

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT91QW:

How much money do you expect to be withdrawn from your fund as a result of the government's early access scheme for members affected by COVID-19?

Answer:

Superannuation funds under BT Funds Management Limited and Westpac Securities Administration Limited's trusteeship (collectively referred to as 'BT' throughout this document), expect to pay approximately \$2.2 billion in total to members as a result of the government's early access scheme for members affected by COVID-19.

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

BT – Westpac

BT92QW:

Please provide a list of all investment schemes across your fund(s) that have had their redemptions frozen since January 2008, and for each:

- a. What was the total value of funds frozen?
- b. How many of your members were impacted by these frozen funds, and how?
- c. The date on which the freeze was implemented and lifted.
- d. A copy of the clause trustees relied on to enact that freeze.

Answer:

Please note that our response provided for BT92QW excludes any temporary freezes resulting from migrations (e.g. linked to successor fund transfers) or year-end activities.

- a. The total value of funds frozen across investment options on BT's superannuation funds from January 2008 is \$1,083,597,611.
- b. In relation to the frozen funds referred to in BT92QW(a), 122,199 members were impacted by the frozen funds, out of which:
 - 89,141 members impacted, the fund has been terminated;
 - 25,363 members impacted, the fund has since returned to full liquidity; and
 - 7,795 members impacted, the funds are still frozen.
- c. Please refer to the attached for the dates each freeze was implemented and lifted.
- d. Not applicable. The funds referred to in BT92QW(c) were frozen by the responsible entities of the relevant managed investment scheme (**MIS**) as per the terms of the MIS' relevant disclosure document and constitution. BT Funds Management Limited (**BTFM**), in its role as trustee of the BT Platform products*, does not make the decision to freeze MIS options.

*BT Platform products are defined in this document as BT Panorama Super, BT SuperWrap and Asgard eWRAP Super/Pension (including badged versions of these offers).

