



Westpac Funds Management Limited
ABN 28 085 352 405
Level 20, 275 Kent Street
SYDNEY NSW 2000 Australia

28 November 2008

The Companies Announcements Platform
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**WESTPAC TPS TRUST – ARSN 119 504 380
CORRECTIONS TO WESTPAC TPS TRUST FINANCIAL ACCOUNTS LODGED ON 26 NOVEMBER
2008**

Westpac Funds Management Limited (“WFML”), the Responsible Entity of the Westpac TPS Trust (“Trust”), advises the market of corrections to the 30 September 2008 financial accounts of the Trust previously lodged with ASX on 26 November 2008.

The main changes to the financial accounts are in respect of Note 11 Financial Risk Management which are summarised as follows:

- Note 11 b) Liquidity and cash flow risk – To clarify the conversion and redemption rights of Westpac and the Trust in respect of the Trust Preferred Securities (“TPS”);
- Note 11 b) Liquidity and cash flow risk – To correct the disclosure of contractual maturities of financial liabilities in the table on page 33 of the financial accounts; and
- Note 11 c) Interest Rate Risk – To remove the weighted average interest rates from the table of financial assets and liabilities on page 34 of the financial accounts.

The Board of WFML submits the following revised financial accounts of the Trust to replace the previous financial accounts lodged with ASX on 26 November 2008.

Yours faithfully

Sean Ward
Company Secretary
Westpac Funds Management Limited

Westpac Funds Management Limited ABN 28 085 352 405, Australian Financial Services License No 233718 ("WFML"), carries on a financial services business that includes the operation of a number of managed investment schemes. An investment in any WFML scheme is not a deposit with or any other liability of Westpac Banking Corporation ABN 33 007 457 141 or any other company in the Westpac group of companies. It is subject to investment risk, including delays in repayment or loss of income and principal invested. None of Westpac Banking Corporation or its related entities stands behind or otherwise guarantees the capital value or investment performance of any part of WFML's financial service business, other than as specifically stated in the documentation for a financial product.

WESTPAC TPS TRUST

ASX final report – 30 SEPTEMBER 2008

Lodged with the ASX under Listing Rule 4.3A

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**Westpac TPS Trust
(ARSN 119 504 380)**

**Year ended 30 September 2008
Financial report**

Results for announcement to the market

Westpac TPS Trust (The Trust) was established on 10 May 2006. The reporting period is from 1 July 2007 to 30 September 2008.

The investment policy of the Trust continues to be that declared in the current Product Disclosure Statement dated 19 May 2006 and in accordance with the provisions of the governing documents of the Trust.

				<u>\$'000</u>
Total income (Note 1)	up	16%	to	58,142
Net operating profit (Note 2)	up/down	N/A %	to	-
Profit attributable to Westpac TPS holders	up/down	N/A %	to	-

Note 1: Total income consists of:

Interest received \$58.1 million

Note 2: Net operating profit is after the following expenses:

Interest paid \$58.1 million

The Trust issued 7,627,375 Westpac TPS at \$100 per Westpac TPS on 21 June 2006. Westpac TPS are preferred units in the Trust and are quoted on the Australian Securities Exchange ("ASX").

The Trust also issued 1 ordinary unit to Westpac Banking Corporation ("Westpac") at an issue price of \$100.

The following interest payments on the Westpac TPS and the ordinary unit were made or declared during the period:

Interest payments on Westpac TPS declared or paid during the period:

2 October 2007 (record date: 14 September 2007)	\$9,990,336 at \$1.3098 per Westpac TPS
31 December 2007 (record date: 12 December 2007)	\$10,577,643 at \$1.3868 per Westpac TPS
31 March 2008 (record date: 12 March 2008)	\$10,859,094 at \$1.4237 per Westpac TPS
30 June 2008 (record date: 13 June 2008)	\$11,727,089 at \$1.5375 per Westpac TPS
30 September 2008 (record date: 15 September 2008)	\$11,788,870 at \$1.5456 per Westpac TPS

Interest payments on ordinary unit declared or paid during the period:

2 October 2007 (record date: 14 September 2007)	\$2,743,067 at \$1 per ordinary unit
31 December 2007 (record date: 12 December 2007)	\$2,995,322 at \$1 per ordinary unit
31 March 2008 (record date: 12 March 2008)	\$3,136,514 at \$1 per ordinary unit
30 June 2008 (record date: 13 June 2008)	\$3,504,883 at \$1 per ordinary unit
30 September 2008 (record date: 15 September 2008)	\$3,514,360 at \$1 per ordinary unit

Brief explanation of income, net profit/ (loss)

Refer to directors' report

**Westpac TPS Trust
(ARSN 119 504 380)**

Directors' report

The directors of Westpac Funds Management Limited ("WFML") (ABN 28 085 352 405), the Responsible Entity ("RE") of Westpac TPS Trust (the "Trust"), present their report together with the general purpose financial report of the Trust for the year ended 30 September 2008.

Directors

The following persons held office as directors of WFML during the period and up to the date of this report unless otherwise stated:

Alan Cameron
Liam Forde
Sean McElduff
John McGee
David Westaway

Principal activities

The principal activities of the Trust comprised the issue of Westpac TPS and investing in Notes issued by Westpac Banking Corporation ("Westpac"). Quarterly distributions paid to Westpac TPS holders are sourced from interest received on the Notes issued by Westpac.

The Trust is a special purpose unit trust established on 10 May 2006 for the specific purpose of issuing Westpac TPS, which are preferred units in the Trust, to retail and institutional investors in Australia and investing in Notes issued by Westpac.

The Trust issued 7,627,375 Westpac TPS at \$100 per Westpac TPS on 21 June 2006. These commenced trading on the Australian Securities Exchange ("ASX") on a deferred settlement basis on 22 June 2006, and on a normal settlement basis on 27 June 2006. The gross proceeds from the issue of Westpac TPS were invested in Notes issued by Westpac.

Review of operations

The investment policy of the Trust continues to be that detailed in the Product Disclosure Statement ("PDS") dated 19 May 2006 and in accordance with the provisions of the governing documents of the Trust.

Results

The performance of the Trust, as represented by the results of its operations, was as follows:

	2008	2007
	\$'000	\$'000
Net operating profit	<u> -</u>	<u> -</u>

The net operating profit for the year ended 30 September 2008 is \$nil as interest income received on the Notes is subsequently paid to Westpac TPS holders and the ordinary unitholder as finance costs, and other expenses paid by the Trust are reimbursed by Westpac.

Quarterly distributions paid to Westpac TPS holders and the ordinary unitholder represent interest paid and not trust distributions as the Westpac TPS and the ordinary unit issued by the Trust are classified as liabilities in the balance sheet based on their redemption and settlement characteristics.

Indirect cost ratio ("ICR")

The ICR of the Trust for the financial period is nil as all expenses are reimbursed by Westpac.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Trust during the year.

Directors' report (continued)

Matters subsequent to the end of the financial year

Except as disclosed in the financial report, no other matter or circumstance has arisen since 30 September 2008 that has significantly affected, or may significantly affect:

- i) the operations of the Trust in future financial years; or
- ii) the results of those operations in future financial years; or
- iii) the state of affairs of the Trust in future financial years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Trust.

Indemnities

No insurance premiums have been paid by the Trust in regards to insurance cover provided to either the officers of WFML or the auditor of the Trust. Provided WFML and/or its officers act in accordance with the Trust Constitution and corporations law, WFML and its officers, respectively remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditor of the Trust is in no way indemnified out of the assets of the Trust.

Fees paid to and interests held in the Trust by the RE or its associates

No fees were paid, nor were any interests in the Trust issued or granted by the Trust, to the RE or its associates during the year ended 30 September 2008.

Interests in the Trust

The movement in Westpac TPS on issue in the Trust during the year is as set out below:

	2008	2007
	No.	No.
Westpac TPS on issue at the beginning of the period	7,627,375	7,627,375
Westpac TPS issued during the period	-	-
Westpac TPS redeemed during the period	-	-
Westpac TPS on issue at 30 September	<u>7,627,375</u>	<u>7,627,375</u>
Value of assets	\$'000	\$'000
Value of Trust assets at 30 September	<u>762,738</u>	<u>775,471</u>

The value of the Trust's assets is derived using the basis set out in Note 1 to the financial statements.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts

The Trust is a registered scheme of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Directors' report (continued)

Auditor

PricewaterhouseCoopers continues in office in accordance with section 331AAA of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* is set out on page 5 and forms part of this report.

The report is made in accordance with a resolution of the directors.

Director

Director

Sydney, 28 November 2008

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Auditor's Independence Declaration

As lead auditor for the audit of Westpac TPS Trust for the year ended 30 September 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Westpac TPS Trust for the year ended 30 September 2008.



