%	\$ 70.00	0.14%	\$ 70.00	0.14%	\$ 30.00	0.06%	\$ 65.00	0.13%
Indirect cost (max)	\$ 75.95	0.15%	\$ 95.00	0.19%	\$ 75.00	0.15%	\$ 30.00	0.06%	\$ 65.00	0.13%
Investment fee (min)	\$ 200.00	0.40%	\$ 250.00	0.50%	\$ 250.00	0.50%	\$ 250.00	0.50%	\$ 250.00	0.50%
Investment fee (max)	\$ 200.00	0.40%	\$ 250.00	0.50%	\$ 250.00	0.50%	\$ 250.00	0.50%	\$ 250.00	0.50%
Administration fee (min)	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%
Administration fee (max)	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%
Dollar based admin fee (pa)	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 60.00	0.12%
Total fee (min)	\$ 563.00	1.13%	\$ 623.00	1.25%	\$ 623.00	1.25%	\$ 583.00	1.17%	\$ 600.00	1.20%
Total fee (max)	\$ 578.95	1.16%	\$ 648.00	1.30%	\$ 628.00	1.26%	\$ 583.00	1.17%	\$ 600.00	1.20%
\$150,000 account balance										
Indirect cost (min)	\$ 180.00	0.12%	\$ 210.00	0.14%	\$ 210.00	0.14%	\$ 90.00	0.06%	\$ 195.00	0.13%
Indirect cost (max)	\$ 227.85	0.15%	\$ 285.00	0.19%	\$ 225.00	0.15%	\$ 90.00	0.06%	\$ 195.00	0.13%
Investment fee (min)	\$ 600.00	0.40%	\$ 750.00	0.50%	\$ 750.00	0.50%	\$ 750.00	0.50%	\$ 750.00	0.50%
Investment fee (max)	\$ 600.00	0.40%	\$ 750.00	0.50%	\$ 750.00	0.50%	\$ 750.00	0.50%	\$ 750.00	0.50%
Administration fee (min)	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%
Administration fee (max)	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%
Dollar based admin fee (pa)	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 60.00	0.12%
Total fee (min)	\$ 1,533.00	1.02%	\$ 1,713.00	1.14%	\$ 1,713.00	1.14%	\$ 1,593.00	1.06%	\$ 1,680.00	1.12%
Total fee (max)	\$ 1,580.85	1.05%	\$ 1,788.00	1.19%	\$ 1,728.00	1.15%	\$ 1,593.00	1.06%	\$ 1,680.00	1.12%