Suspended Funds on BT Wrap and Asgard

Manager and Fund	APIR Code	Closure Date	Termination date or date fund returned to full liquidity	Super member FUA (\$) as at November 2011	Total Super members as at November 2011
360 Capital Industrial Fund	GLN0001AU	11/11/2008	30/10/2014	1,810,129	122
360 Capital Office Fund	GLN0002AU	11/11/2008	30/10/2014	7,631	24
Abacus Diversified Income Fund II	ABA0008AU	20/04/2008	10/06/2016	107,131	8
Absolute Capital Yield Strategies Fund	ABS0011AU	22/07/2007	6/09/2012	259,598	405
AMP Cap Structured Enhanced Yield Fund CI A	AMP1014AU	10/10/2008	25/06/2015	24,840,904	1,498
AMP Capital Enhanced Yield Fund Class A	AMP0685AU	10/10/2008	25/06/2015	99,135,037	12,804
APN Direct Property Fund	APN0005AU	8/10/2008	20/05/2014	447,352	31
APN Diversified Property Fund	APN0006AU	13/10/2008	30/10/2013	2,275,874	395
APN International Property for Income Fund	APN0003AU	27/10/2008	23/10/2010	153,992	266
APN Property for Income	WFS0088AU	1/11/2008	23/03/2017	5,193,522	2,094
APN Property for Income Fund No.2	APN0004AU	24/10/2008	30/06/2014*	35,641,128	5,130
APN Property for Income Fund	APN0001AU	24/10/2008	30/06/2014*	77,402,947	8,129
Aspen Diversified Property Fund	APZ0002AU	24/04/2009	8/06/2016	22,184	27
Astarra Alpha Strategic Fund	TOL0055AU	21/10/2009	Fund still frozen	1,718	12
Astarra Balanced Fund	TOL0050AU	21/10/2009	7/07/2014	483,226	28
Astarra Conservative Fund	TOL0049AU	21/10/2009	7/07/2014	41,381	7
Astarra Growth Fund	TOL0051AU	21/10/2009	7/07/2014	112,846	9
Australian Unity Diversified Office Fund	IPL0001AU	4/08/2008	29/06/2015	204,531	6
Australian Unity Diversified Property Fund	WFS0403AU	10/09/2008	1/11/2015*	34,041,589	2,094
Australian Unity Mortgage Income	WFS0412AU	23/11/2008	1/06/2017	436,745	32
Australian Unity WS High Yield Mortgage Fund	AUS0005AU	23/10/2008	4/04/2017	23,890,454	1,651
Australian Unity WS Mortgage Income Trust	AUS0116AU	23/10/2008	4/04/2017	46,513,287	2,932
AXA Wholesale Australian Income Fund	NML0257AU	18/12/2008	30/06/2014	6,053,277	434
AXA Wholesale Australian Monthly Income Fund	NML0316AU	23/10/2008	30/06/2014	49,594,648	4,104
AXA WS Australian Property Fund	NML0001AU	19/08/2008	09/11/2012*	71,730,998	5,724
Balmain Aqua High Income Fund	JFF0001AU	1/08/2008	9/05/2016	17,951,849	1,481
Balmain AQUA Income Trust	JFF0002AU	1/08/2008	19/10/2015	6,047,054	366
Balmain Wholesale Mortgage Trust	MRN0003AU	27/10/2008	30/06/2014	10,930,958	672
Basis Aust-Rim Opportunity Fund	BCF0100AU	31/05/2007	Fund still frozen	851,024	5,115
Basis Yield Fund	BCF0001AU	31/05/2007	Fund still frozen	532	1,487
Becton Diversified Property Fund	BEC0001AU	11/11/2008	30/10/2014	2,976,574	688
Blackrock Comb Prop Income Fund CI D	MAL0008AU	25/08/2008	24/08/2012	105,290,058	10,625
BlackRock Combined Property Income Fund	WFS0384AU	25/10/2008	24/10/2012	16,373,140	3,867
BT Global Return Fund	RFA0028AU	19/12/2008	15/03/2013	4,763,549	2,988
BT Global Return Investment	WFS0386AU	19/12/2008	31/03/2013	338,553	673
Centro Direct Property Fund	MCS0011AU	14/12/2007	15/06/2012	58,763,583	4,113
Centro Direct Property Fund International	MCS0001AU	15/12/2007	15/06/2012	21,086	258
Challenger Guaranteed Income Fund	HOW0087AU	10/03/2011	31/03/2014	16,906,777	3,097
Challenger High Yield Fund	WFS0383AU	23/10/2008	31/03/2014	4,106,090	978
Challenger Howard Mortgage Trust	WFS0380AU	21/10/2008	30/10/2014	3,633,751	402
Challenger Howard Wholesale Mortgage Fund	HOW0005AU	21/10/2008	30/10/2014	63,932,341	6,884
Challenger Wholesale Hybrid Property Fd	HBC0013AU	20/08/2008	5/04/2013	9,050,466	1,031
Charter Hall Direct Property Fund	MAQ0448AU	25/08/2008	30/10/2015*	21,106,440	3,281
Charter Hall Diversified Property Fund	CHF0001AU	29/08/2008	28/11/2012	3,231,676	120
Charter Hall Umbrella Fund	CHF0002AU	29/10/2008	30/03/2016	4,132,576	381
Colonial First State Brick and Mortar Fund	CML0002AU	27/10/2008	3/10/2013	555,119	74
Colonial First State Income Fund	WFS0381AU	27/10/2008	26/09/2016	9,732,560	1,793
Colonial First State WS Gteed Mortgage Fund	FSF0138AU	27/10/2008	30/10/2012	448,444	282
Colonial First State WS Income Fund	FSF0139AU	27/10/2008	26/09/2016	87,609,929	9,141
Cromwell Property Fund	CRM0005AU	13/01/2009	1/10/2012	291,989	63
Domaine Diversified Property Fund	DPF0001AU	5/06/2008	14/04/2014	1,840,960	338
EQT Wholesale High Income Fund	ETL0120AU	4/08/2008	3/05/2013	979,562	621
Goldman Sachs Global Alpha Fund IDPS	JBW0025AU	14/11/2008	1/05/2010	127,526	4
Goldman Sachs JBWere Multi Strategy Fund	JBW0026AU	14/11/2008	1/05/2010	59,150	182
HFA Diversified Investments Fund Unhedged Wholes	HFL0105AU	22/12/2008	1/10/2012	67,684	4
HFA Diversified Investments Fund+	HFL0104AU	22/12/2008	1/10/2012*	12,159,963	1,006
ING Monthly Income Trust	HML0002AU	27/10/2008	25/06/2019	2,733,692	320
LM WS First Mortgage Income Fd Flex ac	LMI0007AU	4/08/2008	Fund still frozen	12,716,777	798
LM WS Mortgage Income Fund – 12 Month Account	LMI0008AU	4/08/2008	Fund still frozen	5,857,008	282
MacarthurCook Diversified Property Income Fund Wh	MCK0002AU	2/12/2008	30/09/2014	142,927	67
MacarthurCook Mortgage Fund Wholesale	MCK0005AU	24/10/2008	20/05/2015	12,520	3
Multiplex Development and Opportunity Fund	MTP0001AU	29/09/2008	1/03/2020	12,028,707	670
Multiplex Property Income Fund	MLP0002AU	29/09/2008	30/04/2018	7,936,337	835
One Path Mortgage Trust No.2	MMF0006AU	27/10/2008	25/06/2019	119,283	10
Orchard Hybrid Property Fund	SAI0001AU	20/10/2008	30/06/2013	101,426	14
Perpetual Wholesale Monthly Income Fund	PER0106AU	23/10/2008	22/06/2016	93,974,891	8,276
Premium Income Fund 12 months	MFS0010AU	29/01/2008	1/04/2016	76,331	11
Premium Income Fund 6 months	MFS0011AU	29/01/2008	1/04/2016	30,334	1
ReCap Enhanced Income Fund	TFG0001AU	24/12/2008	13/05/2015	1,477,995	405
Tankstream Property Investment Fund	TNK0001AU	27/08/2008	6/11/2014	342,132	59
Wellington Premium Income Fund	MFS0009AU	29/01/2008	1/04/2016	1,364,157	462
				1,083,597,611	122,199

