Carbon Disclosure Project

2009 Response by Westpac Banking Corporation

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Introductory statement

Sustainability is a core component of Westpac's culture and our corporate strategy. A crucial part of this is managing our environmental impact - and dealing with the critical issue of climate change.

We believe that climate change will have significant economic, social impacts and environmental impacts in the regions where we operate. This means that our investment, lending and development decisions must take these impacts into account - but we also expect to drive shareholder value through our response.

As markets and policy frameworks develop as a means of taking greenhouse gas emissions out of everyday lives, financial institutions have a critical role to play in partnering with customers across all areas of our business to help transition to a low-carbon future.

More broadly we will play our part to drive awareness and action in the community and through engagement with our employees. Ultimately all parts of the economy will need to collaborate to effectively address climate change.

Section 1

1 Regulatory Risks

1.1 Is your company exposed to regulatory risks associated with climate change?
Policy and regulatory frameworks in response to climate change are continuing to solidify in all jurisdictions where Westpac operates. Consequently, Westpac's operations are exposed to increasing regulatory risk associated with climate change, both directly and indirectly.

Impacts for our direct operations include moving from voluntary to mandatory emissions reporting; minimum energy efficiency standards and related mandatory codes across our property portfolio. Indirect impacts include the introduction of significant new market based regulatory frameworks promoting emissions trading, renewable energy generation and investment in clean technology and structural transformation.

Regulatory risks in these areas have the potential to impact compliance requirements around our direct operations, create new commercial dynamics across impacted industry segments across our customer base, require new demand for carbon market products and price risk management solutions and impact finance and investment funding requirements.

Determining materiality
Westpac has sought to identify and discuss the most material, new and emerging regulatory risks currently impacting our business for this response. These can be summarised as:

- direct operations and mandatory reporting,
- emerging emission trading schemes in Australia and New Zealand, and
- regulatory measures to promote investment in renewable energy and related emissions abatement activities.

These have been identified as material through a multi-prong process which includes ongoing stakeholder consultation, engagement with government and coordination through our internal governance frameworks. These issues have been confirmed internally via a strategy review process and through our internal Sustainability Council and Board Committee. Independent confirmation is also achieved via our AA1000 assurance process. For further information on these processes please see pages 4 – 7 of our latest Stakeholder Impact Report available at http://www.westpac.com.au/internet/publish.nsf/Content/WICRSR+2008+Stakeholder+Impact+Report

Direct operations and mandatory reporting
From 1 July 2008, under newly introduced Australian regulation, corporations meeting threshold requirements are required to accurately measure annual greenhouse gas emissions, energy consumption and energy production under the **National Greenhouse and Energy Reporting (NGER)** regulatory framework. Reporting will begin in the 2009 fiscal year and data reported through the system will underpin the proposed Carbon Pollution Reduction Scheme (CPRS) for emissions trading.

Westpac has been reporting its greenhouse gas emissions on a voluntary basis, since 1996 and participates in a number of voluntary schemes as outlined in question 27.3 of this submission. Our merger with St George Bank on 1 December 2008 will see our Australian operations trigger the reporting requirements in the first NGER reporting year.

This has necessitated a review of our baseline greenhouse gas emissions data in line with the focus of NGER on members of the controlling entity and operational control. We do not expect to see material changes in to our emissions profile, other than the inclusion of the St George business. Our 2008 emissions data as reported in our Stakeholder Impact Report and used as the basis for this submission, further aligns our reporting with the NGER requirements by changing out reporting year from a 30 September to a 30 June year end consistent with the requirements of the Act.

Our merger with St George will also see us meet the threshold requirements for the **Energy Efficiency Opportunities (EEO) Act** for the first time. Under the Act we will be required to formally identify, evaluate and publicly report areas of energy efficiency savings. This is consistent with work already underway to meet our emissions reduction targets.

Westpac's Group Sustainability, Property, Legal, Finance. Sourcing and Operational Risk and Compliance divisions have been working cooperatively to assess Westpac's compliance to the NGER and EEO requirements and ensure that we fully comply with these new requirements.

More broadly, as first year data is released into the marketplace under NGER greater consistency and transparency in reported greenhouse gas emissions date will provide financial institutions with more opportunities to actively factor carbon performance into lending and investment due diligence and decision-making processes as well as gain a better understanding of emissions associated within our supply chain locally.

In addition Westpac has some single site reporting obligations under state based energy efficiency programs. Most notably, this has seen the submission of an **Energy Savings Action Plan (ESAP)** to the New South Wales state government for a high emitting site in the Sydney Region detailing energy saving activities to be implemented at this site.

Emerging emissions trading schemes

By far the most significant regulatory risk currently facing our business as a result of climate change, lies in the development of emissions trading regimes in Australia, New Zealand and at the global level.

Within Australia, an immense amount of policy consultation and engagement between government, business and civil society has occurred around the development of the **Carbon Pollution Reduction Scheme (CPRS)** policy framework as well as a number of key complementary policy measures.

Westpac remains a strong proponent of market based mechanisms as the most effective means of achieving greenhouse gas emissions across the economy at least cost. Throughout 2008/09 Westpac has been actively engaging with government on emerging regulatory frameworks, either directly through forums and written submissions, through a number of industry forums and workshops, and via industry associations such as the Australian Bankers' Association (ABA) and the Australian Financial Markets Association (AFMA). Further detail is provided under Question 28 on Public Policy.

As a financial institution, Westpac's contribution to the policy debate has been its investment, risk assessment and financial market expertise aimed at ensuring that any legislation promotes a deep, liquid and effective market environment in which Australian business can adapt efficiently to a carbon constrained economy. Accordingly, we have been heavily involved in consultation over the CPRS on multiple fronts.

Significant amendments to the proposed scheme since last year's CDP response include delaying the commencement date of the scheme until 2011 and introducing a AU$10 fixed price for the first year of the scheme, introducing a national emission reduction target range of between 5% and 25% dependent upon a comprehensive global agreement and varying levels of transitional and adjustment assistance for Emissions Intense Trade Exposed (EITE) industries and other significantly impacted industry sectors in the form of free permit allocation.

The agricultural sector is expected to enter the CPRS in 2015, with a final decision to be made in 2013. Ongoing uncertainty around the treatment and coverage of different components of the agricultural sector, make it difficult to gauge customer impacts across the sector.

In response to these and other emerging regulatory and physical risk impacts in the agricultural sector, Westpac Agribusiness has developed a new Agribusiness strategy which incorporates Climate and Water as one of five key strategic priorities. This is discussed in more detail in our response to Question 2.

The legislation to enact the CPRS is currently before the Australian Parliament. At this stage, there remains considerable uncertainty over the timing of the passing of the legislation and the final form of the CPRS, subject to further amendments to the package in the Senate. This exacerbates current and ongoing investment uncertainty for impacted industries and increases volatility in electricity markets.

For Westpac, there is no doubt that regulatory uncertainty and especially the highly political dimension to the passage of emissions trading regulations in both Australia and New Zealand, is creating short to medium term uncertainty in the development of carbon market trading mechanisms and financial instruments, as well as continuing investment uncertainty for corporate and institutional Banking. This is exacerbated by the heightened market conditions of the 'Global Economic Crises'.

Within New Zealand, **The Climate Change (Emissions Trading and Renewable Preference) Bill** was passed in September 2008 after several months of sustained debate. This set out the detail for the establishment of the NZ Emissions Trading Scheme (NZETS), set a target for 90% renewable energy generation by 2025 and placed a moratorium on all new fossil-fuel based energy generation construction. The NZETS first compliance period commenced in January 2008.

The Climate Change Bill was the last substantial pieces of government policy prior to the November election being called, where the Labour Government was subsequently defeated.

Since taking office the new National Party Government has made a series of announcements around climate change policy. Specifically, Prime Minister John Key announced that the new Government would be:

1. Initiating a parliamentary committee review to re-examine the impact of the NZETS and consider amendments to the proposed scheme; and
2. Launching an instant repeal on the moratorium on fossil fuel based energy generation.

These developments have created significant regulatory uncertainty. The forestry industry, the first industry sector to enter the NZ ETS has been issued with permits for trading purposes, and some small trading has occurred with the energy sector, due to come under compliance obligations in 2010. There have been a number of trades undertaken with international buyers sourcing ERUs and AAUs generated within New Zealand.