Choice	FY2020		FY2019		FY2018		FY2017		FY2016	
	\$ value	account balance %	\$ value	account balance %	\$ value	account balance %	\$ value	account balance %	\$ value	account balance %
\$6,000 account balance										
Indirect cost (min)	\$ 3.00	0.05%	\$ 6.00	0.10%	\$ 6.00	0.10%	\$ 6.00	0.10%	\$ 6.00	0.10%
Indirect cost (max)	\$ 45.60	0.76%	\$ 76.80	1.28%	\$ 75.00	1.25%	\$ 6.00	0.10%	\$ 6.00	0.10%
Investment fee (min)	\$ 9.00	0.15%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Investment fee (max)	\$ 82.80	1.38%	\$ 82.80	1.38%	\$ 82.80	1.38%	\$ 30.00	0.50%	\$ 30.00	0.50%
Administration fee (min)	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ -	0.00%	\$ -	0.00%
Administration fee (max)	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%	\$ 27.00	0.45%
Dollar based admin fee (pa)	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 60.00	0.12%
Total fee (min)	\$118.20	1.97%	\$ 126.60	2.11%	\$ 126.60	2.11%	\$ 84.00	1.40%	\$ 66.00	1.10%
Total fee (max)	\$ 229.80	3.83%	\$ 216.60	3.61%	\$ 229.20	3.82%	\$ 141.00	2.35%	\$ 123.00	2.05%
\$50,000 account balance										
Indirect cost (min)	\$ 25.00	0.05%	\$ 50.00	0.10%	\$ 50.00	0.10%	\$ 50.00	0.10%	\$ 50.00	0.10%
Indirect cost (max)	\$ 380.00	0.76%	\$ 640.00	1.28%	\$ 625.00	1.25%	\$ 50.00	0.10%	\$ 50.00	0.10%
Investment fee (min)	\$ 75.00	0.15%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Investment fee (max)	\$ 690.00	1.38%	\$ 690.00	1.38%	\$ 690.00	1.38%	\$ 250.00	0.50%	\$ 250.00	0.50%
Administration fee (min)	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ -	0.00%	\$ -	0.00%
Administration fee (max)	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%	\$ 225.00	0.45%
Dollar based admin fee (pa)	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 60.00	0.12%
Total fee (min)	\$ 413.00	0.83%	\$ 483.00	0.97%	\$ 483.00	0.97%	\$ 128.00	0.26%	\$ 110.00	0.22%
Total fee (max)	\$ 1,343.00	2.69%	\$ 1,233.00	2.47%	\$ 1,338.00	2.68%	\$ 603.00	1.21%	\$ 585.00	1.17%
\$150,000 account balance										
Indirect cost (min)	\$ 75.00	0.05%	\$ 150.00	0.10%	\$ 150.00	0.10%	\$ 150.00	0.10%	\$ 150.00	0.10%
Indirect cost (max)	\$ 1,140.00	0.76%	\$ 1,920.00	1.28%	\$ 1,875.00	1.25%	\$ 150.00	0.10%	\$ 150.00	0.10%
Investment fee (min)	\$ 225.00	0.15%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Investment fee (max)	\$ 2,070.00	1.38%	\$ 2,070.00	1.38%	\$ 2,070.00	1.38%	\$ 750.00	0.50%	\$ 750.00	0.50%
Administration fee (min)	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ -	0.00%	\$ -	0.00%
Administration fee (max)	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%	\$ 675.00	0.45%
Dollar based admin fee (pa)	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 78.00	0.16%	\$ 60.00	0.12%
Total fee (min)	\$1,083.00	0.72%	\$ 1,293.00	0.86%	\$ 1,293.00	0.86%	\$ 228.00	0.15%	\$ 210.00	0.14%
Total fee (max)	\$ 3,873.00	2.58%	\$ 3,543.00	2.36%	\$ 3,858.00	2.57%	\$ 1,653.00	1.10%	\$ 1,635.00	1.09%

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT34QW:

As a percentage of the value of the member account, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a. Investment fees
- b. Administration fees
- c. Indirect costs
- d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e. An aggregate total of all fees mentioned above.

Answer:

Please refer to our response provided in BT33QW.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT35QW:

To the extent that any of the fees and costs listed in the previous two questions are paid to a related entity or associate of the trustee, or any of their respective related entities or associates, please set out the function performed or service provided by that person, and the amount (total quantum) paid to that entity or person at a whole-of-fund level.

Answer:

A portion of the fees and costs noted in BT33QW and BT34QW are paid to BT Investment Solutions (BTIS), a related party service provider, which provides investment management services to BT. The total amount paid to BTIS for FY2020 was \$97.6m.

BT has appointed two related party service providers, BT Portfolio Services Ltd (BTPS) and Asgard Capital Management Limited (ACML), to administer platform products, maintain the underlying systems and provide associated services. The total amount paid to BTPS and ACML for FY2020 was \$147.7m and \$90.3m respectively. BT has also appointed Westpac Life Insurance Services Limited (WLIS) as the administrator of Westpac Securities Administration Limited's superannuation funds. The total amount paid to WLIS for FY2020 is \$25.4m. Please note the figures provided are forecasted to September 2020 year end.

Westpac Group Procurement and Partnerships (a function independent to business lines across BT and Westpac) manages the governance of all material outsource arrangements on behalf of BT. This includes arrangements with external service providers and related party arrangements. This independent function follows the Westpac Group Outsourcing Policy to ensure that all material outsource arrangements are governed appropriately and consistently (i.e. adhere to SPS 231 and CPS 231).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT36QW:

For the past five years:

- a. What was the total cost of all advertising and/or marketing?
- b. What was the total cost of all advertising and/or marketing per member?
- c. What was the total cost of all advertising per new (FY19) member?
- d. What was the total cost of all television advertising and/or marketing?
- e. What was the total cost of all radio advertising and/or marketing?
- f. What was the total cost of all print advertising and/or marketing?
- g. What was the total cost of all online advertising and/or marketing?
- h. How many in-house staff are employed in advertising and marketing roles?
- i. How much was spent on engaging external advertising and marketing consultants?
- j. Do you advertise and/or directly financial contribute to the New Daily?