* Fund has returned to full liquidity

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

BT – Westpac

BT93QW:

Are you, or any entities you control, planning to freeze any managed investment schemes associated with your fund or fund platform business?

Answer:

Please refer to our responses provided under BT92QW(d).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT94QW:

Since 1 January 2020, have you, or any entities you control:

- a. Suspended any successor fund transfers?
- b. Had any funds involved in impending merger activity frozen by investment managers?

Answer:

- a. There have been no successor fund transfers (SFT) suspended since 1 January 2020. BT did however approve deferring the SFT of 7 super/ pension products from May 2020 to August 2020. This was due to unprecedented volumes of member phone calls to our customer service team and increased transaction volumes due to Covid-19 early release payments, increased switches and redemptions due to member concerns regarding market volatility and backlog of transactions related to a transaction freeze period for an SFT in February 2020.
- b. No fund involved in impending merger activity was frozen by investment managers.

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

BT – Westpac

BT95QW:

Mortgage trusts

- a. Do you, or any entities that you control, have mortgage trusts on your platform?
- b. Will you need to freeze redemptions on these due to leverage?

Answer:

- a. There are small residual exposures to three unlisted mortgage funds that pre-date 2008 and are closed to all investors. There are currently no unlisted mortgage funds that are open to investment across BT's investment platforms.

ASX listed mortgage funds are available through our platforms, these are not subject to the same liquidity concerns as unlisted mortgage funds.

- b. Not applicable, please refer to our response provided under BT92QW(d).

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

BT – Westpac

BT96QW:

Property trusts and assets

- a. Do you, or any entities you control, have listed property trusts on your platform?
- b. How have these performed in comparison to direct unlisted property assets owned by your fund between 1 January 2020 and 20 April 2020?

Answer:

- a. There is a number of listed property trusts across BT Platform products. As at 30 June 2020 we have: 48 Australian REIT funds with total FUM of \$2,381,462,717.39; and 24 Global REIT funds with total FUM of \$1,337,459,405.27.
- b. BT does not hold any unlisted property assets directly. Whilst there are several unlisted property funds (managed by external responsible entities) available on the investment menu of BT Platforms, the valuations of these unlisted property funds are the responsibility of the external fund managers responsible for these assets.