However, the ongoing Parliamentary Review Committee and the prospect of further delays or amendments to the final form of the scheme has created significant new regulatory uncertainty in New Zealand around the introduction of emission trading and renewable energy frameworks.

This is delaying the advent of carbon markets in New Zealand and could potentially limit significant investment opportunities for most of 2009 and potentially into 2010. Westpac has been participating in the Parliamentary Review Committee process. This is discussed in further detail under Question 28 on Public Policy.

Renewable energy targets and related abatement activities
On 30 April 2009, the Council of Australian Governments (COAG) agreed on the design of the expanded national **Renewable Energy Target (RET)** scheme, designed to implement a target of 20% renewable energy generation by 2020. The RET scheme expands on the existing Mandatory Renewable Energy Target (MRET) scheme and

absorbs State and Territory renewable energy targets into a single national scheme. The RET scheme includes a legislated target of 45 000 GWH by 2020, up from 9,000 GWH currently.

It is proposed that the target profile of 45,000 GWH will be maintained from 2020-2030, to be replaced subject to the price of carbon under the CPRS playing a stronger role in driving investment in renewable energy generation. A legislated partial exception will also be made available for Emissions Intense Trade Exposed (EITE) industries, eligible for assistance under the Carbon Pollution Reduction Scheme. It is intended that the RET will commence on 1 July 2009 with the expanded targets to commence on 1 January 2010.

This will impact market dynamics for the energy sector, and change the risk and opportunity assessment for financial institutions in relation to renewable and clean energy transactions. This is being assessed through the Carbon Risk Committee (discussed below) for regulatory risk implications and the extent to which this has the potential to strengthen commercial viability for lending and investment in this sector.

More broadly, global carbon market will need to be accompanied by a suite of complementary policy measures aimed at achieving structural transformation in a range of areas across the economy in the move towards a carbon constrained operating model. These can be broadly categorised as energy efficiency opportunities, developing Carbon Capture and Storage (CCS) solutions, new standards for the commercial property sector, clean technology development and commercialisation and a wide range of related mitigation, abatement and adaptation activities.

Emerging clarification of fiduciary duty
Throughout 2009 the Australian Minister for Superannuation and Corporate Law has made a number of announcements supportive of the increased application of ESG risk. Whilst not enshrined in legislation specifically, financial support has been given for the creation of a Responsible Investment Academy to deliver education and training programs to enable the investment community to better assess ESG considerations.

In addition the Minister wrote to the Australian Prudential Regulatory Authority (APRA) requesting that it review its guidance to superannuation funds to take greater account of ESG issues in their investment practices acknowledging the significant influence superannuation funds can have as large investors in Australian companies.

These actions, in our view, signal an intention to promote the application of ESG risk within the Australian superannuation industry.

Summary of Westpac's activities
We continue to monitor the impact of these, and many other emerging regulatory measures aimed at reducing greenhouse gas emissions, on key industry sectors and how they have the potential to impact either our own operations or our customer base.

Westpac has put in place a comprehensive governance framework for identifying and managing strategic and operational ESG risks and opportunities as they emerge across the business. The full governance structure detailing executive responsibility and oversight for Westpac's climate change response is set out in detail in the Governance section of this questionnaire, covering Questions 25-28.

This operates in the context of our overall approach to managing sustainability strategy and performance objectives across the Westpac Group, overseen by the Board Sustainability Committee and coordinated internally by the Westpac Sustainability Council. The Council is an internal body including representatives from all areas of the business which meets on a monthly basis to review emerging issues and performance against stated objectives.

In late 2008, Westpac launched the *Westpac Climate Change Position Statement: Financing the transition to a low carbon economy,* a new five-year climate change strategy outline the bank's efforts to cement a whole-of-value chain approach to addressing climate change issues and impacts. The strategy was developed following an extensive consultation with a number of important internal and external stakeholders and was approved by the Group Executive team and the Westpac Board. It applies globally across our business.

The revised Westpac Climate Change Strategy is an extension of our previous approach, and sets out:

1. Our perspective on the science, politics, economics and social impacts of climate change;
2. The role of the finance sector in the transition to a low-carbon economy; and.
3. Our response so far - and our 2008-2012/13 action plan.

Specifically, Westpac's strategy focuses on five key areas designed to encourage a broader response to climate change:

- **Minimizing Westpac's environmental footprint** – this includes a commitment to reduce Westpac's direct carbon emissions by a further 30% by 2013 through energy, resource and operational efficiency initiatives
- **Communication and advocacy in the community –** using Westpac's leadership position to continue to engage key stakeholders including suppliers and customers on climate change issues and encouraging the development of robust carbon trading schemes in Australia and New Zealand
- **Risk and capacity building –** a commitment to integrating climate risk within Westpac's risk framework and increasing the understanding of carbon issues across the organisation
- **Products and Services –** identifying product and service opportunities which support positive environmental outcomes within retail banking, institutional banking, wealth management and funds management
- **Engaging employees –** continuing to raise awareness across the employee base of climate change issues and how they can engage in identifying means to address climate issues

We report on progress against these objectives via our annual Stakeholder Impact Report. The Westpac Climate Change Position Statement is attached to this submission and is also available on our website here: http://www.westpac.com.au/internet/publish.nsf/Content/WICREVII+Climate+change

Westpac has also put in place a number of additional, more issue-specific bodies, aimed at coordinating our response to emerging regulatory risks and any accompanying commercial opportunities.

Our Group Property team, together with our facilities management providers hold a weekly Facilities Management Governance meeting to track progress and review options for meeting our emissions reduction target. This meeting is chaired by senior members of the Group Property team. Information on progress is also presented to wider governance forums including the Sustainability Council and Board Sustainability Committee. Work is also underway through this forum to share best practice information between the St George and Westpac portfolios.

Westpac's wealth management business, BT Financial Group, is a signatory to the UN PRI in acknowledgement of the importance of incorporating ESG risks and opportunities into our investment decisions. The development of governance processes to ensure the implementation of the UN PRI forms part of our current sustainability strategy, endorsed by the Board and publicly communicated via our sustainability reporting. This work is being led by BTFG.

The WIB Carbon and Water Forum coordinates Westpac's commercial response to carbon across corporate and institutional banking and financial markets, and includes executive representatives from all divisions of the institutional bank, as well as representatives from Agribusiness, Business Banking and other potentially impacted areas of the Westpac's commercial operations. It meets every two months and is chaired by the Group Executive for Westpac Institutional Bank.

Westpac has also established a Carbon Risk Committee within the Westpac Institutional Bank, with membership drawn from credit risk, portfolio risk management, corporate and institutional banking and all key industry teams. This Committee has been charged with formally integrating carbon risk assessment into credit risk systems and processes, across all our operations and reviewing customer impacts. Specifically, the Carbon Risk Committee was established to focus on the following:

1. Improve awareness of climate change across Corporate and Institutional Banking and Risk through training and awareness raising;
2. Client engagement on emerging carbon issues and impacts;
3. Identify high risk areas and industry segments;
4. Incorporate carbon risk into credit policy and processes; and
5. Examine processes for assessing projects with potential carbon assets and liabilities.

Throughout 2008, the following activities were undertaken:

- Carbon Risk Education and Training Workshops were provided for around 400 WIB and Business Banking staff. Case studiers were extrapolated from existing client examples. Further, presentations were made to all industry teams on likely carbon risk issues and impacts for their industry sectors.
- Credit submission templates have been updated and carbon incorporated into the Credit Manual.

- A ‘Client Engagement Toolkit’ was developed, incorporating a customer ‘cheat sheet’ to assist Relationship Managers and Analysts better understand the carbon risks specific to key clients.
- A client engagement program targeting key industry segments was developed and is now being rolled out across Corporate and Institutional Banking.

The Carbon Risk Committee areas of focus for 2009 include ongoing integration of carbon risk assessment into credit policy and process, ongoing client engagement program, an enhanced internal communication strategy, an assessment of the implications for water risk assessment and a targeted strategy for Westpac New Zealand.