Answer:

- a. BT's total advertising and marketing costs for the past five years are captured in the table below.

Financial Year	Total advertising and marketing costs
FY15	\$6,343,004
FY16	\$4,120,000
FY17	\$4,547,308
FY18	\$4,320,000
FY19	\$3,340,000

- b. Not applicable. From at least 30 June 2013, advertising and marketing expenses have not been directly recovered from members of BT's superannuation funds.
- c. Refer to response provided in BT32QW(b).
- d. BT's total television advertising and marketing costs (i.e. linked to broadcast television) for the past five years are captured in the table below.

Financial Year	Total television advertising and marketing costs
FY15	\$32,350
FY16	\$0
FY17	\$0
FY18	\$0
FY19	\$0

- e. BT has not incurred any radio advertising or marketing costs over the past five years.
- f. BT's total print advertising and marketing costs for the past five years are captured in the table below.

Financial Year	Total print advertising and marketing costs
FY15	\$99,226
FY16	\$53,002
FY17	\$87,104
FY18	\$35,008
FY19	\$183,897

- g. BT's total online advertising and marketing costs for the past five years are captured in the table below.

Financial Year	Total online advertising and marketing costs
FY15	\$470,165
FY16	\$373,775
FY17	\$573,965
FY18	\$519,096
FY19	\$168,053

- h. Whilst BT leverages the resources of Westpac Group marketing, most of its marketing activities and expenses are incurred at the divisional level. Marketing activities are generally managed by the marketing team, which is a central function reporting to the Chief Digital and Marketing Officer.

As at 31 March 2020, 37.5 FTE supported the marketing activities relating to BT's superannuation funds. This includes Marketing, Advertising, Communications, Analytics and Digital Marketing roles.

- i. The amount spent by BT on engaging external advertising and marketing consultants over the past five years are captured in the table below.

Financial Year	External advertising and marketing consultant costs
FY15	\$1,429,520
FY16	\$1,514,273
FY17	\$1,413,040
FY18	\$1,217,142
FY19	\$362,846

- k. No, BT does not advertise and/or directly contribute financially to the New Daily.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT37QW:

How much money have you spent on advertising on the following platforms in the past decade:

- a. Google?
- b. Facebook?
- c. Twitter?
- d. Instagram?
- e. A non-Google search engine?
- f. Any social media platform that is not mentioned in (b) – (d)?

Answer:

Platform	BT's total spend over the past decade
Google	\$6,194,021
Facebook	\$14,296.09
Twitter	\$0
Instagram	\$0
A non-Google search engine	Yahoo: \$5,000
Any other social media platform	LinkedIn: \$62,840^ YouTube: \$42,785.50

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT38QW:

Can you provide details if you have purchased the following over the past decade:

- a. Google advertisements
- b. Google search terms.

Answer:

Over the past decade, BT has purchased Google advertisements and search terms each year, refer to BT39QW for the full list of search terms for the past five years (FY15-FY19). The data file provided for BT39QW also contains search terms for FY14. For Financial Years 13, 12, 11, 10 and 09, BT used Google advertising and search terms for BT Super for Life and Lost Super.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT39QW

- a. Do you use Google Ad Words, or any Google provided or supported service to advertise any of your funds or your brand in any way whatsoever?
- b. Please list what terms you have used in Google Ad Words in the last five years to generate an impression on particular search queries.