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

BT – Westpac

BT97QW:

Do you, or any entities you control, have agribusiness schemes on your platform?
If so, what was the nominal value of these investments on:

- a. 1 January 2020?
- b. 20 April 2020?

Answer:

No. BT Platforms do not provide access to any unlisted agribusiness managed investment schemes. ASX listed agribusiness companies and funds are accessible through our platforms.

- a. Not applicable
- b. Not applicable

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

BT – Westpac

BT98QW:

Managed investment schemes

- a. What policies and governance structures do you, or any entities you control, have in place to determine what managed investment schemes are added to your investment platforms? (Please also provide a copy of these policies.)
- b. Do you, or any entities you control, allow financial advice dealer groups to add managed investment schemes to your platform and/or recommended product lists?

Answer:

- a. Investment Research and Governance (IRG) is an operationally independent function and is responsible for carrying out due diligence and review of all Managed Funds and Managed Portfolios against the assessment criteria outlined in this section.
- b. Yes. In the circumstances where a financial advice dealer group has manufactured a MIS option, the BT trustee or platform operator may allow this to be added to the investment menu provided the relevant MIS option is reviewed by IRG and meets the criteria in section 5.1 of the BT Investment Governance Policy.

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BT – Westpac

BT99QW:

- a. Please describe APRA's current supervision of your investment governance.
- b. When did APRA last examine your investment governance processes?
- c. Has APRA asked you to stress-test particular types of managed investment schemes? If so, what types?

Answer:

- a. APRA conducts onsite prudential reviews on BT's investment governance process, the most recent review conducted in July 2015. As part of this review, APRA considered and shared observations in relation to BT's stress testing of its MySuper Lifestage Funds.

In response to the COVID-19 impact, APRA requested in March 2020 that BT provide specific investment and liquidity information. This included internal material or reports provided to senior management or the trustee board in relation to liquidity and investment stress testing.

- b. Refer to response provided under BT99QW(a).
- c. Refer to response provided under BT99QW(a).

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BT – Westpac

BT100QW:

Rent for tenancies during COVID-19

- a. Can you please advise what action you, or any entities you control, have taken to defer the payment of rent for tenancies for listed and/or unlisted assets owned by your fund during the COVID-19 pandemic?
- b. To what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer:

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

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT101QW:

Can you please advise what exposure your members have to listed property trusts and the value of those asset holdings on:

- a. 1 January 2020?
- b. 25 April 2020?

Answer:

BT superannuation funds' exposure to property trusts is set out in the table below.

Fund	31/12/2019			25/04/2020		
	FUM	Listed Property \$	Listed Property %	FUM	Listed Property \$	Listed Property %
BT Wholesale Multi-Manager Conservative Fund	\$311,384,747	\$14,682,960	4.72%	\$261,742,705	\$17,430,517	6.66%
BT Wholesale Multi-Manager Moderate Fund	\$10,754,369	\$561,392	5.22%	\$6,299,161	\$488,732	7.76%
BT Wholesale Multi-Manager Balanced Fund	\$2,031,087,845	\$167,908,564	8.27%	\$1,789,251,560	\$160,500,347	8.97%
BT Wholesale Multi-Manager Growth Fund	\$753,167,830	\$71,584,201	9.50%	\$731,132,860	\$69,666,885	9.53%
BT Wholesale Multi-Manager High Growth Fund	\$182,700,355	\$20,134,556	11.02%	\$237,429,356	\$24,443,945	10.30%
1940's Lifestage Fund - A	\$142,104,375	\$6,774,678	4.77%	\$157,904,018	\$8,607,425	5.45%
1950's Lifestage Fund - A	\$1,412,106,158	\$75,099,931	5.32%	\$1,593,326,152	\$95,401,695	5.99%
1960's Lifestage Fund - A	\$4,465,054,818	\$320,544,312	7.18%	\$5,154,271,468	\$401,222,351	7.78%
1970's Lifestage Fund - A	\$6,198,760,890	\$559,671,980	9.03%	\$7,557,528,932	\$724,958,177	9.59%
1980's Lifestage Fund - A	\$5,589,618,539	\$504,673,907	9.03%	\$6,807,175,944	\$652,912,846	9.59%