JW Bennett
Partner
PricewaterhouseCoopers

28 November 2008
Sydney

Corporate governance

Framework and approach to corporate governance and responsibility

This section outlines the main corporate governance practices that are currently in place for Westpac Funds Management Limited in its capacity as Responsible Entity ("RE") of various listed and unlisted managed investment schemes (together the "Schemes").

The approach of the RE and the Schemes to corporate governance is to have a set of values and behaviours that underpin everyday activities, ensure transparency and fair dealing, and protect stakeholder interests. As part of the Westpac group of companies ("Westpac Group"), the RE also benefits from Westpac Banking Corporation's corporate governance framework, including risk and capital management policies, procedures and controls.

This approach includes a commitment to best practice governance standards, which the board of directors of the RE ("Board") sees as fundamental to the sustainability of the Schemes' and the RE's business and performance.

The Board's approach has been guided by the principles and practices which are in the best interests of investors while ensuring full compliance with legal requirements. In pursuing its commitment to best practice governance standards, the Board will continue to review and improve its governance practices and, as a member of the Westpac Group, the RE will benefit from Westpac Banking Corporation ("Westpac") continuing to:

- monitor global developments in best practice corporate governance;
- contribute to local and international debates on what represents best corporate governance practice; and
- review and improve its governance practices.

ASX Best Practice Recommendations

In developing its overall approach to corporate governance, the Board has been guided by:

- the "Principles of Good Corporate Governance and Best Practice Recommendations" 2nd edition, published in August 2007 by the Australian Securities Exchange Limited's Corporate Governance Council ("Recommendations"), together with the Implementation Review Group Report dated 31 March 2004, the Implementation Review Group Second Report published in February 2005 and the associated 'If not why not?' Corporate Governance Reporting Examples;
- the Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004 (also known as CLERP 9); and
- the Australian Standard AS8000 Good Governance Principles.

The ASX Listing Rules require listed entities (or in the case of a listed trust, the responsible entity of that trust) to include in their annual report a statement disclosing the extent to which they have followed the Recommendations during the reporting period, identifying the Recommendations that have not been followed and providing reasons for that variance.

This Corporate Governance Statement sets out each of the Recommendations in full and provides details of how the RE and the Schemes have addressed these Recommendations.

While the August 2007 revision of the Recommendations is expressed to be relevant to annual reports for financial years commencing after 1 January 2008, the Board has decided to respond to the revised Recommendations in this 07 – 08 annual report.

Corporate governance (continued)

A copy of this Corporate Governance Statement is available on the RE's website at www.westpacfunds.com.au

Date of this statement

This statement reflects the corporate governance policies and procedures of the RE and each of the Schemes as at 30 September 2008.

Principle 1: Lay solid foundations for management and oversight

It is the responsibility of the Board to ensure that the foundations for management and oversight of the RE and the Schemes are established and appropriately documented.

Role of the Board

The Board has formalised its role and responsibilities into a charter. The Board Charter clearly defines the matters reserved for the Board and those that the Board has delegated to senior executives.

In summary, the Board's responsibilities include:

- providing strategic direction and approving significant strategic initiatives in line with the constitutions of the Schemes;
- determining the size and composition of the Board including the identification and evaluation of future directors;
- approving compliance plans and monitoring the effectiveness of compliance procedures;
- considering audit committee recommendations and approving the Schemes' half year and end of year financial statements (including the Directors' Declaration);
- monitoring the effectiveness of the RE's risk management strategy and maintaining a direct and ongoing dialogue with the RE's auditors and regulators;
- determining the scope of authority (and any limits on that authority) delegated to senior management and determining whether all actions taken by the RE are within the authorisation of its Australian Financial Services Licence;
- appointing external auditors in respect of the RE's financial statements and each of the Scheme's financial statements and compliance plans; and
- determining the terms of reference, membership and composition of the RE's compliance, audit and related party transaction committees.

A copy of the Board Charter is available at www.westpacfunds.com.au

The Board has delegated to management responsibility for:

- developing and implementing each of the Scheme's strategies and making recommendations on significant strategic initiatives;
- maintaining an effective risk management framework and keeping the Board fully informed about material risks;
- developing an annual budget and managing day-to-day operations within the budget;
- managing day-to-day operations in accordance with standards for social and ethical practices which the Board has set; and

Corporate governance (continued)

- negotiating agreements and contracts with third parties to provide services to the Schemes.

The RE has established a compliance committee. More detail is given below under Principle 2.

◆ ASX Best Practice Recommendation 1.1

Recommendation 1.1 states that Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions. This has been done in the Board Charter, summarised above under Principle 1.

◆ ASX Best Practice Recommendation 1.2

Recommendation 1.2 states that companies should disclose the process for evaluating the performance of senior executives.

As employees of the Westpac Group, all of the senior executives responsible for the operation of the RE and the Schemes are subject to performance evaluation procedures which apply to all employees of the Westpac Group. These performance evaluations have taken place during the reporting period. All new senior executives responsible for the operation of the RE have the opportunity to participate in an induction program.

◆ ASX Best Practice Recommendation 1.3

Recommendation 1.3 states Companies should provide the information indicated in the Guide to reporting on Principle 1.

Information indicated in the Guide is set out above under Principle 1

Principle 2: Structure the Board to Add Value

The secret to strong and effective corporate governance is a healthy boardroom culture which promotes full disclosure of all relevant information, open discussion and the opportunity to challenge. The Board of the RE believes that sound corporate governance is crucial to protecting the interests of investors.

The Board members have a broad range of relevant financial and other skills, experience and expertise to meet its objectives. The Board determines its size and composition, subject to the RE's constitution which requires that the Board comprise a minimum of one and a maximum of twelve directors ("Directors").

Composition of the Board

The composition of the current Board, with details of individual Directors' backgrounds, is set out below.

Alan Cameron

Alan Cameron AM was appointed to the Board on 8 May 2006 as an independent non-executive Director. Alan is the current Chairman of the Board, and Chairman of the related party transaction committee, an independent member of the audit and a member of the compliance committee. Alan was Chairman of ASIC from 1993 to 2000, Commonwealth Ombudsman in 1991 and 1992, Deputy Chairman of SFE Corporation Limited from 2001 to 25 July 2006, a director of Multiplex Limited and Multiplex Funds Management Limited from 4 December 2006 to 15 October 2007, and managing partner of the law firm Blake Dawson Waldron (now Blake Dawson) for five years during the 1980s.

Corporate governance (continued)

He is now chairman of ASX Market Supervision Pty Limited, the Reliance Rail Group of companies and Cameron Ralph Pty Limited, a director of LLFG Limited, an adviser and consultant on regulatory matters, Deputy Chancellor of the University of Sydney, and a member of the NSW Judicial Commission. He is a Fellow of the Australian Institute of Company Directors.

Liam Forde

Liam Forde was appointed to the Board on 8 May 2006 as an independent non-executive Director of the Board. Liam is the independent Chairman of the audit committee, a member of the compliance committee and an independent member of the related party transaction committee. Liam contributes a wealth of experience and knowledge developed over a career spanning more than 30 years. Liam has held senior executive positions in a variety of industries including Ford Motor Company in the United Kingdom, Simpson Holdings Limited and Baulderstone Hornibrook in Australia. Liam is an experienced executive who has operated at CEO and in cross-functional roles across a diversity of industries operating in both domestic and international markets. Liam was formerly Chief Executive of Baulderstone Hornibrook one of Australia's leading construction and engineering companies, is the chairman of Hastings Funds Management Limited, a director of Lynas Corporation Limited, Colostar Pty Limited, Rosecorp Pty Ltd Advisory Board, Hyder Consulting Advisory Board and Jeminex Limited, and is a member of the Australian Institute of Company Directors.

John McGee

John McGee was appointed to the Board on 14 December 2006 as an independent non-executive Director of the Board. John is the independent Chairman of the compliance committee and an independent member of the audit and related party transaction committees. John has worked in the financial services industry for over 20 years and has particular expertise in mortgage securitisation, life insurance and funds management. He is currently managing director of Bank of New York Mellon's Australian Corporate Trust business. John is also a non-executive director of Private Health Insurance Administrative Council (a federal government body that regulates the private health insurance industry).

Sean McElduff

Sean McElduff was appointed to the Board on 27 August 2003 as an executive Director. He has been employed by Westpac Banking Corporation since 1977 and has held a general management role in Westpac Institutional Bank since April 1999. Sean has extensive domestic and offshore banking experience having held senior roles in both the corporate finance and capital market areas. In February 2003, Sean was appointed General Manager of the Specialised Capital Group, the division within Westpac Institutional Bank which is responsible for both Hastings funds Management Limited ("Hasting") and Westpac Funds Management Limited ("WFML"). During the past years, Sean has been a member of the investment committee for Hastings. Sean holds a Bachelor of Business degree in Accounting and is a member of the Australian Institute of Company Directors.