Response:

- a. Yes, we use Google Ad Words to advertise BT's superannuation funds.
- b. We have used a range of search terms in Google Ad Words in the past five years. The key search terms used include:
 - BT super
 - BT superannuation
 - BT super for life
 - Find my super
 - Superannuation
 - lost super
 - Westpac super
 - Finding super funds
 - Westpac superannuation
 - How to find super
 - Where is my superannuation
 - smsf
 - Finding my super
 - BT business super
 - Super search
 - BT lifetime super
 - SMSFs
 - Find my superannuation
 - Finding my superannuation
 - BT super for life address

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REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT40QW:

What percentage of the return on investment from your unlisted assets can be attributed to revaluations due to falling interest rates, and capital asset pricing model market yields used as the discount rate in discounted cash flow based valuations?

Answer:

BT's superannuation funds do not directly hold any unlisted assets, instead it invests via third-party investment managers that hold a diversified pool of assets across various countries/regions and sectors. BT is not responsible nor in control of valuing assets and instead relies on the valuation policies of the 3rd party manager. The majority of these investments (i.e. unlisted assets) have been held less than 12 months, and the impacts noted in BT40QW have not been assessed given the short investment period to date.

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT41QW:

How will the overall fund performance be affected if:

- a. The income return of unlisted assets declines?
- b. The fund can no longer purchase unlisted assets onshore?
- c. The fund can no longer purchase unlisted assets offshore?

Answer:

- a. Given BT's allocation size to unlisted assets, this would not materially impact BT superannuation funds' investment objectives.
- b. If BT's superannuation funds can no longer purchase unlisted assets (onshore and/or offshore), the impact to the funds' performance will be dependent on the future performance on those assets.
- c. Refer to our response provided in BT41QW(b).

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT42QW:

How have you structured the fund to address the writing back of the increased investment capitalised future returns?

Answer:

Not applicable. Please note that BT's superannuation funds do not directly hold any unlisted assets, instead it invests via third-party investment managers that hold a diversified pool of assets across various countries/regions and sectors.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT43QW:

What are the projected changes in income in light of the writing back of the increased investment capitalised future returns?

Answer:

BT's superannuation funds do not directly hold any unlisted assets, and the majority of these investments have been held less than 12 months. Therefore, no such analysis has been conducted.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT44QW:

Valuation methodologies:

- a. Have you compared your valuation methodologies and assumptions for unlisted assets with other superannuation funds, and if so, what are the differences?
- b. Are you confident that your valuation methodologies and assumptions for unlisted assets reflect their value to the fund, and how often are they reviewed?
- c. How do you compare your valuations to listed investments, including, but not limited to, whether there is a cross check to stock prices for similar assets?
- d. Have you ever calculated whether there would be a difference between valuations if unlisted assets were listed?

Answer:

- a. BT's superannuation funds do not hold any unlisted assets directly. As such, the comparisons noted in BT44QW have not been made.
- b. Given BT's superannuation funds do not hold any unlisted assets directly (instead it is held via third-party managers), BT reviews each managers' valuation policy to determine its appropriateness. BT are satisfied with these processes and the quarterly valuation of assets.
- c. Refer to response provided in BT44QW(a).
- d. Refer to response provided in BT44QW(a).

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT45QW:

What is the current annual average return for your unlisted assets?

Answer:

Please note that BT's superannuation funds do not directly hold any unlisted assets, instead it invests via third-party investment managers that hold a diversified pool of assets across various countries/regions and sectors. The majority of these investments (i.e. unlisted assets) have been held less than 12 months across its MySuper offering. As such, we are unable to provide an annual average return contribution for our unlisted asset exposures to the MySuper funds.

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT46QW:

Given the size of your large joint investments, why are they not listed for liquidity, valuation and public disclosure purposes?

Answer:

Not applicable, BT does not have large joint investments.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT47QW:

- a. How many unlisted assets do you hold in the fund?
- b. What value share are unlisted assets of the fund's:
 - I. total value?
 - II. total property value?

Answer:

- a. BT's superannuation funds do not hold any unlisted assets directly, but rather it is held via third party investment managers.
- b. The table below provides a breakdown of listed and unlisted property exposures for BT's internally managed investments (managed by BT Investment Solutions) as at 30 June 2020.