These activities will be undertaken in the context of Westpac’s wider ESG risk assessment framework and also recognises that some industry sectors will be more deeply impacted by regulatory responses to climate change, necessitating a more detailed sector-specific response in certain instances.

These governance frameworks are critical to ensuring that Westpac is effectively identifying key regulatory issues as they emerge and coordinating our response appropriately, in a highly fluid and dynamic regulatory environment.

2 Physical risks

2.1 Is your company exposed to physical risks from climate change?

Yes.

As a financial institution with lending and investment across all industries and levels of the economy, Westpac is exposed to the physical impacts of climate change and how they will impact our customers, our communities and the market, in every area.

As set out in our response to Question 1.1, in late 2008 Westpac launched the *Westpac Climate Change Position Statement: Financing the transition to a low carbon economy,* a new five-year climate change strategy outline the bank’s efforts to cement a whole-of-value chain approach to addressing climate change issues and impacts. The revised Westpac Climate Change Strategy is an extension of our previous approach, and sets out:

1. Our perspective on the science, politics, economics and social impacts of climate change;
2. The role of the finance sector in the transition to a low-carbon economy; and.
3. Our response so far - and our 2008-2012/13 action plan.

In particular, this position statement sets out some of the physical changes we can expect to see in the regions where we operate and how these translate to new climate-related risks for investment and lending activity across the economy. It draws upon the work of the Intergovernmental Panel on Climate Change (IPCC), as well as domestic research undertaken within Australia, New Zealand and the Pacific, to identify projected impacts and emerging physical risks for the jurisdictions where we operate.

The impact on our direct operations is incorporated into Westpac’s business continuity planning and emergency response procedures. Recent record summer temperatures in the southern states of Australia have prompted us to review options for increased water tanks and cooling features into the design of major sites in these regions, including improved insulation.

As discussed in previous responses to CDP, both IPCC and domestic scenario modelling within Australia anticipate that the near term physical effects of climate change in Australia will include drought, warmer than average weather, heatwaves and an increased frequency of severe weather events. In the longer term, severe weather events are expected to continue have a widespread impact posing risk to property and facilities, while higher than average temperatures have the potential to result in increased incidences of tropical diseases across the continent with ensuing health impacts.

This reflects a number of prevailing economic, social and environmental conditions. Australia's climate is already highly variable and pre-disposed towards extreme weather events, while Australia's ecosystems are finely balanced and often unique. In addition, Australia's population is densely concentrated in a relatively small number of larger coastal cities potentially exposed to rising sea levels. Lastly, Australia's economy is dominated by agriculture, tourism and carbon intense export industries such as coal and other minerals and resources.

Similarly our operations throughout the Pacific region face some of the most extreme physical risks from climate change, particularly through rising sea levels on low lying Island communities. As discussed in our previous responses, reduced rainfall, soil erosion and increased salination of coastal plains, changes in traditional fishing grounds because of warmer sea temperatures and changing weather patterns causing erratic crop production cycles and extreme weather events such as cyclones.

These physical risks associated with changing weather conditions will impact large scale mining and resource extraction activities in the region, as well as localised agricultural activity and crop production, tourism and commercial fishing. Increasing volatility in weather conditions also impacts local staff and branch operations as evidenced by recent flooding in northern NSW and southern Qld and is managed in our business continuity planning.

In the near term, Westpac continues to expand the sophistication of our response in actively supporting local communities during times of natural disaster such as drought, flood and fires whilst our longer term focus is on the key climate related issue in the Australian context of water scarcity.

In the past, Westpac has responded to several natural disasters including Cyclone Larry, Solomon Islands Tsunami, Bushfires in Port Lincoln, drought across regional Australia and several large scale floods in Queensland and New South Wales to name a few.

One of the most prominent examples of the potential impacts of increasing weather volatility to occur in the last 12 months was the tragic events of the Victorian bushfires in February 2009, where over a week of record high summer temperatures across the state resulted in one of the worst natural disasters and loss of life in Australian history.

Westpac provided a comprehensive and immediate response to those affected by the bushfires including a pledge for $1m in support of immediate assistance. Initiatives, such as opening branches on the Sunday evening during the worst of the fires, establishing 'mini branches' in the heart of temporary accommodation areas and working side-by-side with local community services to address immediate customer and community needs.

Over $16m in donations were collected through our networks. Employee engagement reached another level across the Westpac Group, with close to $800,000 in employee donations raised, including from New Zealand, Singapore and the Pacific, which was then doubled through the Westpac Matching Gifts program. Many of our employees are now actively focused on the year ahead contributing to the rebuilding of affected communities.

We anticipate that Westpac will increasingly be called upon to respond to extreme weather incidences and natural disasters, both in terms of how they impact our customers and the communities in which we operate.

In the medium and longer term, one of the most significant physical impacts of climate change, particularly in Australia will actually exacerbate a pre-existing environmental concern, namely water scarcity, water supplies and river flows.

Westpac is participating in a number of multi-party workgroups examining water impacts and the integration of specific water risk considerations into business-as-usual credit risk assessment processes.

- ***CEO Water Mandate:*** Westpac was the first bank globally to become a signatory to the UN CEO Water Mandate in late-2007. This is a private-public initiative with a focus on developing strategies and solutions to contribute positively to the emerging global water crisis. Under the CEO Mandate, signatories commit to a set of principles around managing direct operations and supply chain and watershed management, committing to collective action and public policy advocacy, promoting community engagement and transparency.

- ***Water Stewardship Initiative (WSI):*** The WSI is a collaborative, multi-stakeholder project to build a credible benchmarking system to allow responsible commercial and industrial water users to be recognised and rewarded. In so doing, it aims to promote responsible water use through the example set by recognised water leaders. Westpac has provided sponsorship support for the development of the benchmarking framework and is an active participant in the steering committee and collaborative forums.

- ***UN Environment Program Finance Initiative (UNEP FI) Water working group:*** Westpac was a founding participant and key driver in the establishment of a water risk stream of activity within the UNEPFI framework. UNEPFI's work stream on Water and Finance aims to deliver tools for incorporating water related risks into investment decision-making systems and processes. This will include specific briefings for FI professionals covering financially material water aspects (on an operational as well as a strategic corporate level) and key performance indicators coupled with best-practice values. Priority Sectors include agriculture, mining, and power generation, while priority geographies include Australia, China, Mediterranean Basin and Mexico.

Our involvement in these activities is supported by Group Sustainability and the WIB Carbon and Water Forum. These projects, and any subsequent recommendations or policy adjustments for our credit processes will be assessed and applied globally to Westpac's risk assessment processes.

As discussed in our response to Question 1, Westpac Agribusiness has put in place a long-term strategy incorporating Climate and Water as one of five key strategic priorities for the business. This incorporates both ensuring an appropriate level of assessment of the regulatory risk implications of emerging emissions trading legislation and the proposed inclusion of the agricultural sector from 2015, but also looks at emerging physical risk implications from identified changing climatic conditions and their impact on customer segments.

Westpac continues to be involved in research and engagement on the long-term impacts of climate change in order to better understand emerging physical risks for our business. At this stage, this is focusing predominantly on the secondary impacts of physical risk on our lending and investment activities, as opposed to our direct operations. We do anticipate moving to address adaptation risk issues more explicitly in the next 12 to 18 months.

As discussed in detail in our response to the previous question, this is being coordinated through the Carbon Risk Committee, and overseen by the Board Sustainability Committee in terms of Westpac's overall climate change response.

3. Other risks

3.1 Is your company exposed to other risks as a result of climate change
General risks associated with climate change can broadly be characterised as consumer or market risk and reputational risk. They are particularly material to our retail banking business, however can also apply across our broader business and institutional banking divisions.

As highlighted in our previous responses, consumers are increasingly expecting the products and services they purchase, as well as the companies they purchase products from, to have a position on climate change as a customer facing proposition and to be actively managing the emissions from their products and services. The impact of sustainability performance and in particular the provision of 'Green' products and services are an increasingly significant component of organisational brand health.