David Westaway

David Westaway was appointed to the Board on 14 December 2006 as an executive Director of the Board. David has been with Westpac since 1977 and during that time has held a number of different roles both domestically and offshore. More recently David has held senior management roles in the Specialised Capital Group, Treasury, Finance and Mergers and Acquisitions. David joined the Specialised Capital Group in May 2003 and is currently an Executive Director of the Specialised Capital Group.

Meetings of the Board

The Board approves all important documents concerning the RE and the Schemes, such as product disclosure statements, prospectuses, information memorandums, notices of meetings, financial statements, compliance plans and related party transaction documents, as and when required. In

Corporate governance (continued)

addition, the Board meets on a monthly basis during the year and whenever otherwise necessary to deal with specific matters needing attention between the scheduled meetings. Formal meetings attended by Directors for the period from 1 October 2007 to 30 September 2008 are set out below:

**Attendance at Board meetings*
(1 October 2007 – 30 September 2008)**

Director	Number of meetings held eligible to attend*	Number of meetings attended*
Alan Cameron	16	15
Liam Forde	16	13
John McGee	16	14
Sean McElduff	16	15
David Westaway	16	12

* This table does not include matters dealt with by the Board by way of circular resolutions.

Conflicts of interest

The Board is conscious of its obligation to ensure that Directors avoid conflicts of interests (both real and apparent) between their duty to the Schemes and the RE and their own interests.

Any Director with a material personal interest in a matter being considered by the Board must declare their interest and unless the Board resolves otherwise, they may not participate in boardroom discussions or vote on matters on which they face a conflict.

There are a number of policies within the Westpac Group relating to the management of conflicts of interest, such as the Insider Trading Policy. Where these types of conflicts apply to the Board there is a consistent approach adopted.

Review of performance

Review of the Board's performance, nomination of new Directors, retirement of Directors and compulsory retirement of Directors are matters that are considered as a whole by the Board. The Board devotes time to these matters as a specific agenda item at least once each year.

Access to information and advice

All Directors have unrestricted access to records and information of the RE and the Schemes and receive regular detailed financial and operational reports from senior management to enable them to carry out their duties. The Board collectively, and each Director individually, has the right to seek independent professional advice to help them carry out their responsibilities, at the expense of the RE. All Directors have access to advice from the Company Secretary and the Assistant Company Secretary at any time.

Corporate governance (continued)

Induction and Education

On appointment, all Directors are offered an induction pack to familiarise them with matters relating to our business, strategy and any current issues before the Board.

Directors have access to continuing education programs that are given by external law firms on behalf of Westpac Banking Corporation's Group Secretariat department.

Compliance Committee

The RE has a compliance committee which was established with effect from 5 April 2002. The compliance committee is governed by terms of reference formally adopted by the Board and is responsible for monitoring the RE's compliance with the Corporations Act, the RE's constitution and its compliance plans.

A compliance plan is a plan which sets out measures that the RE must apply in operating a managed investment scheme to ensure compliance with the Corporations Act and the RE's constitution. In particular the compliance committee is responsible for:

- monitoring the RE's compliance with its compliance plans to ensure that the RE exercises appropriate due diligence to avoid any breach of law or regulation;
 - reporting to the RE if it becomes aware or suspects any breach of law or breach of the RE's constitution;
 - assessing the adequacy of the RE's compliance plans and recommending any changes to the Board; and
 - reviewing the external auditor's audit of the RE's and each of the Scheme's compliance plans.
- The compliance committee is composed of the independent directors. The current members of the committee and their position within the committee are:

- John McGee, member and Chairman;
- Alan Cameron, member; and
- Liam Forde, member.

Pursuant to the compliance committee's terms of reference, each committee member is required to:

- act honestly;
- exercise the degree of care and diligence that a reasonable person would exercise if they were in the member's position; and
- not make use of information or their position as a member of the compliance committee in order to gain an improper advantage for themselves or another person, or cause detriment to the investors in the Schemes.

The terms of reference for the compliance committee can be found at www.westpacfunds.com.au.

◆ ASX Best Practice Recommendation 2.1

Recommendation 2.1 states that the majority of the Board should be independent directors.

Corporate governance (continued)

The Board has adopted a definition of independence which is based on the definition that the Board of Westpac has adopted to assess the independence of its directors. This definition of independence is available in the corporate governance section at www.westpacfunds.com.au/corporategovernance.asp.

The Board is composed of three independent non-executive Directors and two executive Directors and, accordingly, the approach adopted by the RE is consistent with ASX Best Practice Recommendation 2.1.

◆ **ASX Best Practice Recommendation 2.2**

Recommendation 2.2 states that the chair of the Board should be an independent director.

Alan Cameron, the Chairman of the Board, is an independent Director.

Accordingly, the approach adopted by the RE is consistent with ASX Best Practice Recommendation 2.2.

◆ **ASX Best Practice Recommendation 2.3**

The approach adopted by the Board of the RE is consistent with Recommendation 2.3 which states that the roles of chair and chief executive officer (or equivalent) should not be exercised by the same individual.

The Chairman of the Board is Mr Alan Cameron and the person holding the equivalent position to chief executive officer in respect of the Schemes is Mr Steve Bulloch. It should be noted that the salaries of the executive Directors and all staff responsible for the operation of the RE and the Schemes are paid by the Westpac Group.

◆ **ASX Best Practice Recommendation 2.4**

Recommendation 2.4 states that the Board should establish a nomination committee.

A nomination committee will generally be responsible for assessing competencies of board members, reviewing board succession plans, evaluating board performance and making recommendations for the appointment and removal of directors. In its "Corporate Governance Principles and Recommendations" 2nd edition, published in August 2007, the ASX Corporate Governance Council stated:

"A board nomination committee is an efficient mechanism for examination of the selection and appointment practices of the company... For smaller boards, the same efficiencies may not be derived from a formal committee structure."

The Board has elected not to establish a nomination committee on the basis that it is only a relatively small board, the RE is a wholly owned subsidiary of Westpac, and it is able to efficiently carry out the functions which would otherwise be delegated to a nominations committee.

◆ **ASX Best Practice Recommendation 2.5**

Recommendation 2.5 states that Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.

Corporate governance (continued)

The Board formally reviews its overall performance, as well as the performance of all committees and individual Directors at least once each year. The Directors are surveyed on various facets of the Board's and committee's performance. A formal report collating the answers to the survey of the Directors is prepared and given to the Directors. The Directors meet and discuss the report and the Board's performance generally. These matters are specifically reserved for consideration by the Board under the Board Charter.

In addition, as employees of the Westpac Group, all executive Directors responsible for the operation of the RE and the Schemes are subject to performance evaluation procedures which apply to all employees of the Westpac Group.

The performance evaluation for the Board, its committees and directors has taken place in the reporting period, in accordance with the process.

◆ ASX Best Practice Recommendation 2.6

Recommendation 2.6 states that Companies should provide the information indicated in the Guide to reporting on Principle 2.

Information indicated in the Guide is set out above under Principle 2.

Principle 3: Promote Ethical and Responsible Decision Making

All executive Directors, managers and employees involved in the operation of the Schemes and the RE are employees of the Westpac Group and, together with the independent Directors, and along with all other employees in the Westpac Group, are required to act honestly and with integrity.

Code of Conduct

The Board has adopted a Code of Conduct which governs workplace and human resource practices, risk management and legal compliance. This Code of Conduct is the same code which applies to all Westpac Group employees without exception, and therefore applies to all Directors of the RE, managers and employees of the Westpac Group involved in the operation of the Schemes and the RE. The Code of Conduct is aligned to the Westpac Group's core values of teamwork, integrity and achievement.

A copy of the Code of Conduct is available at www.westpacfunds.com.au.

Supporting Policies

All Directors and employees are subject to restrictions under the law relating to dealing in certain financial products, including securities in a company, if they are in possession of inside information. Inside information is information that is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities of the company.

In addition to the restrictions imposed by law, the Board of the RE has adopted Westpac's Personal Trading and Insider Trading policies. These policies apply to all Directors of the RE, managers and employees of the Westpac Group involved in the operation of the Schemes and the RE.

A copy of the Insider Trading Policy is available at www.westpacfunds.com.au.

Corporate governance (continued)

Conflicts of Interest

The Board has taken action to ensure that the Directors of the RE, together with all managers and employees involved in the operation of the RE and the Schemes, are provided with appropriate guidance in respect of potential conflicts of interest. In particular, the Board has:

- adopted Westpac's Conflicts of Interest Policy. The aim of this policy is to assist in recognising conflicts of interest and determining appropriate disclosure and other responses in the event that a conflict arises. The policy promotes vigilance in the conflicts area which in turn reduces the possibility of a conflict arising;
- positioned the RE within "Chinese walls" in the Westpac Group in order to promote independence and to minimise the potential for a conflict of interest; and
- been guided by the Scheme's compliance plan and the RE's related party transaction policy.