1990's Lifestage Fund - A	\$1,630,064,607	\$147,174,815	9.03%	\$1,905,822,115	\$182,706,588	9.59%
WGP Lower Growth Option (Pool)	\$5,378,796	\$0	0.00%	\$1,953,216	\$0	0.00%
WGP Moderate Growth Option (Pool)	\$71,506,902	\$1,829,491	2.56%	\$75,210,787	\$2,589,948	3.44%
WGP Balanced Growth Option (Pool)	\$854,987,822	\$36,170,191	4.23%	\$992,788,494	\$51,204,895	5.16%
WGP Higher Growth Option (Pool)	\$420,113,940	\$13,776,293	3.28%	\$507,117,113	\$19,502,624	3.85%
WGP Active Defined Benefit Option (Pool)	\$1,074,363,943	\$42,339,252	3.94%	\$1,219,344,282	\$60,407,095	4.95%
WGP Pension Defined Benefit Option (Pool)	\$816,534,672	\$21,659,082	2.65%	\$892,525,902	\$30,193,147	3.38%

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BT – Westpac

BT102QW:

Can you please advise what exposure your members have to listed mortgage trusts and the value of those asset holders on:

- a. 1 January 2020?
- b. 25 April 2020?

Answer:

BT's superannuation funds currently have no direct investments to listed mortgage trusts.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
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BT – Westpac

BT103QW:

Do you expect that actual or expected hardship redemptions as a result of the COVID-19 pandemic will reduce, delay or otherwise impact shareholder returns? If so, how and to what extent?

Answer:

Based on the expected redemption amounts as a result of the government's early access scheme for members affected by COVID-19 (set out in our response under BT91QW), BT does not expect impacts listed in BT103QW to be observed on a material basis.

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
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BT – Westpac

BT104QW:

How many sexual harassment complaints have been lodged against your company in the last five years?

For each complaint, please set out:

- a. the jurisdiction
- b. how the complaint was resolved, and
- c. the remedies ordered or settlement amount.

Answer:

1 complaint:

- a. internal
- b. internal investigation
- c. disciplinary action

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

BT – Westpac

BT105QW:

In the context of understanding the value of your services to Australian superannuation members, can you please advise the remuneration package for your Chief Executive; specifically:

- a. base salary
- b. annual bonuses
- c. the accumulated value of deferred bonuses unpaid
- d. the accumulated value of deferred bonuses paid
- e. any other annual, bonus or deferred remuneration information or settlements not covered in the previous four points, and
- f. reimbursements for expenses.

Answer:

The Board of BT super entities delegates management responsibility to Executive Officers. The Remuneration of Executive Officers of BT's super entities is disclosed in our regulatory reporting:

<https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/bt-funds-management-limited.html>

<https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/bt-funds-management-no2-limited.html>

<https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/westpac-securities-administration-limited.html>

The remuneration for Executive Officers is paid by Westpac Banking Corporation and is not directly charged to any superannuation fund.

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BT – Westpac

BT106QW:

Please provide copies of your:

- a. annual report for the past five years, and
- b. company structure.

Answer:

- a. BT's annual reports are available here: <https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure.html>.
- b. Each of the RSE Licensees in the BT Group (i.e. BT Funds Management Limited, BT Funds Management No 2 Limited and Westpac Securities Administration Limited) is a wholly owned subsidiary of Westpac Banking Corporation.

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BT – Westpac

BT107QW:

Please provide details of sponsorship or sponsorship-like arrangements, marketing or marketing-like or in-kind arrangements for the past five years.

Answer:

Details of BT's sponsorship/marketing like arrangements for the past five years are set out in the table below.

Period	Sponsorship/marketing like arrangements	Total spend	Paid by
FY15	Nil	Nil	n/a
FY16	Nil	Nil	n/a
FY17	Nil	Nil	n/a
FY18	Institute of Managed Account Professionals Momentum Media National Media Knowledge Shop Rainmaker Information The Home Show Adviser Ratings Conexus	\$138,235	Westpac
FY19	Conexus Momentum Media Financial Planning Association of Australia	\$16,133	Westpac

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BT – Westpac

BT108QW:

Has your company ever made a donation (please include donations and 'other subscriptions') to any political party either directly or through a third party?