Westpac's response to date has been to develop credible and commercially viable sustainability-linked products and services, to integrate sustainability conditions into the development of all retail banking products and services (even where they are not explicitly labelled as 'Green') and to integrate strong sustainability and environmental messaging into our brand and advertising campaign. This is discussed in greater detail in our response to question 6. More information is available via our website, here: http://www.westpac.com.au/internet/publish.nsf/Content/WICRCU+Responsible+products

As consumer awareness grows, companies have to ensure that the sustainability or environmental credentials of the products and services they are marketing incorporate credible sustainability or environmental components, as well as being an attractive and commercially viable product on its own.

In February 2008, the Australian Competition and Consumer Commission (ACCC) issued Green Marketing and the Trade Practices Act, updated guidance for businesses and industry on the use of environmental claims in marketing. Westpac actively participated in these consultations, based on our experience in existing carbon markets. In addition, Westpac has undertaken an extensive tender process for a preferred offset provider to ensure the purchase and retirement of quality carbon offsets for our own business use and guidelines for the appropriate communication of offset activities.

A strengthening focus on the claims being made in the promotion of products and green marketing campaigns indicate that market and reputational risk will continue to constitute a significant component of the broad spectrum of climate risk. Companies need to ensure that the activities they are undertaking are credible, justifiable and supported with clear and transparent evidence-based activities.

These issues and emerging market and consumer risks are managed through Westpac's broader sustainability governance frameworks. In 2007/08 Westpac underwent a comprehensive review of our broader sustainability strategy, to identify key emerging areas of risk and future focused activity. The resulting strategy is detailed within our 2008 Stakeholder Impact Report, available at http://www.westpac.com.au/internet/publish.nsf/Content/WICRSR+2008+Stakeholder+Impact+Report and discussed in grater detail in our response to Question 6 of this response.

4 Regulatory Opportunities

4.1 Do regulatory requirements on climate change present opportunities for your company?

As discussed in our response to Question 1, Westpac has identified a number of emerging regulatory and policy response to climate change which will have a significant impact on our business.

In balance with emerging regulatory risks, these same policy frameworks are also creating significant new commercial opportunities across financial markets, institutional banking and corporate finance, retail banking and wealth management and investment.

The identification of emerging regulatory opportunities are managed through the same forums as discussed in Question 1, to ensure that a balanced and responsible course of action is pursued across the bank.

Following the audit of carbon activities undertaken at the beginning of 2008, the WIB Carbon and Water Forum agreed to support the following course of action,

1. Build knowledge and capability through internal awareness raising and education.
2. Understand and assess carbon risks through the establishment of a Carbon risk Sub-Committee focused on incorporating carbon and water risk into credit risk assessments and research.
3. Take a recognised leadership position in carbon markets and implement the tools, resources and processes required to operationally trade before 2010.
4. Provide integrated client services and products on carbon

This involves identifying both emerging risks and opportunities and developing appropriate risk management and financing solutions to meet the changing needs of our customer base.

At this stage, commercial opportunities arising from regulatory and policy responses to climate change are predominantly emerging from the finalization of emissions trading regimes in Australia and New Zealand, and the continued growth of the global carbon market.

Throughout 2008/09 Westpac has sought to put in place a number of responses focusing on carbon markets and finance (expanding into other environmental markets as they emerge), deepening existing corporate relationships through integrated carbon offerings, and leveraging our positioning into relevant products and services for retail and business customers, supported by appropriately educated client-facing staff.

WIB is aggressively pursued a prominent position in emerging carbon markets, particularly in Australia. This has included a number of key initiatives:

i. Actively engaging with government on emerging regulatory frameworks by providing numerous submissions to the Australian and New Zealand governments, engaging directly through a number of forums and via industry associations such as the Australian Bankers' Association (ABA), Australian Financial Markets Association (AFMA) and the New Zealand Business Roundtable on Sustainable Development.

ii. Westpac has reviewed and updated our Carbon Strategy for Financial Markets and identified strategic opportunities across the carbon value chain, focusing on the origination, distribution, trading and repackaging of carbon offsets and compliance permits across the global carbon market.

iii. Westpac launched the Commodities, Carbon and Energy (CCE) combined trading desk and continues to build trading capability for Australian, European and New Zealand markets and for Kyoto Protocol project based market mechanisms.

iv. In May 2008, Westpac and AGL undertook the first trade of permits under the Australian Carbon Pollution Reduction Scheme, purchasing 10,000 Australian Emission Units (AEUs) for delivery 2012 at $19 tonne. This trade continues to garner significant industry profile.

v. CCE are conducting ongoing engagement with clients on the emerging market, likely impacts and the development of appropriate trading strategies, in conjunction with the work being undertaken by the Carbon Risk Committee to review and assess emerging industry and client risk impacts.

Carbon risk training was delivered to around 400 people across WIB and business banking in October/November 2008. This half day workshop focused on the key regulatory and market developments, industry impacts and how carbon risk will be integrated into risk assessment practices and sector analysis. The training aimed to ensure that Westpac staff are 'carbon fluent' in dealing with the changing regulatory landscape and able to identify changing industry dynamics in their customer segments.

In recognition of the role that parallel regulatory and policy developments around promoting investment in renewable energy will play, Westpac has put in place a reviewed Renewable Energy Strategy, supported by a Renewable Energy Committee. The Renewable Energy Committee was established in early 2009 and includes membership from debt and equity markets, risk, financial markets, corporate and institutional banking and emissions and environment.

The committee will meet monthly to track progress against agreed milestones and to ensure alignment of views in relation to developments in the renewable energy market. It will serve as the principal portal for developing any further strategy recommendations and dealing with any road blocks that may emerge.

As emissions trading regimes are bedded down in Australia and New Zealand, and as greater clarity emerges around post-2012 international frameworks, Westpac will continue to systematically identify and meet emerging regulatory opportunities arising from other complementary policy measures aimed at promoting the structural transformation of the economy into a carbon constrained operating environment. This could potentially include new working capital and funding requirements, carbon finance structured solutions and vertically integrated hedging solutions.

Within New Zealand, agriculture and forestry play a particularly important role, as they form such as significant portion of the national emissions profile. This is creating several new commercial opportunities for domestic offset credit origination and trading as well as finance and investment which Westpac is currently exploring in partnership with clients within these industry sectors.

Through Hastings Funds Management, there are emerging opportunities for investment in projects with the potential to benefit from climate change regulation, generating commercial opportunities in energy efficiency, technology transformation, renewable energy and related abatement activities.

Westpac's wealth management division, BT Financial Group (BT), is a member of the Investor Group on Climate Change Australia / New Zealand (IGCC), a coalition of Australian fund managers which aims to focus the attention of institutional investors on risks and opportunities associated with climate change, a signatory to the Carbon Disclosure Project and a signatory to the UN Principles for Responsible Investment (PRI).

More broadly, Westpac is systematically identifying and responding to the broad range of emerging carbon finance and retail banking opportunities through our revised Group-wide Climate Change strategy. This has a particular focus on developing customer products and services to respond to new policy frameworks. These are discussed more under Question 6.

5 Physical Opportunities

5.1 Do physical changes resulting from climate change present opportunities for your company?

At this stage, it is difficult to predict how changing physical and climatic conditions will create additional opportunities for the industry sectors which Westpac invests in, independent to the policy and regulatory response.

However, what is becoming clearer is that how physical impacts play out across the jurisdictions in which Westpac operates will likely create new dynamics across key industry sectors which will need to be managed on an ongoing basis.

In industry sectors where weather impacts are a substantial component of the overall assessment of commercial viability, Westpac is seeking to integrate climate change considerations into our standard risk assessment process. This is aimed at both identifying hidden risk impacts in long term investments or fixed assets as well as identifying conditions whereby customers are more competitively or dynamically managing the impacts of changing weather conditions on their business.

As the physical impacts of climate change become clearer, closer industry analysis will likely reveal new strategic finance and investment opportunities. Westpac is continuing to investigate these opportunities through our Client Engagement strategy, discussed in earlier responses, as managed through the Carbon Risk Committee.

6.1 Does climate change present other opportunities for your company?

Westpac is committed to differentiating ourselves from our competitors through our sustainability credentials, strong customer focus and through the provision of products and services which achieve positive environmental, social and governance outcomes. This is an objective we have been pursuing for over a decade, and today Westpac is a recognised leader globally in our industry sector in promoting sustainability as a core business strategic objective.