Related Party Transaction Committee

The Board has formed a related party transaction committee to make decisions in relation to the appropriateness of any related party transaction the RE or any of the Schemes propose to enter into with any related party, in particular members of the Westpac Group.

A formal related party transaction committee charter has been adopted setting out the committee's role and responsibilities, composition, structure and membership requirements.

The related party transaction committee comprises three independent members of the Board. The current members of the related party transaction committee, and the position each member holds within the committee, are set out below:

- Alan Cameron – independent member and Chairman;
- Liam Forde – independent member; and
- John McGee – independent member.

The Board has approved a related party transaction policy. The policy details the circumstances, terms and conditions as to when related party transactions will be appropriate for the RE and the Schemes and the supporting evidence required. The basic principles are that related party transactions should be in the best interests of investors and on arm's length terms.

In particular the related party transaction committee is responsible for:

- monitoring the RE's compliance with its related party transaction policy;
- establishing that the interests of investors are the dominant interests in the purpose of the related party transaction and the benefits of the related party transaction; and
- ensuring that any related party transaction is appropriate for each of its Schemes in that:
 - the transaction is one that appears to favour the best interests of investors over the interests of the RE or a Westpac Group related party;
 - the transaction is on arm's length terms; and

Corporate governance (continued)

- if there is a risk of investor criticism for entering into the transaction, that the risk is acceptable.

Copies of the related party transaction committee charter and a summary of the related party transaction committee policy are available at www.westpacfunds.com.au.

◆ ASX Best Practice Recommendation 3.1

The approach adopted by the RE is consistent with Recommendation 3.1 which states that Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the RE's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices .

◆ ASX Best Practice Recommendation 3.2

The approach adopted by the RE is consistent with Recommendation 3.2 which states that Companies should establish a policy concerning trading in the Scheme's securities by directors, senior executives and employees and disclose the policy or a summary of the policy.

◆ ASX Best Practice Recommendation 3.3

Recommendation 3.3 states that companies should provide the information indicated in the Guide to reporting on Principle 3.

Information indicated in the Guide is set out above under Principle 3.

Principle 4: Safeguard Integrity in Financial Reporting

The Board of the RE is committed to four basic principles:

- that the financial reports present a true and fair view;
- that each of the Scheme's and the RE's accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies;
- that the external auditors are independent and serve investors' interests by ensuring that investors know the true financial position of each of the Schemes; and
- that Australian and international developments are monitored and practices reviewed accordingly.

External auditor

The external auditor, PricewaterhouseCoopers, has been engaged to perform an audit of the financial accounts and the compliance plans of each of the Schemes. In respect of most Schemes, audit fees are borne by the relevant Scheme however in respect of one of the Schemes, audit fees are borne by Westpac Banking Corporation.

The RE, as part of the Westpac Group, has adopted the Westpac Group's audit governance policy to the extent that:

Corporate governance (continued)

- the audit firm is prohibited from having a financial interest in any entity with a controlling interest in the RE or any member of the Westpac Group;
- the audit firm engagement team in any given year cannot include a person who has been an officer of any member of the Westpac Group during that year;
- the audit partner and any audit firm employee is prohibited from being an officer of the RE or any member of the Westpac Group;
- the audit firm, its partners, its employees on the Schemes' audits and their immediate family members are prohibited from having loans or guarantees with any member of the Westpac Group, or material indirect investments or a business relationship with any member of the Westpac Group unless the relationship is clearly insignificant to both parties;
- the Schemes' auditors attend the audit committee and Board meetings at which the Schemes' financial statements are approved; and
- the Schemes' auditors attend the compliance meetings at which the results of the compliance plan audits are presented.

The external auditor is not able to carry out the following types of non-audit services for any member of the Westpac Group:

- preparation of accounting records and financial statements;
- financial information technology systems design and implementation;
- appraisal or valuation services and other corporate finance activities;
- internal audit services;
- temporary or permanent staff assignments, or performing any decision making, supervisory or ongoing monitoring or management functions;
- broker or dealer, investment adviser or investment banking;
- legal, litigation, or other expert services;
- actuarial services; or
- recruitment services for managerial, executive or director positions.

Audit Committee

An audit committee will generally be responsible for reviewing the integrity of a company's financial reporting and overseeing the independence of external auditors. In its "Corporate Governance Principles and Recommendations" 2nd edition, published in August 2007, the ASX Corporate Governance Council stated:

"A board audit committee is an efficient mechanism for focusing on issues relevant to the integrity of the company's financial reporting.... For smaller boards, the same efficiencies may not be derived from a formal committee structure."

The Board formed the view that the establishment of an audit committee would be of benefit to the RE and the Schemes and therefore on 23 June 2004 the Board formally approved the formation of an audit committee.

Corporate governance (continued)

A formal audit committee charter has been adopted setting out the audit committee's role and responsibilities, composition, structure and membership requirements.

The audit committee is comprised of three independent members. The current members of the audit committee, and the position each member holds within the Committee, are set out below:

- Liam Forde – independent member and Chairman;
- Alan Cameron – independent member; and
- John McGee – independent member.

The members of the audit committee also comprise the membership of the compliance committee. The ASX Corporate Governance Council has recognised that, in respect of Schemes, the functions of an audit committee may overlap with the functions of a compliance committee as both committees serve substantively similar purposes.

A copy of the audit committee's charter is available at www.westpacfunds.com.au.

Attendance at Committee meetings* (1 October 2007 – 30 September 2008)

Director	Number of meetings held eligible to attend*	Number of meetings attended*
Liam Forde	9	9
Alan Cameron	9	9
John McGee	9	7

◆ ASX Best Practice Recommendation 4.1

The procedures implemented by the RE are consistent with Recommendation 4.1 which states that the Board should establish an audit committee. The Board formally approved the formation of the audit committee on 23 June 2004.

◆ ASX Best Practice Recommendation 4.2

Recommendation 4.2 states that the audit committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the board; and
- has at least three members.

The audit committee comprises three non-executive independent directors; the chair is an independent director and is not the chair of the Board.

Accordingly the approach adopted by the RE is consistent with Recommendation 4.2.

Corporate governance (continued)

◆ ASX Best Practice Recommendation 4.3

Recommendation 4.3 states that the audit committee should have a formal charter. A copy of the audit committee's charter is available at www.westpacfunds.com.au/corporategovernance.asp

◆ ASX Best Practice Recommendation 4.4

Recommendation 4.4 states that Companies should provide the information indicated in the Guide to reporting on Principle 4.

Information consistent with the Guide is set out above under Principle 4.

Principle 5: Make Timely and Balanced Disclosure

The RE is committed to giving all investors in each of the Schemes comprehensive and equal access to information about their respective Scheme's activities, and to fulfil continuous disclosure obligations to the broader market.

Market Disclosure Policy

The Board has adopted a Market Disclosure Policy which governs how the RE communicates with investors and the market with respect to its listed and unlisted Schemes. This policy, which is closely aligned with Westpac's Market Disclosure Policy, is designed to ensure compliance with the ASX Listing Rules and continuous disclosure requirements. It ensures any information that a reasonable person would expect to have a material effect on the price of the securities of each of the listed and unlisted Schemes is disclosed.

This policy applies to all Directors, managers and employees of the Westpac Group involved in the operation of the Schemes and the RE.

A summary of the Disclosure Policy is available at www.westpacfunds.com.au.

◆ ASX Best Practice Recommendation 5.1

The approach adopted by the RE is consistent with ASX Best Practice Recommendation 5.1 which states that Companies should establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at senior executive level for that compliance, and disclose those policies or a summary of those policies.

◆ ASX Best Practice Recommendation 5.2

Recommendation 5.2 states that Companies should provide the information indicated in the Guide to reporting on Principle 5.

Information indicated in the Guide is set out above under Principle 5.

Principle 6: Respect the Rights of Shareholders

In addition to its statutory reporting obligations, the RE is committed to giving comprehensive, timely and ongoing access to information to investors in each of the Schemes, so that they can make informed investment decisions. It seeks to accomplish this through:

Corporate governance (continued)

- the annual reports distributed after the end of each Scheme's financial year;
- updates to all investors on a quarterly or half-yearly basis and whenever significant developments occur;
- investor briefings; and
- posting relevant information on the RE's internet site.

Investors are also given the option to receive company information in print or electronic format.

In addition, RE contact details are available on the RE's internet site (www.westpacfunds.com.au) should any further information be required.

◆ ASX Best Practice Recommendation 6.1

Recommendation 6.1 states that Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings, and disclose this policy or a summary of this policy.