Fund	Listed Property	Total Property %	Unlisted Property %	\$ Unlisted Property
BT Wholesale Multi-Manager Conservative Fund	5.38%	0.00%	0.00%	\$0
BT Wholesale Multi-Manager Moderate Fund	5.67%	0.00%	0.00%	\$0
BT Wholesale Multi-Manager Balanced Fund	8.64%	0.00%	0.00%	\$0
BT Wholesale Multi-Manager Growth Fund	9.79%	0.00%	0.00%	\$0
BT Wholesale Multi-Manager High Growth Fund	11.02%	0.00%	0.00%	\$0
1940's Lifestage Fund	5.06%	5.15%	0.09%	\$129,487
1950's Lifestage Fund	5.59%	5.70%	0.11%	\$1,588,865
1960's Lifestage Fund	7.38%	7.52%	0.14%	\$6,479,978
1970's Lifestage Fund	9.18%	9.36%	0.18%	\$11,729,299
1980's Lifestage Fund	9.18%	9.36%	0.18%	\$10,311,708
1990's Lifestage Fund	9.18%	9.36%	0.18%	\$2,911,449
WGP Lower Growth Option	0.00%	0.00%	0.00%	\$0
WGP Moderate Growth Option	2.58%	7.34%	4.76%	\$3,532,014
WGP Balanced Growth Option	4.27%	8.36%	4.09%	\$36,280,766
WGP Higher Growth Option	3.27%	7.31%	4.04%	\$17,852,064
WGP Active Defined Benefit Option	3.96%	8.39%	4.43%	\$49,364,568
WGP Pension Defined Benefit Option	2.74%	8.11%	5.37%	\$44,895,817
Total Asset Weighted	7.90%	7.47%	0.69%	\$185,076,016

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT48QW:

Discount rates:

- a. For unlisted assets, do you use a consistent discount rate for income across all unlisted assets, or an asset-specific discount rate?
- b. What is the discount rate you apply to the income from unlisted assets, and has it changed over the past decade, and if so, when and why?

Answer:

Given BT's superannuation funds do not hold any unlisted assets directly, the analysis noted in BT48QW has not been made.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT49QW:

Of the unlisted assets, how many have outperformed the average return on investments in superannuation over the past five years?

Answer:

BT's superannuation funds have invested in unlisted assets for less than 12 months across the MySuper portfolios. As such, we are unable to provide the analysis noted in BT49QW.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT50QW:

Have you completed any analysis about your capacity to continue to provide returns to fund members at the current, or past rate, into the future based on the valuations of your unlisted assets?

Answer:

BT's strategic forecasts for core unlisted property/infrastructure asset classes range from 5-6% p.a. for the next 10 years. We expect a fully funded investment to have a higher rate of return than these forecasts given asset specific characteristics.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT51QW:

Over the past decade:

- a. Have you ever devalued an unlisted asset?
- b. Have you ever devalued an unlisted asset by more than \$10 million?
- c. Have you ever devalued an unlisted asset by more than \$50 million?
- d. Have you ever devalued an unlisted asset by more than \$100 million?
- e. Please advise the companies and/or individual valuers that have valued your unlisted assets.

Answer:

Given BT's superannuation funds do not hold any unlisted assets directly, the devaluations noted in BT51QW have not been made.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT52QW:

For each year of the past decade:

- a. How many superannuation customers do you have?
- b. How many financial planners do you have in total numbers, and as a superannuation customer to financial planner ratio?
- c. How many financial advisers do you have in total numbers, and as a superannuation customer to financial planner ratio?

Answer:

- a. The table below outlines the total number of members in superannuation funds under BT Funds Management Limited and Westpac Securities Administration Limited's trusteeship for each year of the past decade.

Year	30/06/2019	30/06/2018	30/06/2017	30/06/2016	30/06/2015
Member number	1,262,064	1,293,183	1,485,150	1,496,602	1,517,408
Year	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
Member number	1,512,512	1,501,172	1,468,843	1,355,732	1,010,801

- b. For the past decade, the Trustees have not employed any financial planners specifically to service our superannuation members.
- c. For the past decade, the Trustees have not employed any financial advisers specifically to service our superannuation members.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT53QW:

For each year of the past decade:

- a. How much is charged for financial planning annually to fund members, and what is the average per superannuation customer?
- b. How much is charged for financial planning annually to funds, and what is the average per superannuation customer?
- c. How much is charged for financial advice annually to fund members, and what is the average per superannuation customer?
- d. How much is charged for financial advice annually to funds, and what is the average per superannuation customer?