Answer:

Refer to our response provided in BT87QW.

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BT – Westpac

BT109QW:

Does your company have a relationship with the:

- a. Business Council of Australia?
- b. Financial Services Council?
- c. Australian Financial Markets Association?
- d. Institute for Public Affairs?

If so, please provide details of any amounts paid to each group.

Answer:

In relation to BT:

- a. No
- b. BT is a member of the Financial Service Council. Please refer our response provided in BT28QW for amounts paid.
- c. No
- d. No

Note the Westpac Group is a member of the Business Council of Australia and the Australian Financial Markets Association.

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BT – Westpac

BT110QW:

Are any commissions paid to employees?

If so, please provide:

- a. Details of these commission arrangements.
- b. The total amount of commissions paid for each of the last five years.
- c. The conflicts of interest policy for managing these commission arrangements. If so, please provide the details.

Answer:

BT does not pay commissions to employees.

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BT – Westpac

BT111QW:

Does your company/fund pay incentives (commissions, shelf fees, volume incentives) to win investment mandates?

If so, please provide the details.

Answer:

BT does not employ any commission structures for investment mandates. Please see the previously provided BT Financial Group Stewardship Policy (provided under BT89QW).

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BT – Westpac

BT112QW:

In the context of corporate governance, can you please provide for board directors (based or located in Australia or elsewhere) for the past five years:

- a. A list of the Board members and their biographies.
- b. De-identified total remuneration for each Board director.
- c. De-identified disaggregated remuneration for each Board Director, including:
 - i. Base salary.
 - ii. Annual bonuses.
 - iii. The accumulated value of deferred bonuses unpaid.
 - iv. The accumulated value of deferred bonuses paid.
 - v. Any other annual, bonus or deferred remuneration information not covered in the previous four points.
 - vi. Reimbursements for expenses.

Answer:

These details are disclosed in our regulatory reporting:

<https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/bt-funds-management-limited.html>

<https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/bt-funds-management-no2-limited.html>

<https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure/westpac-securities-administration-limited.html>

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT113QW:

Quantify the largest severance package, in dollar figures, that has ever been paid to an employee.

Answer:

The largest severance package ever paid to an employee was \$331,572

Noting: Severance payment is the payment made to an employee on their separation from the Bank when they were retrenched. The payment is based upon the Westpac policy for retrenchment which is based upon an employee's service and also has the applicable special ATO tax considerations applied.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT114QW:

Self-managed super funds

- a. Can you please advise whether you manage funds for SMSFs?
- b. Have you allowed individuals and/or SMSFs to co-invest alongside your investments?
- c. Do you allow individuals and/or SMSFs to co-invest alongside your investments?

Answer:

Not applicable to BT Funds Management Limited and Westpac Securities Administration Limited in their capacity as trustees of its superannuation funds.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT115QW:

Please advise whether you manage funds for:

- a. family trusts?
- b. trusts?
- c. registered organisations, and if so which registered organisations?

Answer:

Not applicable to BT Funds Management Limited and Westpac Securities Administration Limited in their capacity as trustees of its superannuation funds.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT116QW:

Managing money for related parties

- a. Do you manage money for any related parties, whether superannuation funds or otherwise?
- b. If so, which organisations or entities?
- c. In relation to these organisations or entities:
 - I. Are you aware whether those related parties have assessed the value of these arrangements, relative to best-practice arms-length arrangements available elsewhere, in terms of generating returns for members?
 - II. Please provide your conflicts of interest policy for managing related party arrangements.
 - III. Please provide your risk management approach for related party arrangements including line 1, line 2 and line 3 roles.