The disclosure under Principle 6 above is consistent with the relevant aspects of ASX Best Practice Recommendation 6.1.

◆ ASX Best Practice Recommendation 6.2

Recommendation 6.2 states that Companies should provide the information indicated in the Guide to reporting on Principle 6.

Information indicated in the Guide is set out above under Principle 6.

Principle 7: Recognise and Manage Risk

A key strategy of the RE is to effectively manage the risks inherent in its business while supporting the reputation, performance and success of the RE and each of the Schemes. The RE's approach is to develop policies, controls and procedures for identifying and managing risk, all aimed at achieving an appropriate balance between the assumption of risk and the pursuit of reward.

The RE, as part of the Westpac Group, has adopted Westpac's approach to risk management. The Board has specifically recognised the following major risk areas:

- credit risk, being the risk of financial loss from the failure of counterparties to meet their obligations and honour fully the terms of their contract;
- market risk, being the potential for losses arising from adverse movements in the level and volatility of market rates, such as interest rates;
- operational risk, being the risk of inadequate or failed internal processes, people and systems or from external events; and
- compliance risk being the risk of failure to comply with all applicable legal and regulatory requirements.

Corporate governance (continued)

The Board is responsible for approving the overall risk management framework in addition to the risk strategies for each Scheme and monitoring and reviewing the performance of management. Executive management is responsible for implementing the Board-approved risk management framework and strategies and for developing policies, controls, processes and procedures to identify and manage risks in all of the Schemes' activities.

An important management process is the vetting of all new investment proposals by an investment committee comprised of senior executive managers.

◆ ASX Best Practice Recommendation 7.1

Other than in respect of the disclosure of a summary of policies, the approach adopted by the RE is consistent with ASX Best Practice Recommendation 7.1 which states that Companies should establish policies for oversight and management of material risks and disclose a summary of those policies. The RE will consider publishing on its website summaries of those policies during the 2008 – 2009 financial year.

◆ ASX Best Practice Recommendation 7.2

The procedures implemented by the RE are consistent with ASX Best Practice Recommendation 7.2 which states that the Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

The Board is able to assess the effectiveness of the RE's management of its material business risks by review of internal and external audit reports, as a consequence of dealing with requests to implement and vary transactions, through the monthly management reports and the involvement of individual directors as executives in the business and in disclosure and due diligence committees.

◆ ASX Best Practice Recommendation 7.3

The approach of the RE is consistent with Recommendation 7.3 which states that the Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

This has been done for the declaration relating to the current reporting period.

◆ ASX Best Practice Recommendation 7.4

Recommendation 7.4 states that companies should provide the information indicated in the Guide to reporting on Principle 7.

Information indicated in the Guide is set out above under Principle 7.

Principle 8: Remunerate fairly and responsibly

Executive Directors and the staff responsible for the operation of the RE and the Schemes are employees of Westpac and, as such, are remunerated by Westpac, not the Schemes.

Westpac has a robust framework in place which ensures that the level and composition of remuneration paid to executive Directors and staff responsible for the operation of the RE and the Schemes is sufficient, reasonable and explicitly linked to performance.

Corporate governance (continued)

The independent Directors of the RE are paid an annual fee by the RE directly. The independent Directors' fees are not paid by any of the Schemes. The RE is entitled to a fee for its services as RE of each of the Schemes but the independent non-executive Directors' annual fee is not linked to the fee amount received by the RE.

Accordingly, the financial performance of each of the Schemes is not affected by the payment of any remuneration.

The fees paid to the RE by each of the Schemes are disclosed in the Directors' report for each Scheme.

For details of the Westpac Group's remuneration policy, please refer to the Westpac Banking Corporation's Annual Financial Report.

◆ ASX Best Practice Recommendation 8.1

Recommendation 8.1 states that the Board should establish a remuneration committee. The Board has elected not to establish a remuneration committee on the basis that the remuneration of executive and independent Directors and staff involved in the operation of the RE and the Schemes is the responsibility of Westpac and is governed by Westpac policies and frameworks.

◆ ASX Best Practice Recommendation 8.2

The approach adopted by the RE is consistent with Recommendation 8.2 which states that companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. All executive directors, managers and employees involved in the operation of the Schemes are employees of the Westpac Group and remunerated by the Westpac Group. The independent directors are paid a fee directly by the RE and not by the Schemes. The RE is a subsidiary of Westpac Banking Corporation and the Westpac Group's remuneration policies have been disclosed in the Westpac Banking Corporation Annual Financial Report.

◆ ASX Best Practice Recommendation 8.3

Recommendation 8.3, states that Companies should provide the information indicated in the Guide to reporting on Principle 8.

Information indicated in the Guide is set out above under Principle 8.

**Westpac TPS Trust
(ARSN 119 504 380)**

**Income statement
For the year ended 30 September 2008**

	Note	2008 \$'000	2007 \$'000
Income			
Interest income	3	<u>58,142</u>	<u>50,187</u>
Total income		<u>58,142</u>	<u>50,187</u>
Expenses			
Finance costs	4	<u>58,142</u>	<u>50,187</u>
Total operating expenses		<u>58,142</u>	<u>50,187</u>
Net operating profit		<u><u>-</u></u>	<u><u>-</u></u>

The above income statement should be read in conjunction with the accompanying notes.

Earnings per Westpac TPS for the year ended 30 September 2008 is \$nil. Refer to Note 15 for detail on the earnings per unit.

**Westpac TPS Trust
(ARSN 119 504 380)**

**Balance sheet
As at 30 September 2008**

	Note	2008 \$'000	2007 \$'000
Current assets			
Cash and cash equivalents		-	-
Receivables	6	-	12,733
Total current assets		-	12,733
Non-current assets			
Receivables - Investment in Notes	6	762,738	762,738
Total non-current assets		762,738	762,738
Total assets		762,738	775,471
Current liabilities			
Payables	7	-	12,733
Total current liabilities		-	12,733
Non-current liabilities			
Interest bearing liabilities - Westpac TPS issued	8	762,738	762,738
Ordinary unit	9	-	-
Total non-current liabilities		762,738	762,738
Total liabilities		762,738	775,471
Net assets		-	-

The above balance sheet should be read in conjunction with the accompanying notes.

**Westpac TPS Trust
(ARSN 119 504 380)**

**Statement of changes in equity
For the year ended 30 September 2008**

	2008 \$'000	2007 \$'000
Total equity at the beginning of the financial period	-	-
Net income/(expense) recognised directly in equity	-	-
Profit/(loss) for the financial period	-	-
Total recognised income and expense for the financial period	-	-
Transactions with unitholders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

Under A-IFRS, the Westpac TPS and the ordinary unit are classified as liabilities rather than equity and all income is distributed as a finance cost. As a result, there was no equity at the start or end of the period.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**Westpac TPS Trust
(ARSN 119 504 380)**

**Cash flow statement
For the year ended 30 September 2008**

	Note	2008 \$'000	2007 \$'000
Cash flows from operating activities			
Interest received on notes		70,875	50,659
Finance costs paid on Westpac TPS issued and ordinary unit		(70,875)	(50,659)
Net cash flows from operating activities	10	-	-
Cash flows from investing activities			
Investment in Notes		-	-
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of Westpac TPS		-	-
Proceeds from issue of ordinary unit		-	-
Net cash inflow from financing activities		-	-
Net increase in cash and cash equivalents held			
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1 - Summary of significant accounting policies

Westpac TPS Trust (the "Trust") was constituted and registered as a managed investment scheme on 10 May 2006 with the Australian Securities & Investments Commission ("ASIC").

Westpac Funds Management Limited ("WFML") is the responsible entity ("RE") of the Trust. The RE's registered office is Level 20, 275 Kent Street, Sydney, New South Wales 2000.

The Trust is a special purpose unit trust established for the specific purpose of issuing Westpac TPS, which are preferred units in the Trust, to retail and institutional investors in Australia and investing in Notes issued by Westpac Banking Corporation ("Westpac"). The principal activities of the Trust comprised the issue of Westpac TPS and investing in the Notes issued by Westpac.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements were authorised for issue by the directors on 28 November 2008.

(a) Basis of preparation

This general purpose financial report for the year ended 30 September 2008 has been prepared in accordance with the requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements and notes of the Trust comply with International Financial Reporting Standards ("IFRS").

The financial report has been prepared under the historical cost convention.

(b) Revenue

Interest income is recognised in the income statement using the effective interest rate method.

(c) Finance costs

Interest expense is recognised in the income statement using the effective interest rate method. The residual income is paid to the ordinary unitholder as an interest expense.

(d) Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed to Westpac TPS holders each year.

(e) Cash and cash equivalents

For cash flow statement purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and bank overdrafts. They are brought to account at the face value or the gross value of the outstanding balance, where appropriate.