Westpac has been proactively tackling environmental issues for over 15 years, reducing our own footprint and using our skills and networks to promote greater understanding of climate change in the marketplace. In that time, Westpac has established an extensive framework for identifying and responding to environmental, social and governance issues at a number of levels, through our Group-wide sustainability strategy and our revised Climate Change Strategy.

Since our last response Westpac has instigated a significant review of our Group-wide approach to corporate responsibility and sustainability. This is focused on integrating sustainability considerations more deeply into our business operating model and identifying critical business objectives to pursue over a longer time period. Of the priority areas identified through this process, a number pertain specifically to responding to climate change and environmental considerations, as well as explicitly incorporating ESG into our annual business strategy review and resource allocation process.

In particular, Westpac is currently embedding the consideration of sustainability factors into the product approval process for all new retail and business banking products and services including both the impacts of the product itself and its ability to help our customers manage their impacts.

In response to increasing consumer demand for products and services which promote positive environmental outcomes, Westpac has identified a number of commercial opportunities within retail banking, either in mainstreaming climate and environmental considerations into our existing products and services, or by implementing specialist 'green' products.

EcoNomical Living Program - helps Westpac's mortgage customers reduce their environmental footprint and manage the potential increase in utility bills as a result of the introduction of emissions trading. The initiative features discounts and rebates on a range of environmentally friendly initiatives such as home insulation, green electricity, solar hot water systems and rain water tanks. It is available in both Australia and New Zealand. This year will see a refresh of this product to improve the timing and promotion of the individual offers.

Westpac Landcare Term Deposit - for every dollar invested in a Westpac Landcare Term Deposit, Westpac makes a donation to Landcare to support more sustainable agriculture endeavours.

"E-statements" Initiative for Australia and New Zealand - provides customers with the option to receive electronic banking statements. Within Australia, as at September 2009, more than 500,000 customers had opted out of paper statements, saving 600 tonnes of paper. In New Zealand, customer statement suppression saved around 7,785 reams of paper.

'Green' Credit Card Initiative - Westpac partners with Neco to allow customers to use their rewards points to purchase energy and water saving devices, including energy efficient light globes and water saving showerheads, or offset their greenhouse emissions.

We have been involved in the CSIRO's multi stakeholder Sustainable Communities initiative to develop and deliver innovative solutions to sustainability challenges and opportunities. More information on the program can be found at http://www.csiro.au/resources/sustainablecommunities.html

Westpac is enabling its farming customers to take advantage of emerging emission offset opportunities and obtain an income for revegetating their land through our support of the Landcare CarbonSmart initiative. More information is available at http://www.carbonsmart.com.au

We have integrated into our business advice guide for SMEs information and support for businesses looking to increase their environmental efficiency, available at http://businessiq.westpac.com.au/

In December last year Westpac New Zealand was the first bank globally to be awarded Landcare's Certified Emissions Measurement and Reduction Scheme (CEMARS) certification. CEMARS certification is part of Landcare's Carbon Zero programme and is a rigorous assessment standard. Westpac elected to pursue the CEMARS certification because our focus is first on reducing emissions before offsetting.

At the same time, the Westpac Ecoshop was launched, an online shopping site for a wide range of eco products, with exclusive discounts to customers who use our most sustainable banking channel, online banking. The site is a first for a bank globally and has been built in partnership with Westpac's credit card rewards programme partner. All the suppliers or their products have strong eco credentials and have been approved against criteria developed using the government's Environmental Choice as a basis.

Within New Zealand, we also continue to work with agricultural business customers in understanding and managing the impacts of Government policy. We initiated a campaign examining the impact of the Government's Permanent Forest Sink Initiative (PFSI). Under the scheme, landowners will be awarded emission units based on the increase in carbon stock during the commitment period.

Westpac New Zealand recently joined the Business New Zealand Major Companies Sustainable Business Forum to discuss and lead on sustainable business strategies to help secure the economic viability of companies in New Zealand. We're currently a key participant in an industry-led project to develop a standard for sustainable supply chain management for major companies in New Zealand.

New Zealand are also working with the government, through the Energy Efficiency and Conservation Authority (EECA), to provide a finance package alongside a government grant for home insulation and "clean heat" retrofits for home owners. Details will be revealed mid-June.

We are also working to understand the potential for commercial advantage for the Australian and New Zealand agricultural sectors, as a result of supply chain management or carbon labelling programs.

More information is available at www.westpac.com.au/corporateresponsibility

Greenhouse Gas Emissions Accounting

7 Reporting date

7.1 Please state the start date and end date of the year for which you are reporting GHG emissions

The emissions data presented in this response refers to the reporting period **1 July 2007 – 30 June 2008**. This is the most recent externally audited period and aligns with the timeframes of the newly introduced mandatory reporting legislation in Australia NGER (2008).

The figures do not include emissions associated with the St George Bank business acquired on 1 December 2008 which will be included in our 2009 Stakeholder Impact Report and our 2010 CDP response.

8 Reporting boundary

8.1 Please indicate the category that best describes the company, entities or group for which Scope 1 and 2 GHG are reported

Companies over which financial control is exercised.

8.2 Please state whether any part of your business or sources of GHG emissions are excluded from your reporting boundary

The data represents 100% of Westpac's banking operations and includes emissions from Westpac Australia, Westpac New Zealand, Pacific Banking, Westpac's wealth management division BT Financial Group and Hastings Funds Management. It also includes data centres.

9. Methodology

9.1 Please describe the process used by your company to calculate Scope 1 and 2 GHG emissions including the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and 2 GHG emissions.

The Greenhouse Gas Protocol serves as the foundation framework for our reporting and is supported by the appropriate local standard as described below. Data is collected across the Group using an online sustainability reporting tool to ensure data integrity. All data is externally verified before publication in our annual Stakeholder Impact Report.

Input data is taken from a combination of supplier invoices, summary reports and metred data extracted from property management, travel and other systems and uploaded into our web based information management system for sustainability-related data. In some instances within our retail network where this information is not available estimations are made based on data from like sites.

From this emissions are calculated using the appropriate local emissions factors. In the absence of relevant national factors the greenhouse gas protocol methodology is applied. In Australia the National Greenhouse Accounts (NGA) Factors is used. This document is released by the Australian Federal Government and the most recent edition is available at http://www.climatechange.gov.au/workbook/index.html.

Emission factors for our Pacific Banking and UK businesses are taken from the GHG Protocol.

Our Westpac New Zealand business has achieved CEMARS (Certified Emissions Measurement and Reduction Scheme) certification for the first time during the reporting period. CEMARS is the world's first accredited greenhouse gas certification scheme - Landcare Research's carboNZero programme of which CEMARS is an ingredient scheme. The accreditation was awarded by the Joint Accreditation System - Australia and New Zealand (JAS-ANZ) which comes under the auspices of the International Accreditation Forum (IAF).

To achieve CEMARS certification a GHG inventory was prepared in accordance with the Greenhouse Gas Protocol and ISO14064-1:2006 standards as well as the preparation of an emissions reduction plan and verification of both the GHG report and reduction plan.

Data was calculated using Landcare Research carboNZero strategic business unit (SBU) resources and tools (such as E-Manage) and GHG emissions factors. A calculation methodology was used for quantifying the GHG emissions inventory using emissions source activity data multiplied by GHG emissions or removal factors.

9.2 Details of any assumptions made
A number of assumptions have been made in collating our Scope 1 and 2 GHG inventory as listed below.

- Where electricity bills for properties in which we are a tenant are paid as outgoings and consumption information is not provided extrapolations are made based on the consumption per metres squared of similar sites. This occurs for less than 8% of our locations in Australia and 16% in NZ. No extrapolations are made in Pacific Banking and UK.
- Where ATMs are part of a gross lease it is assumed that they used 3,000kWh per annum within our New Zealand business
- Fleet vehicles in out Pacific Banking businesses are calculated based on fuel expenditure and are based on approximations. We are working towards changing this methodology to log book records for future reports.

9.3 The names of and links to any calculation tools used

Australia - National Greenhouse Accounts (NGA) Factors released by the Federal Government http://www.climatechange.gov.au/workbook/index.html.
New Zealand – All GHG emissions were calculated using the Landcare Research carboNZero SBU E-Manage calculation tools
http://www.carbonzero.co.nz/action/CEMARScertification.asp
Pacific Banking and United Kingdom – Greenhouse Gas Protocol www.ghgprotocol.org

9.4 The global warming potentials you have applied and their origin

All GWPs applied were as per the IPCCC Second Assessment Report (SAR 1996).

