

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

**BT15QW:**

Transferring to MySuper products

- a) What was the period of time you took to complete the transfer of your members' accrued default amounts (ADAs) into MySuper products following the commencement of the MySuper regime on 1 January 2014?
- b) How did that duration reflect the best interests of your members?
- c) Was there anything that prevented you from transferring accounts sooner?
- d) Please quantify the fee revenue lost if you had transferred members by 30 June 2014, 2015, 2016 and 2017 respectively.

**a) Answer:**

The Westpac superannuation business comprises three separate RSEL Trustees. In accordance with the requirements of Superannuation Prudential Standard (SPS) 410, each Trustee complied with all aspects of the requirements to attribute accrued default amounts (ADAs) to a suitable MySuper product before 1 July 2017, with each undertaking an extensive program of work to; identify ADAs, prepare and document transition plans (approved by the Board of each impacted Trustee), provide all required reporting to APRA and implementation activities. All transition work was completed by June 2017.

The following transitions occurred during this period:

<b>Product</b>	<b>ADA Members</b>	<b>Funds Under Management (FUM \$b)</b>	<b>ADA migration date</b>
LSF	17,759	\$0.30	17 Oct 2015
WGP	12,824	\$0.68	21 Nov 2015
LSEP	51,142	\$1.60	31 Oct 2016
BTBS	117,640	\$2.60	31 March 2017
AESA	52,839	\$1.40	31 May 2017
<b>Total</b>	<b>252,204</b>	<b>\$6.58</b>	

**b) Answer:**

Each Trustee's approved ADA transition program included extensive investigations, pre and post transition testing, communication with affected members, governance and assurance activities and communication with APRA. Each ADA transition was undertaken separately to other transitions and required the expertise of subject matter experts across our Product, Investments, Tax, Accounting, Information Technology, Legal, Risk and Customer Service teams. Each transition was documented, approved by the Board and communicated to APRA, in accordance with the requirements of SPS410. At all times, the best interests of members with ADA balances were considered, as well as the interests of other members within the impacted superannuation funds.

**c) Answer:**

Yes, to ensure the successful move of ~252,000 member accounts valued at ~\$6.5bn across multiple registry systems comprehensive transition plans were developed, documented and implemented for each transition. To minimise operational, investment, customer impact and key person risks, the ADA transitions were implemented across the suite of impacted Westpac superannuation funds in a tranching approach consistent with the overall migration strategy and transition plans approved by the Board of each impacted Trustee. This tranching approach allowed for the teams involved in the ADA transition activities to first conduct actions for funds with fewer impacted members, to ensure that the systems, processes and methods being used would be suitable for the larger, more complex ADA transitions. This reduced the overall operational and execution risk of each transition.

**d) Answer:**

As discussed above, the RSEL Trustees adopted a tranching approach to the ADA transitions with the main aim of reducing risk by completing the ADA transitions for smaller impacted superannuation funds first and key learnings from the experience to apply to the methods for the larger ADA transitions. Neither Westpac nor the Trustees tracked or reported on the revenue impact by conducting the ADA transitions in a tranching approach.

The approach taken by the Trustees was always to ensure that the ADA transitions were completed in accordance with the law, the requirements of SPS410, in the members' best interests (with respect to transitioning to a suitable MySuper product) prior to the 30 June 2017 transition end date. Any figure calculated to respond to this question, would not be a figure that has been prepared in accordance with any other obligation of the trustee past or present.