(f) Receivables

(i) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment losses. Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impaired receivables is established when there is objective evidence that the Trust will not be able to collect the amounts due according to the original terms of the receivables.

Note 1 - Summary of significant accounting policies (continued)

(f) Receivables (continued)

(ii) Notes

The investment in the Notes issued by Westpac is classified as a receivable. The asset was initially recognised at fair value and is now being carried at amortised cost. The Notes are subject to review for impairment when there is objective evidence indicating that the carrying amount is not recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the present value of the estimated future cash flows.

(g) Payables

Payables represent interest owing by the Trust on the Westpac TPS and residual income of the Trust due to the ordinary unitholder at period end which are unpaid. Payables are measured at amortised cost.

(h) Interest bearing liabilities

Westpac TPS issued are classified as interest bearing liabilities in the balance sheet. They are initially recognised at cost, being the fair value of consideration received. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method.

(i) Ordinary unit

The ordinary unit is classified as a liability in the balance sheet. It is recognised at cost, being the fair value of consideration received.

(j) Distributions

In accordance with the Trust's Constitution, the Trust fully distributes all distributable income to Westpac TPS holders and the ordinary unitholder (Westpac).

The distributions are payable quarterly, and are treated by the Trust as finance costs. This is because the payments specifically relate to Westpac TPS and the ordinary unit and these are recognised in the balance sheet as liabilities.

(k) Applications and redemptions

Applications received for Westpac TPS were recorded gross of any entry fees payable prior to the issue of Westpac TPS. All issue costs were borne by Westpac. Westpac TPS holders do not have the option of redeeming their Westpac TPS.

(l) Earnings per Westpac TPS

Earnings per Westpac TPS is determined by dividing the operating profit by the weighted average number of Westpac TPS on issue during the period.

(m) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(n) Provisions

A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting expected future cash flows at a market rate.

Note 1 - Summary of significant accounting policies (continued)

(o) Use of estimates

No estimates or assumptions have been used to determine the financial position of the Trust.

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2008 reporting periods. The Trust's assessment of the impact of these new standards and interpretations (to the extent relevant to the Trust) is set out below. The Trust has not adopted these standards early.

(i) AASB 8 Operating Segments and AASB 2007 – 3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a "management approach" to reporting on the financial performance. The information being reported will be based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. Application of AASB 8 will not affect the presentation of the financial statements of the Trust as the Trust currently operates in only one operating and geographical segment.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123

The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report as the Trust does not have any qualifying assets.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

The revised AASB 101 is applicable for annual reporting periods commencing on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. If the entity has made a prior period adjustment or a reclassification of items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period.

(iv) Revised AASB 132 Financial Instruments: Presentation and AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation

The revised AASB 132 is applicable for reporting periods commencing on or after 1 January 2009. It will not affect the amounts recognised in the financial statements however the amendments provide an exception to the definition of a financial liability to enable certain financial instruments to be classified as equity. The amendments will not affect the Trust as the ordinary share issued to Westpac would not meet the exceptions to the definition of a financial liability to be reclassified as equity.

Note 1 - Summary of significant accounting policies (continued)

(p) New accounting standards and interpretations (continued)

(iv) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process & AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process

The AASB has issued amendments to Australian Accounting Standards which have arisen from the International Accounting Standards Board's (IASB) first annual improvements project. A number of these amendments will result in changes to the presentation, recognition or measurement of items. The amendments are applicable as follows:

- AASB 2008-5: applicable for annual reporting periods beginning on or after 1 January 2009
- AASB 2008-6: applicable for annual reporting periods beginning on or after 1 July 2009

None of the amendments will have a significant impact to the Trust.

(q) Rounding of amounts

The Trust is a registered scheme of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(r) Functional and presentation currency

Items included in the financial statements of the Trust are measured using the currency of the primary economic environment in which the joint venture operates (the "functional currency"). The financial statements are presented in Australian dollars, which is the Trust's functional and presentation currency.

Note 2 – Segment information

Business segment

The Trust operates solely in financial services.

Geographical segment

The Trust operates solely in Australia.

Note 3 – Interest income

	2008	2007
	\$'000	\$'000
Interest income on Notes issued by Westpac Banking Corporation	58,142	50,187

Note 4 – Finance costs

	2008	2007
	\$'000	\$'000
Distributions to:		
- Westpac TPS holders	44,982	39,403
- Ordinary unitholder	13,160	10,784
	58,142	50,187

Distributions of \$1.5456 (2007:\$1.3098) per Westpac TPS were paid to Westpac TPS holders on 30 September 2008.

**Westpac TPS Trust
(ARSN 119 504 380)**

Note 5 – Auditor’s remuneration

During the period the following fees charged by PricewaterhouseCoopers were borne by Westpac.

	2008 \$	2007 \$
Audit of statutory accounts	66,570	63,400
Audit of compliance plan	11,130	10,600
	<u>77,700</u>	<u>74,000</u>

Note 6 – Receivables

	2008 \$'000	2007 \$'000
Current		
Interest receivable on Notes	-	12,733
	<u>-</u>	<u>12,733</u>
Non Current		
Investment in Notes	762,738	762,738
	<u>762,738</u>	<u>762,738</u>

The Trust invested the gross proceeds of the offer of Westpac TPS in Notes issued by Westpac. The Notes are expected to pay interest at a margin of 0.2% p.a. over the 90 day Bank Bill Rate. The Bank Bill Rates for the distribution periods from 1 October 2007 to 31 December 2007, 1 January 2008 to 31 March 2008, 1 April 2008 to 30 June 2008 and 1 July 2008 to 30 September 2008 were 6.86% p.a., 7.18% p.a., 7.81% p.a. and 7.76% p.a. respectively.

Note 7 – Payables

	2008 \$'000	2007 \$'000
Interest payable on Westpac TPS	-	9,990
Interest payable on the ordinary unit	-	2,743
	<u>-</u>	<u>12,733</u>

Distributions on the Westpac TPS and the ordinary unit were paid on 30 September 2008.

Note 8 – Interest bearing liabilities

	2008 \$'000	2007 \$'000
Westpac TPS issued	<u>762,738</u>	<u>762,738</u>

Westpac TPS are preferred units in the Trust. The Trust issued 7,627,375 Westpac TPS on 21 June 2006 at an issue price of A\$100 per Westpac TPS for a total face value of A\$762,737,500. The Westpac TPS are listed on the Australian Securities Exchange (“ASX”) and commenced trading on a deferred settlement basis on 22 June 2006.

The Trust is a controlled entity of Westpac. The material assets of the Trust are 7,627,375 Notes with a face value of \$100 per Note, issued by Westpac. The Trust has also issued one ordinary unit to Westpac (refer to Note 9).

Note 8 – Interest bearing liabilities (continued)

The Westpac TPS pays non-cumulative, floating rate distributions which are expected to be fully franked. Distributions are scheduled to be paid quarterly subject to certain distribution payment conditions including the availability of Westpac profits.

The distribution rate is calculated using the following formula:

$$\text{Distribution Rate} = (\text{Bank Bill Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

The Bank Bill Rate is the average mid-rate for 90 day Bank Bills applicable on the first business day of the distribution period. The Bank Bill Rates for the distribution periods from 1 October 2007 to 31 December 2007, 1 January 2008 to 31 March 2008, 1 April 2008 to 30 June 2008 and 1 July 2008 to 30 September 2008 were 6.86% p.a., 7.18% p.a., 7.81% p.a. and 7.76% p.a. respectively.

The Margin, from the issue date of 21 June 2006 until and including the Step-Up Date of 30 June 2016, is 1% p.a. If Westpac TPS are still on issue on the Step-Up date, the Margin will increase by a one time step-up of 1% p.a. for all subsequent distributions.

The Tax Rate is the Australian Corporate tax rate applicable to Westpac's franking account as at the distribution payment date. The Tax Rate was 30% for the distribution payments during the period.

Westpac TPS may be redeemed for cash (subject to APRA approval) or converted into Westpac ordinary shares at Westpac's initiation on the Step-Up date, any subsequent distribution payment date and in certain other circumstances.

Westpac TPS automatically exchange into Westpac preference shares on 30 September 2055 and on the occurrence of certain automatic exchange events.

If the scheduled distribution payments are not paid on the Westpac TPS, Westpac will be restricted from making certain payments including payments of dividends on Westpac ordinary shares.