9.5 The emissions factors you have applied and their origin

	Australia*	New Zealand**	Pacific Banking***	United Kingdom***
Gas	51.3 for all states	Natural gas (kWh) 0.194	***	***
Fleet	Petrol – 2.3 LPG – 1.6	Petrol (litre, regular) 2.31 Petrol (litre, premium) 2.37 Diesel (litre) 2.65 LPG (litre) 1.6	Petrol – 2.3 Diesel – 2.63	N/A
Electricity	State based emissions factors are used as follows: NSW/ACT – 0.89 Victoria – 1.22 Queensland – 0.91 Western Australia – 0.87 South Australia – 0.84 Northern Territory – 0.69	1 Jul 07 – 31 Oct 07 kWh 0.231 1 Nov 07 – 30 June 08 kWh 0.165	0.48321	0.48321

*all Scope 1 and 2 emission factors are sourced from the National Greenhouse Accounts (NGA) Factors released by the Federal Government and available at http://www.climatechange.gov.au/workbook/index.html
** New Zealand MfE. Guidance for voluntary, corporate greenhouse gas reporting. Dates and Methods for the 2007 Calender Year (September 2008)
***Greenhouse Gas Protocol. Note calculation tools were unavailable from the GHG Protocol web site at the time of completion and have therefore not been included in this submission.

Note for questions 10, 11 and 13
Please do not deduct offset credits, Renewable Energy Certificates or net off any estimated avoided emissions.

10. Scope 1 Direct GHG Emissions

10.1 Total gross Scope 1 GHG emissions in metric tonnes of CO_2~e

	Scope 1 Emissions
Group Total	**6,316**

10.2 Broken down by country or region

	Scope 1 Emissions

	(tonnes of CO_2~e)
Australia	3,847
New Zealand	1,936
Pacific Banking	483
United Kingdom	50
Group Total	**6,316**

10.3 & 10.4 Business division and/or facility where it will facilitate a better understanding of your business
Not applicable as business divisions often operate out of the same facilities and share back office resources.

10.5 Please break down your total global Scope 1 GHG emissions in metric tonnes of the gas and metric tonnes of CO_2~e by GHG type

Business Unit and Emissions Sources - gases	C02e	CO2	CH4	N2O
NZ - Natural Gas - other stationary (KWh)	296.29	295.98	0.15	0.16
NZ - Vehicles/Fleet - Diesel (litres)	0.52	0.51	0.00	0.01
NZ - Vehicles/Fleet - petrol - premium (litres)	556.82	549.93	3.23	3.66
NZ - Vehicles/Fleet - Petrol - regular (litres)	1082.77	1069.22	6.35	7.21
Total				

Gases are not broken down by type within the National Greenhouse Accounts for Australia but are reported as CO_2~e only as in the previous questions.

10.6 If you have not provided any information about Scope 1 emissions in response to the questions above, please explain your reasons and describe any plans you have for collecting Scope 1 GHG emissions in the future.

Not applicable

11. Scope 2 Indirect GHG Emissions

11.1 Total gross global Scope 2 GHG emissions in metric tonnes of CO_2~e

	Scope 2 Emissions
Group Total	**121,108**

11.2 By country or region

	Scope 2 Emissions (tonnes of CO_2~e)
Australia	112,047
New Zealand	6,993
Pacific Banking	1,656
United Kingdom	412
Group Total	**121,108**

11.3 & 11.4 Business division and/or facility where it will facilitate a better understanding of your business

Not applicable as business divisions often operate out of the same facilities and share back office resources.

11.5 If you have not provided any information about Scope 2 emissions in response to the questions above, please explain your reasons and describe and plans you have for collecting Scope 2 GHG emissions in the future.

Not applicable

12.1 If you consider that the grid average factor used to report Scope 2 emissions in question 11 above does not reflect the contractual arrangements you may have with electricity suppliers you may calculate and report a contractual scope 2 figure in response to this question, showing the origin of the alternative emission factors and information about the tariff

During the reporting period 5,000MWh of accredited GreenPower was purchased within our Australian operations. This electricity is attributed to specific corporate buildings within Sydney as part of our ongoing participation in CitySwitch green buildings program. This resulted in an emissions reduction of 4,450 tonnes (calculated using the emissions factor for the state of NSW described in question 9.5).

Please note that whilst renewable energy is not specifically purchased in NZ approximately 60%[1] of the national energy profile is hydro and geothermal. As such it can be assumed that a significant proportion of our electricity consumption in New Zealand is from renewable sources. The Emissions Factor used for electricity in New Zealand is based on a grid average. There is no green electricity option available in New Zealand.

As such Australian and Group totals for electricity taking into account the greenpower purchase are as follows:

	Scope 2 Emissions (tonnes of CO_2~e)
Australia	107,597
Group	**116,658**

12.2 If you retire any certificates associated with zero or low carbon electricity, please provide details.
Not applicable

13. Scope 3 other indirect GHG emissions
For each of the following categories, please:
- Describe the main sources of emissions
- Report emissions in metric tonnes of CO_2~e
- State the methodology, assumptions, calculation tools, databases, emission factors (including sources) and global warming potentials (including sources) you have used for calculating emissions

[1] In the 2007 calendar year

13.1 Employee business travel (tonnes of CO_2~e)

	Australia	New Zealand	Pacific Banking	United Kingdom
Air travel	7,740	2,796	Not available	263
Taxis	Not available	80	Not available	Not available
Rental cars	Not available	50	Not available	Not available
Use of personal vehicle for work purposes	Not available	147	Not available	Not available
Total	**7,740**	**3,073**	**0**	**263**

Group total 11,076 tonnes of CO_2~e

Methodology
In the absence of a locally specific methodology for the calculation of emissions associated with air travel the Greenhouse Gas protocol is used in Australia and United Kingdom.

For the purposes of calculation, data in Australia and the UK is separated into domestic and international travel. It should be noted that despite the distances travelled on some domestic routes all flights within Australia are classified as domestic as are all flights to New Zealand. As a result, the higher emission factor for domestic travel is applied to these flights.

The emissions factors used are as follows:

Domestic – 0.12
International – 0.11

In New Zealand data is also separated into domestic and international travel however flights to Australia are classified as International.

The emission factors used are sourced from the New Zealand MfE. Guidance for voluntary, corporate greenhouse gas reporting. An aviation multiplier of 1.9 is applied to reflect the global warming potential of oxides of nitrogen that are emitted into the lower and upper atmospheres.

Data on million kilometres travelled is provided from our travel booking firms in all of our areas of operation and is assumed to be an accurate reflection of the direct distance between flight points.

Data is not currently available for flights booked in the Pacific Islands due to the decentralised nature of the booking procedures in this region. However flights for Pacific Banking employees based in Australia are included within the Australian figures.

This is the first year that New Zealand has included taxis and personal car usage in its Scope 3 emission and work is underway to do the same across other regions.

Taxis – emissions are estimated using staff reimbursement costs captured in our accounts (general ledger). The emission factor is derived from a GHG emission calculation methodology used by the CarboNZero programme.

Rental cars are booked through our travel provider and data is soured from the rental car hire company. The emission factor is derived from a GHG emission calculation methodology used by the CarboNZero programme based on engine size/distance travelled. Vehicles that were rented outside of New Zealand have been excluded from this inventory.

Personal Car usage is based on reimbursements captured in the HR accounts system. Employees using personal vehicles for work purposes were reimbursed at a rate of $0.69 per km. As vehicle size is unknown it is assumed that all vehicle travel occurred in a large petrol vehicle (2 litre sized engine).The emission factor is derived from a GHG emission calculation methodology used by the CarboNZero programme based on engine size/distance travelled (worked out by the reimbursement cost divided by $0.69).

13.2 External distribution/logistics

Work is currently underway to include emissions associated with the use of couriers across the Group through the increased accuracy of reporting of weight of items and distance travelled. We anticipate being able to report these figures for the bulk of our operations within the next two years.

