

Dear Shareholder

Cessation of Westpac's Shareholders Benefits Package

Westpac values its retail shareholders and has maintained a package of discounted products and services for shareholders since 1998.

With a very low take up in the Shareholders Benefits Package and increasing costs, we suspended the Package in November 2008 and asked shareholders to provide feedback to assist in a review of the Package.

We received much feedback from shareholders, and while there was some support for the Package, many of the benefits were seen as of little relevance to their needs and of little value.

The Package has been costly and difficult to administer, a factor that has been impacted by the expansion of The Westpac Group's suite of brands and products. In particular, The Westpac Group now operates multiple financial services brands including Westpac, St.George, BankSA, RAMS and BT Financial Group.

With only a small proportion of shareholders benefiting and an increasing cost to administer, we have decided to end the Package. This is to take effect 30 June 2009.

While we have ceased the Package, we will continue to make special offers to shareholders, the first of which appears in our shareholder newsletter included in this mailing.

We trust that shareholders appreciate the need to make these changes, which we believe are in the best interests of all shareholders. Frequently asked questions and answers on these changes are printed on the reverse of this letter.

For shareholders who have accessed a Term Deposit or a BT Margin Loan benefit prior to 30 June 2009, the benefit will continue until the next rollover or expiry date in the case of a Term Deposit, and the renegotiation/closing of any discounted Margin Loan account. Shareholders holding a Westpac Choice account under the Package as at 30 June 2009 will continue to receive that benefit until further notice. No action is required for shareholders with these accounts.

We encourage shareholders to speak with our branch employees, as they will be able to advise you on the products and services that best suit your needs.

If you have any questions, please contact the Shareholders Benefits Package line on 1300 360 599 or +61 2 9293 9270 from outside Australia.

Thank you for your continued support.



Anna Sandham
Company Secretary
2 July 2009