Note 9 – Ordinary unit

	2008 \$'000	2007 \$'000
Units issued to Westpac Banking Corporation 1 fully paid ordinary unit at \$100	-	-
	<u> </u>	<u> </u>
	2008 \$'000	2007 \$'000
Movements in the ordinary unit during the period were as follows:		
Balance at the beginning of the period	-	-
Issue of ordinary unit	-	-
Balance at the end of the period	<u> </u>	<u> </u>
	2008 No.	2007 No.
Movements in the number of units during the period were as follows:		
Units on issue:		
Opening balance	1	1
Issue of ordinary unit	-	-
Closing balance	<u> </u>	<u> </u>

The Trust has issued one ordinary unit to Westpac at an issue price of A\$100. As the ordinary unitholder, Westpac is entitled to any residual income or capital of the Trust not distributed to Westpac TPS holders. Trust income in respect of each distribution period is expected to exceed the aggregate amount of the distributions to be made to Westpac TPS holders for that distribution period. This excess Trust income will be distributed to Westpac as the ordinary unitholder.

Note 9 – Ordinary unit (continued)

In addition, if there is Trust income in respect of a distribution period which is not distributed to Westpac TPS holders because the distribution payment test is not satisfied, that amount will also be distributed to the ordinary unitholder. The ordinary unit may not be redeemed and must be held by a member of the Westpac Group.

Note 10 – Reconciliation of net operating profit to net cash flows from operating activities

	2008 \$'000	2007 \$'000
Net operating profit	-	-
Changes in assets and liabilities		
(Decrease)/increase in payables	(12,733)	12,733
Decrease/(increase) in receivables	12,733	(12,733)
Net cash flows from operating activities	<u>-</u>	<u>-</u>

Note 11 – Financial risk management

Risk is inherent in the Trust's activities, but is managed through a process of ongoing identification, measurement and monitoring. The Trust is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (interest rate risk).

Financial instruments of the Trust includes the Notes receivable (including any accrued interest), and issued TPS (including any accrued interest).

a) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, resulting in financial loss. The only counterparty is Westpac as issuer of Notes to the Trust. If interest is not paid on the Notes, the Trust will not be able to make a distribution payment to the Westpac TPS holders. If a distribution payment has not been paid by the Trust within 20 business days after the distribution payment date, Westpac will be restricted from making certain payments including payments of dividends on Westpac ordinary shares. If the Notes are not redeemed, converted or exchanged when required by the terms of the Notes, the Notes will remain on issue until Westpac TPS holders receive Westpac ordinary shares or Westpac preference shares or the redemption amount is paid in cash. The risk of non performance of payment and other contractual obligations by Westpac (which has an S&P rating of AA) is considered to be low.

The Notes are not impaired nor are any interest receipts past due but not impaired. The Trust does not hold any collateral as security or any other credit enhancements on the Notes.

The Trust's maximum credit risk exposure at balance date is the carrying amount of financial assets recognised in the balance sheet.

Credit risk is not considered to be significant to the Trust.

b) Liquidity and cash flow risk

Liquidity risk is the risk that the Trust and parent entity will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy obligations associated with financial liabilities. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate. Distribution payments to Westpac TPS holders and the ordinary unitholder will only be made if the Trust receives interest on the Notes issued by Westpac. Liquidity risk is also managed as under the terms of the Trust, TPS holders do not have the ability to be able to redeem or convert their instruments. In certain limited circumstances, the Board of Westpac may resolve for the Trust to redeem or convert the Westpac TPS. Immediately prior to redemption or conversion of the Westpac TPS, the Notes will be redeemed by Westpac for the redemption amount and the redemption proceeds will be applied simultaneously by the Trust to redeem or convert the Westpac TPS.

Note 11 – Financial risk management (continued)

b) Liquidity and cash flow risk (continued)

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents cash flows associated with financial liabilities, payable by the Trust by remaining contractual terms at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Trust manages the inherent liquidity risk based on expected discounted cash inflows. The balances in the tables may not agree directly to the balances in the balance sheet as the table incorporates all cash flows, on an undiscounted basis, relating to both principal and those associated with all future coupon payments.

	Overnight \$'000	Less than 1 month \$'000	Over 1 Month to 3 Months \$'000	Over 3 Months to 1 Year \$'000	1 Year to 2 Years \$'000	Over 2 Years \$'000	Total \$'000
30 September 2008							
Interest bearing liabilities							
Westpac TPS issued	-	-	-	-	-	762,738	762,738
Ordinary units	-	-	-	-	-	-	-
Total undiscounted financial liabilities	-	-	-	-	-	762,738	762,738
30 September 2007							
Interest bearing liabilities							
Westpac TPS issued	-	-	-	-	-	762,738	762,738
Ordinary units	-	-	-	-	-	-	-
Total undiscounted financial liabilities	-	-	-	-	-	762,738	762,738

Under the terms of the Trust the payment of distributions to Westpac TPS holders are subject to the satisfaction of certain payment conditions. Accordingly, the Trust does not have a contractual obligation to pay distributions on any distribution payment date.

There is no contractual obligation to redeem the Westpac TPS. The Westpac TPS will be automatically exchanged for Westpac preference shares on 30 September 2055, if the Westpac TPS remain on issue. Upon exchange, the Notes are redeemed by Westpac for the redemption amount, the Westpac TPS are simultaneously redeemed for the same amount and the redemption proceeds are applied by the Trust as payment for the issue of preference shares by Westpac. Accordingly, a contractual obligation exists only in respect of the Trust's obligation to pay Westpac for the preference shares on 30 September 2055 and this is reflected in the "Over 2 Years" column in the above table.

In accordance with the terms of the ordinary unit attached to the constitution of the Westpac TPS Trust, the ordinary unit may not be redeemed by the Westpac TPS Trust.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market variables such as interest rates, foreign exchange and equity prices.

The principal risk that the Trust is exposed to due to the nature of its financial assets and liabilities is interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Trust's exposure to interest rate risk and the weighted average interest rate for each class of financial asset and financial liability is set out in the table below:

**Westpac TPS Trust
(ARSN 119 504 380)**

	Fixed interest rate maturing			Non-interest bearing	Total
	Floating \$'000	1 year or less \$'000	Over 1 to 5 years \$'000		
30 September 2008					
Financial assets					
Receivables - Investment in Notes	762,738	-	-	-	762,738
	<u>762,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,738</u>
Financial liabilities					
Interest bearing liabilities - Westpac TPS	762,738	-	-	-	762,738
	<u>762,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,738</u>
Net financial assets/(liabilities)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Fixed interest rate maturing			Non-interest bearing	Total
	Floating \$'000	1 year or less \$'000	Over 1 to 5 years \$'000		
30 September 2007					
Financial assets					
Receivables - Investment in Notes	-	-	-	12,733	12,733
Investment	762,738	-	-	-	762,738
	<u>762,738</u>	<u>-</u>	<u>-</u>	<u>12,733</u>	<u>775,471</u>
Financial liabilities					
Payables	-	-	-	12,733	12,733
Interest bearing liabilities - Westpac TPS	762,738	-	-	-	762,738
	<u>762,738</u>	<u>-</u>	<u>-</u>	<u>12,733</u>	<u>775,471</u>
Net financial assets/(liabilities)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Sensitivity analysis

Distributions made to TPS holders and the ordinary unitholder are dependent on the interest payments received under the Westpac issued Notes. As all income received by the Trust is subsequently distributed to TPS holders and Westpac as the ordinary unitholder on each distribution date, there would be no impact to profit after tax or net assets attributable to unitholders as a result of any movement in interest rates.

d) Fair values of financial assets and financial liabilities

All financial assets and financial liabilities included in the balance sheet are carried at amortised cost.

Note 12 – Related parties

Responsible entity

The RE of the Trust is WFML, a wholly owned subsidiary of Westpac.

Parent entity

The immediate and ultimate parent entity is Westpac Banking Corporation, incorporated in Australia.

Key management personnel

**Westpac TPS Trust
(ARSN 119 504 380)**

(a) Directors

Key management personnel includes persons who were directors of WFML at any time during the period as follows:

Alan Cameron
Liam Forde
Sean McElduff
John McGee
David Westaway

(b) Other key management personnel

Other persons with the responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly during the period were:

Garry Luscombe
Chris Bannister

Key management personnel unitholdings

There were no key management personnel of the Trust who held units in the Trust at any time during the reporting period.

Key management personnel compensation

Key management personnel are paid by Westpac. The Trust did not make any payments attributable to the compensation of key management personnel during the reporting period.

Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Trust

Apart from those details disclosed in this note, no director has entered into a material contract with the Trust during the period and there were no material contracts involving directors' interests subsisting at period end.

Transactions with related parties

The following transactions occurred with related parties:

	2008	2007
	\$	\$
Interest income from:		
Ultimate parent entity	58,142,121	50,187,235
Interest expense on ordinary unit to:		
Ultimate parent entity	13,159,677	10,784,254

All transactions with related parties have been completed during the period.