13.3 Use/disposal of a company's products and services

As a service provider the key physical product received by our customers is paper. As such we have been including paper in our emissions data since 1996 and undertaken a number of activities, including the introduction of e-statements and a review of the size of selected product disclosure documents to help minimise this impact. Current emission levels and calculation details are outlined below:

	Australia*	New Zealand**	Pacific Banking*	United Kingdom*
Paper emissions (tonnes CO_2~e)	7,623	1,299	120	8

*calculated using an emissions factor of 2.5 sourced from the National Greenhouse Accounts (NGA) Factors released by the Federal Government and available at http://www.climatechange.gov.au/workbook/index.html This is used in Pacific Banking and the UK in the absence of a paper emissions factor in the Greenhouse Gas Protocol and is netted of paper recycled)
** Emissions Factor was sourced from the USA EPA (2002).

13.4 Company supply chain

All supply chain items currently measured are listed above.

13.5 Other

Hotel accommodation required for work purposes was captured also captured by our NZ business based on data from the Westpac accounts system. The emissions figure of

54 tonnes does not include international accommodation due to a lack of emissions factors. This is estimated at 20% of the total hotel nights.

13.6 If you have not provided information about one or more of these categories please explain you reasons and describe any plans you have for collecting Scope 3 indirect emissions information in future.

Further work is currently being undertaken to account for taxi and courier related emissions in Australia and New Zealand. This information is expected to be available within the next two years. In addition we are also reviewing opportunities to report indirect emissions associated with corporate buildings.

14 Emissions avoided through use of goods and services

14.1 If your goods and/or services enable GHG emissions to be avoided by a third party, please provide details including the estimated avoided emissions, the anticipated timescale over which the emissions are avoided and the methodology, assumptions, emissions factors, and global warming potentials used for your emissions.

There are a number of areas where use of Westpac's good and services can lead to avoided emissions as detailed below.

E-statements – the provision of electronic statements enables customers to elect to reduce their paper-related emissions. Since its introduction in June 2005 to the end of the reporting period more than 500,000 customers have saved over 600 tonnes of carbon dioxide. In 2008, half a million accounts in New Zealand have stopped their paper statements resulting in an estimated saving of over 6.6 million sheets of paper.

Emissions savings have been calculated using the methodology outlined in question 13.3.

Other products designed to help retail, agribusiness and small business customers reduce their impact are outline in question 6.1.

15 Carbon dioxide emissions from Biologically Sequestered Carbon

15.1 Please provide the total global carbon dioxide emissions in metric tonnes CO_2~e from biologically sequestered carbon.

0 tonnes

16 Emissions intensity

16.1 Please supply a financial emissions intensity measurement for the reporting year for your combined Scope 1 and 2 emissions, including a description of the measurement,

16.1.1 The units

Total segment revenue - 33.279 billion AUD
(conversion rate to USD for the reporting period is US 0.7904)

Group total Scope 1 and 2 Emissions – 122,974 tonnes CO_2~e

16.1.2. The resulting figure

0.03

16.2. Please supply an activity related intensity measurement for the reporting year for your combined Scope 1 and 2 emissions, including a description of the measurement

16.2.1
The units (as reported in our 2008 Stakeholder Impact Report)

Per employee – 28,302 (Full Time Equivalent)
Per active customer – 6.9 million
Group total Scope 1 and 2 Emissions - 122,974 tonnes CO_2~e

16.2.2. The resulting figure

Group total Scope 1 and 2 Emissions/per employee – 4.345
Group total Scope 1 and 2 Emissions/per active customer – 0.018

17 Emissions history

17.1 Do emissions for the reporting year vary significantly compared to the previous year?

In 2008 our emissions data was rebased to align with a change in reporting periods for newly introduced mandatory reporting legislation in Australia.

This has seen us formally report Scope 1, 2 and 3 emissions. In addition we have changes the reporting period from Westpac's financial year with a September 30 year end to the reporting period required under recently introduced mandatory reporting legislation which has a 30 June year end. See question 1 for further details.

In acknowledgement of these changes we rebased the 2007 reporting year for Australia but were unable to rebase for other businesses.

In addition was the move to CEMARS certification in New Zealand and included figures from our UK operations for the first time. This makes year on year comparisons difficult.

In Australia we saw emissions increase by 2,551 tonnes CO_2~e or approximately 2.5%.

17.1.1. Estimate the percentage by which emissions vary compared with the previous reporting year
As above comparable data exists for our Australian business and shows an increase of approximately 2.5% due to small increases in electricity and gas consumption.

18. External Verification/Assurance

18.1. Has any of the information reported in responses to questions 10-15 been externally verified/assured in whole or in part?

Yes

18.2 State the scope/boundary of emissions included within the verification/assurance exercise
All data for Scope 1, 2 and 3 emissions over the reporting period has been externally verified. In Australia and New Zealand this includes both the methodology applied and the management systems used to collect and calculate the information.

Data from the UK and Pacific Banking has not been fully verified as only the calculations have been reviewed and not the source data.

18.3 State what level of assurance (eg reasonable or limited) has been given.

Whilst not explicitly outlined in our Group assurance statement data has received limited assurance. Changes in the AA1000 standard introduced this year will see this become more explicit in future reporting. The New Zealand specific data has been verified to a reasonable assurance level.

18.4 Provide a copy of the verification/assurance statement

The assurance statement for Group data is available at
http://www.onlinedocument.com.au/westpac/default.aspx?PID=282

A copy of the audit assurance statement and disclosure report for New Zealand specific environmental data as part of the CEMARS certification can be found at
http://www.carbonzero.co.nz/members/cemarscertified.asp

18.5 Specify the standard against which the information has been verified/assured
The Group Statement has been assured against the AA1000 standard. The specific statement specifically relating to New Zealand's CEMARS methodology was undertaken in line with ISO 14064 -1 and ISO 14064-3 and are consistent with the Auditing Standards issued by the New Zealand Institute of Chartered Accountants ('the Institute').

18.6 If not, please state whether you have plans for GHG emissions accounting information to be externally verified/assured in the future.
Not applicable

19 Data accuracy

19.1 What are the main sources of uncertainty in your data gathering, handling and calculations eg data gaps, assumptions, extrapolation, metering/measurement inaccuracies etc?

There are a number of areas of uncertainty deemed to be immaterial to the numbers stated in this submission as out lined below:

- information from suppliers is assumed to be accurate. For material categories suppliers are asked to submit a letter of attestation with their reports

- items have been correctly referenced in the General Ledger, primarily for paper usage in New Zealand
- in New Zealand waste information is estimated based on full time equivalent employee numbers (FTE)
- leakage from refrigerants is not currently reported
- there is potential leakage in relation to air travel and hire car data where bookings have been made outside of the preferred booking process. However general ledger checks indicate that this is not material

19.2 How do these uncertainties affect the accuracy of the reported data in percentage terms or an estimated standard deviation?

None of these issues collectively or individually are deemed to have had a material impact on the total emissions inventory.

19.3 Does your company report GHG emissions under any mandatory or voluntary scheme that requires an accuracy assessment?

From 2009 we will be required to report Australian emissions data under the both the National Greenhouse and Energy Reporting Act and the Energy Efficiency Opportunities Act. NGER requires that uncertainties in emission estimates must be minimised and any estimated must neither be over nor under estimates of the true values at a 95% confidence level.

All emissions data is publicly reported in our public sustainability reporting. In addition we participate in a number of additional voluntary schemes and are required to report one of our operating sites under a state-based regulatory program.

19.3.1 Provide the name of the scheme
Greenhouse Challenge Plus
Energy Savings Action Plan – a mandatory program in the state of NSW that requires us to report the emissions and energy savings plan for one of our data centres
CitySwitch (formerly known as 3CBDs) – a voluntary local government initiative for the reporting of major buildings within the participating council areas
CEMARS (Certified Emissions Management And Reduction Scheme) For more information go to www.cemars.co.nz ;)

19.3.2 The accuracy assessment for GHG emissions reported under that scheme for the last report delivered
The numbers reported are as per our most recent Stakeholder Impact Report as discussed in question 19.1 and 19.2 and are not believed to be material.