Answer:

For the past decade, no financial planning or financial advice fees have been charged to fund members for financial planning services offered directly by the Trustee. However, the Trustee does facilitate financial advice fees from member superannuation accounts on behalf of members to pay their financial adviser. These fees are agreed between the member and the financial planner and relate to advice and servicing work completed by the financial planner specifically relating to the member's superannuation account.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT54QW:

For each year of the past decade:

- a. What is the cost of general advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for general advice, and what is the average per adviser?

Answer:

Not applicable, BT does not charge members for general advice services offered through our call centre teams.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT55QW:

For each year of the past decade:

- a. What is the cost of scaled advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for scaled advice, and what is the average per adviser?

Answer:

Not applicable, BT has not provided scaled advice to its members over the past decade.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT56QW:

For each year of the past decade:

- a. What is the cost of comprehensive advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for comprehensive advice, and what is the average per adviser?

Answer:

Not applicable, BT has not provided comprehensive advice to its members over the past decade.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT57QW:

For each year of the past decade:

- a. What is the cost of intra-fund advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for intra-fund advice, and what is the average per adviser?

Answer:

Not applicable, BT has not provided intra-fund advice to its members over the past decade.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT58QW:

How many employees does the fund have?

Answer:

Please refer to our response provided under BT17QW(c).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT59QW:

How do you define employee misconduct?

Answer:

BT's definition of employee misconduct is found in both the Westpac Group Misconduct and Disciplinary Action policy and the Westpac Group Consequence Management Framework (CMF). These documents distinguish between misconduct and serious misconduct.

Misconduct is defined as "any conduct or practice that does not meet our Expectations and/or that may have an adverse impact on Westpac, its customers or its people". Expectations are defined as "our core values of Integrity, Service, Once Team, Courage and Achievement (our Values), our Service Promise, Our Principles for Doing Business, our Compass, Our Group frameworks, our Group policies and procedures, the employee's individual responsibilities, and any policies, laws or regulatory requirements, including industry codes of practice, individual contractual obligations and collective agreements, (together they form "our Expectations")".

Serious misconduct is defined as "deliberate, reckless or unlawful conduct that may have a serious adverse impact on Westpac, its customers or its people". Examples of misconduct and serious misconduct and the range of disciplinary actions that may apply are provided in the policy and the CMF.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT60QW:

Over the past five years:

- a. How many employees have been cautioned for misconduct?
- b. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct?
- c. How many employees have been terminated for misconduct?
- d. How many employees have been cautioned for misconduct, as a share of all employees over that timeframe?
- e. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe?
- f. How many employees have been terminated for misconduct, as a share of all employees over that timeframe?

Answer:

Our response is provided in the table below.

Over the past five years, number of employees:	Response
a. How many employees have been cautioned for misconduct?	4
b. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct?	6
c. How many employees have been terminated for misconduct?	2
d. How many employees have been cautioned for misconduct, as a share of all employees over that timeframe?	2.2%
e. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe?	3.3%
f. How many employees have been terminated for misconduct, as a share of all employees over that timeframe?	1.1%

The information provided in BT60QW – BT66QW reflect employees on a ‘reporting to’ hierarchy for relevant superannuation business units. Financial planning, wealth, operations, legal and other related businesses which has different reporting lines (and service non-superannuation functions) are not included.

Please note the following:

- Incidents include conduct related matters including grievances, but exclude performance related matters
- Resignations are not counted as a disciplinary outcome.
- Contractors were included in the table above.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT61QW:

Of the twenty highest remunerated employees over the past decade, please provide the number whose total remuneration in a financial year (including all forms of remuneration, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Response as outlined in the table below, noting the following:

- Data is based as at September each year as per remuneration review cycle
- Data includes fixed pay (excl. superannuation), Short Term Incentives (**STI**), deferred STI, commission payments, Long Term Incentives (**LTI**) and employee share plan
- Data does not account for retention payments made out of cycle
All data converted to AUD currency
- Data does not include STI payments made under redundancy

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	16 employees
\$1,000,001 - \$2,000,000	4 employees
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0

\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT62QW:

Of the twenty highest incentive bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

Response as outlined in the table below. Noting the following:

- This cohort are aligned to discretionary incentives only and no incentive or commission based payments apply.