Note 12 – Related parties (continued)

Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2008	2007
	\$	\$
Cash at bank with:		
Ultimate parent entity	100	100
Interest receivable from:		
Ultimate parent entity	-	12,733,403
Investment in Notes issued by:		
Ultimate parent entity	762,737,500	762,737,500
Interest payable on ordinary unit to:		
Ultimate parent entity	-	2,743,075
Ordinary unit issued to:		
Ultimate parent entity	100	100

All expenses of the Trust are reimbursed by Westpac.

Note 13 – Economic dependency

The Trust depends on the ultimate parent entity Westpac for its income. Westpac pays the Trust interest on the Trust's investment in the Notes issued by Westpac, as well as reimbursements in connection with the Trust's expenses.

Note 14 – Contingent liabilities and commitments

The Trust does not have any contingent liabilities or commitments.

Note 15 – Earnings per unit

Earnings per unit for Westpac TPS holders of the Trust for the year ended 30 September 2008 is \$nil as distributed income on Westpac TPS and the ordinary unit is categorised as finance costs, and other expenses paid by the Trust are reimbursed by Westpac. For further information on distributions refer to Note 4.

Note 16 – Events occurring after reporting date

The directors are not aware of any significant events since the reporting date.

Directors' declaration

In the directors' opinion:

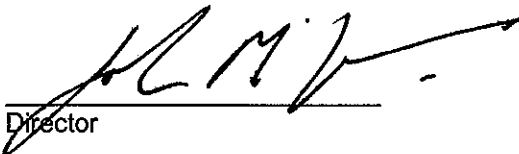
- (a) the financial statements and notes set out on pages 22 to 36 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Trust's financial position as at 30 September 2008 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Director



Director

Sydney, 28 November 2008

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**Independent auditor's report to the unitholders of
Westpac TPS Trust**

Report on the financial report

We have audited the accompanying financial report of Westpac TPS Trust (the registered scheme), which comprises the balance sheet as at 30 September 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Westpac TPS Trust (the registered scheme).

Directors' responsibility for the financial report

The directors of the registered scheme are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors of WFML or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Westpac TPS Trust (the registered scheme) for the year ended 30 September 2008 included on Westpac TPS Trust's web site. The responsible entity's directors are responsible for the integrity of the Westpac TPS Trust's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

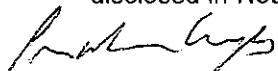
Independence

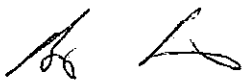
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Westpac TPS Trust is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the registered scheme's financial position as at 30 September 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.


PricewaterhouseCoopers


JW Bennett
Partner

28 November 2008
Sydney

Annexure A – Westpac TPS holder information

Date of currency

The Westpac TPS holder information set out below was current as at 31 October 2008.

Twenty largest Westpac TPS holders

Twenty largest quoted Westpac TPS holders

The names of the twenty largest holders of Westpac TPS are listed below:

	Name	Westpac TPS issued	
		Number of Westpac TPS held	Percentage of issued Westpac TPS
1	J P Morgan Nominees Australia Limited	1,009,130	13.23%
2	UBS Wealth Management Australia Nominees Pty Ltd	279,389	3.66%
3	Citicorp Nominees Pty Limited	149,930	1.97%
4	The Australian National University	97,759	1.28%
5	ANZ Nominees Limited (Cash Income A/c)	90,755	1.19%
6	Suncorp General Insurance Limited	78,960	1.04%
7	RBC Dexia Investor Services Australia Nominees Pty Limited (GSENI A/c)	74,017	0.97%
8	Citicorp Nominees Pty Limited (CFSIL CFS WS ENH Yield A/c)	71,431	0.94%
9	RBC Dexia Investor Services Australia Nominees Pty Limited (NMSMT A/c)	71,000	0.93%
10	National Nominees Limited	57,638	0.76%
11	GIO General Ltd	52,080	0.68%
12	Perpetual Trustee Company Limited	51,467	0.67%
13	V S Access Pty Ltd (V S Access A/c)	50,000	0.66%
14	Catholic Education Office Diocese of Parramatta	49,508	0.65%
15	Cogent Nominees Pty Limited	49,173	0.64%
16	RBC Dexia Investor Services Australia Nominees Pty Limited (MLCI A/c)	45,684	0.60%
17	UCA Cash Management Fund Limited	41,268	0.54%
18	Avanteos Investments Limited	40,250	0.53%
19	Suncorp Custodian Services Pty Limited (AFT)	39,480	0.52%
20	Questor Financial Services Limited	39,020	0.51%
		2,437,939	31.96%

The top 20 Westpac TPS holders hold 31.96% (2007: 39.02%) of Westpac TPS issued.

Annexure A – Westpac TPS holder information (continued)

Analysis of Westpac TPS holdings as at 31 October 2008

	Number of Westpac TPS holders	Number of Westpac TPS held	Percentage of issued Westpac TPS
1-1,000	8,237	2,540,927	33.31%
1,001 - 5,000	689	1,451,963	19.05%
5,001 - 10,000	61	487,175	6.39%
10,001 - 100,000	56	1,708,861	22.40%
100,001 and over	3	1,438,449	18.86%
Total	9,046	7,627,375	100.00%

Geographic spread

State	Number of Westpac TPS holders	Number of Westpac TPS held	Percentage of issued Westpac TPS
ACT - Australian Capital Territory	149	168,436	2.21%
NSW - New South Wales	3,176	3,362,324	44.08%
NT - Northern Territory	12	4,107	0.05%
QLD - Queensland	1,450	895,951	11.75%
SA - South Australia	579	252,862	3.32%
TAS - Tasmania	108	56,922	0.75%
VIC - Victoria	2,584	2,465,883	32.33%
WA - Western Australia	976	415,288	5.44%
Total local	9,034	7,621,773	99.93%
Total overseas	12	5,602	0.07%
Total	9,046	7,627,375	100.00%

Voting rights

Westpac TPS holders are entitled to vote at any meetings of Westpac TPS holders convened under the Trust Constitution. Westpac TPS holders do not have voting rights in respect of any meeting of Westpac ordinary shareholders unless their Westpac TPS or Westpac preference shares (if issued) have been converted. If their Westpac TPS have been exchanged for preference shares, holders will not be entitled to vote at any general meeting of Westpac shareholders, except in limited circumstances. Westpac ordinary shareholders are entitled to receive notice of, attend and vote at general meetings of Westpac. Each Westpac ordinary shareholder present at a general meeting (whether in person or by proxy or representative) is entitled to one vote on a show of hands or, on a poll, one vote for each ordinary share held.

Substantial Westpac TPS holders

The number of Westpac TPS held by the substantial Westpac TPS holder listed in the Trust's register of substantial Westpac TPS holders as at 30 September 2008 was 869,668 (2007: 788,364) held by Australia and New Zealand Banking Group Limited ("ANZ").

Annexure A – Westpac TPS holder information (continued)

Number of Westpac TPS holders with less than a marketable parcel of securities

The number of Westpac TPS holders holding less than a marketable parcel of 6 securities (with a listed price of \$87.45 on 30 September 2008) is 4 and they hold 20 securities.

On-market buy back

The Trust did not participate in any on-market buy back of Westpac TPS during the year.

Supplementary Appendix 4E information

Additional distribution information

Quarterly distributions paid to Westpac TPS holders and the ordinary unitholder represent interest paid and not trust distributions as the Westpac TPS and the ordinary unit issued by the Trust are classified as liabilities in the balance sheet based on their redemption and settlement characteristics. Refer to the results for announcement to the market for detail on the interest due.

Distribution reinvestment plans

The Trust does not have a distribution reinvestment plan.

Retained earnings

	2008 \$'000	2007 \$'000
Retained earnings at the beginning of the financial period	-	-
Net operating profit	-	-
Distribution provided for or paid	-	-
Retained profits at the end of the financial period	-	-

NTA backing

	2008	2007
Net tangible asset backing per unit	\$0.00 per unit	\$0.00 per unit

Controlled entities acquired or disposed of

No controlled entities were acquired or disposed of during the reporting period.

Associates and joint venture entities

The Trust does not have any associates or joint venture entities.

Other significant information

Refer to the financial report.

Commentary on results

Earnings per unit

Earnings per unit for Westpac TPS holders of the Trust for the year ended 30 September 2008 is \$nil as distributed income on Westpac TPS and the ordinary unit is categorised as finance costs, and other expenses paid by the Trust are reimbursed by Westpac.

Returns to unitholders

Refer to financial report above.

Significant features of operating performance

Refer to financial report above.

Results of segments

The Trust operates solely in Australia.

Trends in performance

Refer to financial report above.

Other factors that affected results in the period or which are likely to affect results in the future

Refer to financial report above.

Foreign accounting standards

N/A

Audit

This report is based on accounts that have been subject to an audit. The audit report will be made available with the Trust's financial report.