Answer:

- a. The BT superannuation trustee entities do not have investment management arrangements with other organisations or entities. In some cases, managed investment schemes of other responsible entities in the Group may hold an investment in an underlying fund operated by BT Funds Management Limited. For example, Advance Asset Management Ltd is the responsible entity for the Advance Diversified Multi Blend Funds, and these funds' underlying allocations include an investment in the BT Liquid Alternative Strategies Fund.
- b. Refer to response provided in BT116QW(a).
- c. (i) Yes, BT is aware the related parties have assessed the value of the arrangements outlined in BT116QW.
 - (ii) Investments into related parties are: identified under the Westpac Conflicts of Interest Policy; and approved by the Trustee.
 - (iii) Investment decisions with respect to related parties are considered on an arms-length basis, and consistent with Board-approved Strategic Asset Allocation strategies as well as disclosure documentation relevant to the investment / fund. These decisions are documented in a consistent manner, outlining the expected investor / member benefits and include identified conflicts that may arise through any related party investment transaction involved.

Related Party investment conflicts are disclosed in Board meetings and decisions regarding appropriate management of conflicts are minuted, this may include for example the use of separate sub committees of the Board. The proposal is reviewed by key stakeholders including 1st and 2nd line Risk teams, as well as internal legal counsel as part of an established investment governance process. Controls that manage related party risks are reviewed and tested regularly to confirm that they remain appropriately designed, implemented and operating effectively

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT117QW:

Please provide the number of clients by funds under management on behalf of each client, in the following ranges:

- <\$20 million
- \$20 million - \$50 million
- \$50 million - \$100 million
- \$100 million - \$1 billion
- >\$1 billion.

Answer:

Please see number of clients by funds under management in the table below.

Funds under management	Number of clients
<\$20 million:	288,479
\$20 million - \$50 million:	0
\$50 million - \$100 million:	0
\$100 million - \$1 billion:	0
>\$1 billion:	0

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT118QW:

Please list the individual private clients under management (including family trusts) for the following ranges:

- <\$20 million
- \$20 million - \$50 million
- \$50 million - \$100 million
- \$100 million - \$1 billion
- >\$1 billion.

Answer:

Not applicable, there are no private clients under BT's management.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT119QW:

Do you support remuneration disclosure laws in Corporations Law?

Answer:

BT supports appropriate remuneration disclosure. Proscribed remuneration disclosures can be found at: <https://www.bt.com.au/about-bt/bt-financial-group/additional-disclosure.html>.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT120QW:

If you are an investor in any banking institution, have you individually as a fund (or in collaboration with other funds), ever commissioned reports into its valuation in the past decade?

- a. If so, how many reports and in what year?
- b. Please provide copies.

Answer:

BTFM is an investor in banking institutions via externally managed investment mandates (i.e. no direct holdings in banking institutions are managed internally). No direct reports have been commissioned by BTFM.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT121QW:

Please provide details of the process you apply for assessing voting at annual general meetings of listed companies, including:

- a. The committee appointed to make decisions.
- b. The committee membership.
- c. Whether that committee reports to the board.
- d. What principles guide decision making.
- e. Whether there is a report to the board about decisions made.
- f. Whether decisions are made based on the objectives of improving capital value, or social or environmental priorities.

Answer:

Please note that this information is previously provided under BT89QW (i.e. refer to BT Financial Group Stewardship Policy).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

BT – Westpac

BT122QW:

In the context of your board:

- a. What is the process for board appointments?
- b. Is there a skills matrix completed before board appointments?
- c. Are any of your shareholders entitled to appoint directors?
- d. How, if at all, are shareholders represented to the board?
- e. How, if at all, are shareholders represented within the company?

Answer:

- a. The process for BT board appointments for non-executive directors includes the following steps:
 - Skills identification
 - External search firm appointed to shortlist candidates
 - Candidate interview by Trustee Board Chair and General Manager, Superannuation
 - Recommendation to shareholder for appointment

Executive Directors are appointed to the board as a result of their executive General Manager roles in the Superannuation and Platforms businesses, with General Manager recruiting processes applying to those roles.

- b. The BT board maintains a skills matrix and it is completed before board appointments.
- c. BT directors are appointed by the 100% shareholder (Westpac Banking Corporation).
- d. Refer to response provided in BT122QW(c).
- e. Refer to response provided in BT122QW(c).