Total incentive bonuses value	Number (ie 1 employee)
<\$1,000,000	0
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT63QW:

Of the twenty highest performance bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

Response as outlined in the table below. Noting the following:

- Data is based as at September each year as per remuneration review cycle
- Data only includes the BTFG business and roll up to superannuation
- Data includes fixed pay (excl. superannuation), STI, deferred STI, commission payments, LTI and employee share plan
- Data does not account for retention payments made out of cycle
- All data converted to AUD currency
- Data does not include STI payments made under redundancy

Total performance bonuses value	Number (ie 1 employee)
<\$1,000,000	20 employees
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0

\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT64QW:

Of the twenty highest severance packages over the past decade, please provide the number whose total package (including all forms of accumulated severance package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Response as outlined in the table below. Noting the following:

- Figures provided include items relating to all leave (i.e. annual leave, long service leave, final earning and severance payments).
- For the purpose of answering questions BT64QW and BT66QW, we have taken severance package to have the same meaning as redundancy package.
- Severance is a term we use if an employee is retrenched following the redundancy of their role – they are entitled to a severance payment as per our Enterprise Agreement (EA) and the termination of their employment is denoted as ‘retrenchment’.
- Figures are based on the employee list from the end of each financial year.
- Employees who started in October and separated in September will not be captured.
- Given those employees would have less than 1 year’s tenure, the assumption has been made that it is unlikely any of these employees would be found in the top 20 lists, if included.

Total severance package value	Number (ie 1 employee)
<\$1,000,000	20 employees
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0

\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0
\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

BT – Westpac

BT65QW:

Of the twenty highest termination payments over the past decade, please provide the number whose total package (including all forms of accumulated termination package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

Response as outlined in the table below. Noting the following:

- The figures provided include items relating to final pay and termination payments (i.e. Employment Termination Payment, Long Service Leave and Annual Leave).
- The figures are based on the employee list from the end of each financial year.
- Employees who started in October and separated in September will not be captured.
- Given those employees would have less than 1 year's tenure, the assumption has been made that it is unlikely any of these employees would be found in the top 20 lists, if included.

Total termination package value	Number (ie 1 employee)
<\$1,000,000	20 employees
\$1,000,001 - \$2,000,000	0
\$2,000,001 - \$3,000,000	0
\$3,000,001 - \$4,000,000	0
\$4,000,001 - \$5,000,000	0
\$5,000,001 - \$6,000,000	0
\$6,000,001 - \$7,000,000	0
\$7,000,001 - \$8,000,000	0
\$8,000,001 - \$9,000,000	0
\$9,000,001 - \$10,000,000	0
\$10,000,001 - \$11,000,000	0
\$11,000,001 - \$12,000,000	0
\$12,000,001 - \$13,000,000	0
\$13,000,001 - \$14,000,000	0
\$14,000,001 - \$15,000,000	0
\$15,000,001 - \$16,000,000	0
\$16,000,001 - \$17,000,000	0
\$17,000,001 - \$18,000,000	0
\$18,000,001 - \$19,000,000	0
\$19,000,001 - \$20,000,000	0

\$20,000,001 - \$25,000,000	0
\$25,000,001 - \$30,000,000	0
\$30,000,001 - \$35,000,000	0
\$35,000,001 - \$40,000,000	0
\$40,000,001 - \$45,000,000	0
\$45,000,001 - \$50,000,000	0
>\$50,000,000	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

BT – Westpac

BT66QW:

Of the twenty highest redundancy payments over the past decade, please provide the number whose total package (including all forms of accumulated redundancy package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

For the purposes of answering questions BT64QW and BT66QW, we have taken severance package to have the same meaning as redundancy package. As such, please refer to our response provided in BT64QW.