20. Energy and Fuel Requirements and Costs

20.1 The total cost of electricity, heat, steam and cooling purchased by your company.

19.5 million AUD

20.1.1 Please break down the costs by individual energy type

	AUD
Electricity	$15.76 million

Cost of purchased fuel
20.2 The total cost of fuel purchased by your company for mobile and stationary combustion

	AUD
Gas	$220,000
Fleet	$3.5 million

20.2.1 Please break down costs by individual energy type

Energy and fuels inputs

	AUD
LPG	$1m
Unleaded petrol (incl premium and E10)	$2.5 million
Diesel	$273

20.3 Your company's total consumption of purchased energy in MWh

Electricity – 159,542 MWh
Gas - 3,715 MWh
Total – 163,257 MWh

Purchased and self produced fuel input
20.4 Your company's total consumption in MWh of fuels for stationery combustion only. This includes purchased fuels, as well as biomass and self-produced fuels where relevant.

Reported under 20.3

20.4.1 Please break down the total consumption of fuels reported in answer to question 20.4 by individual fuel type in MWh

Energy Output

Not applicable

20.5 What is the total amount of energy generated in MWh from the fuels reported in question 20.4?

Not applicable

20.6 What is the total amount of MWh of renewable energy, excluding biomass, that is self-generated by your company?

0

Energy exports
20.7 What percentage of the energies reported in response to question 20.5 is exported/sold by your company to the grid or third parties?

none

20.8 What percentage of the renewable energy reported in response to question 20.6 is exported/sold by your company to the grid or to third parties?

Not applicable

21. EU Emissions Trading Scheme

21.1 Does your company operate or have ownership of facilities covered by the EU Emissions Trading Scheme (EU ETS)?
No

If not please proceed to questions 22.

21.2 The allowances allocated for free for each year of Phase II for facilities which you operate or own (even if not wholly owned).
n/a

21.3 The total allowances purchased through national auctioning processes for the period 1 January 2008 to 31 December for facilities you operate or own.
n/a

21.4 The total CO_2 emissions for 1 January to 31 December for facilities which you operate or own.
n/a

22 Emissions trading
22.1 Please provide details of any emissions trading schemes, other than the EU ETS, in which your company already participates or is likely to participate within the next two years.

Westpac will be trading in the Australian Carbon Pollution Reduction Scheme and the New Zealand Emissions Trading Scheme, as well as acting as a financial intermediary for customers looking to access international offset credits via the Clean Development Mechanism and Joint Implementation markets. Westpac will also continue to trade the EU ETS, which we have been trading since 2006.

22.2 What is your overall strategy for complying with any schemes in which you are required or have elected to participate, including the EU ETS?

Over the last few years, Westpac has been strategically building a leadership position of competitive differentiation within our markets around emissions trading capability and expertise.

As discussed in response to Questions 1-6, Westpac has implemented a comprehensive strategic approach to managing our response to emerging climate change risks and opportunities. Please refer to Question 4 in particular for additional information to supplement this response.

Westpac Institutional Bank has lead carriage of our response to emerging carbon markets, supported by the broader climate change strategy and Group Sustainability governance structure.

Although we are not directly covered by the EU ETS, in late 2006, Westpac established a dedicated team and commenced trading within the EU ETS, trading in EUAs and CERs. Westpac's participation in the EU ETS was an extension of our energy trading activities and provided Westpac with the opportunity to grow skills, experience and expertise before the commencement of formal trading in Australia and New Zealand, to assist our customers impacted by compliance requirements manage their carbon assets effectively.

In late 2007, the WIB Carbon and Water Forum was established to more effectively coordinate the bank's commercial response to carbon globally. The Carbon and Water Forum is pursuing the following key priorities:

- Build knowledge and capability across WIB through internal awareness raising and education.
- Understand and assess carbon risks through the establishment of a Carbon risk Sub-Committee focused on incorporating Carbon Risk into WIB's credit risk assessments and research.
- Take a recognised leadership position in carbon markets and implement the tools, resources and processes required to operationally trade before 2010.
- Provide integrated client services and products on carbon

The Carbon and Water Forum is chaired by the Group Executive for Westpac Institutional Bank and includes executive representation from all divisions of the institutional bank as well as Agribusiness and Business Banking. It meets every two months and is designed to ensure Westpac's response to current and emerging carbon markets is coordinated effectively across the bank.

Prompted by the huge synergies and correlations generated by the emergence of emissions trading, the Commodities, Carbon and Energy (CCE) group was created in 2008 through the merger of Westpac's Commodity Derivatives business, Environmental Markets group and global Power trading team.

CCE will be offering hedging and risk management products for the upcoming Australian and New Zealand emissions trading schemes, including providing access to price risk management tools for both the domestic permits and international offsets eligible for submission for acquittal for compliance purposes.

More broadly, Westpac will be Structuring solutions to help business transition into a carbon constrained economy and providing additional complementary client solutions.

Westpac has an established track record of providing expert advice to business and government on climate policy developments and will continue to engage at all levels on design and implementation issues, enabling us to work with our customers to assist them transition into a carbon constrained economy.

22.3 Have you purchased any project-based carbon credits?
If so, please indicate whether the credits are to meet one or more of the following commitments:

- **primarily for compliance purposes**
- **primarily for voluntarily offsetting of your own emissions**
- **other (please describe)**

We are active in the Secondary CER market through our European emissions trading desk which trades sCERs both to meet customer demand and for our own account.

As the legislation to establish the Australian CPRS and the NZ ETS is finalised and regional market develops we will also be trading sCERs to meet the demand of our customers and ore own power trading activities.

To date Westpac has not purchase any project-based credits directly in the primary market (ie directly from projects). However we are expanding this capacity and plan to participate in the Primary CDM market in the very near term.

Please also:

22.4 Provide details of the type of unit, volume and vintage purchased and the standard/scheme against which the credits have been verified, issued and retired (where applicable).

Not applicable

22.5 Have you been involved in the origination of project-based carbon credits?

Please refer to our response to Question 22.6

If so:

22.6 Please provide details including:
- your role in the project (s)
- the locations and technologies involved
- the standard/scheme under which the projects are being/have been developed
- whether emissions reductions have been validated or verified
- the annual volumes of generated/projected carbon credits
- retirement method if used for own compliance or offsetting

As described above, to date Westpac has not originated project based carbon credits in the primary market. We are expanding this capability and are planning to commence the origination of primary CERs through our London based emissions trading team in the very near term.

We are also exploring opportunities for the purchase of project based credits from Joint Implementation projects as the market firms up, particularly in New Zealand, and Voluntary projects where there is customer demand.

In addition, Westpac has undertaken an extensive tender process for a preferred offset provider to ensure the purchase and retirement of quality offsets for our own business use and developed guidelines for the appropriate communication of offset activities.

22.7 Are you involved in the trading of allowances under the EU ETS and/or project-based carbon credits as a separate business activity, or in direct support of a business activity such as investment fund management of the provision of offsetting services?

Yes

As outlined above and in our response to the 'Risks and Opportunties' section of this response, Westpac has been an active trader in the EU ETS since 2007 (EUAs and secondary CERs) and completed the first trade of AEUs in the Australian CPRS in 2008.

We will continue to participate in existing or developing emissions markets in which our customers have compliance obligations as a separate business activity within Westpac Institutional Bank.

In the event that Westpac's lending, project finance or fund management activities result in a direct compliance obligation or supply of project credits Westpac Institutional Bank's emissions trading activities would expand to include 'direct support of a business activity'.

If so:

22.8 Please provide details of the role performed.
As a financial institution, our role in the traded emissions markets is twofold:

Firstly, to assist our customers in meeting and optimising their compliance requirements by buying and/or selling EUAs, CERs/ERUs, AEUs and NZUs across the curve. To do this we offer a range of trading and risk management products including spot, forwards, inter-product 'swaps' (e.g. EUA-CER 'swaps') and intertemporal swaps.

Secondly, to provide liquidity to the market through our own trading of EUAs, sCERs and AEUs.

More broadly, as set out in our response to the 'Risks and Opportunities' section, Westpac has reviewed and updated our Carbon Strategy for Financial Markets and identified strategic opportunities across the carbon value chain, focusing on the origination, distribution, trading and repackaging of carbon offsets and compliance permits across the global carbon market.

Westpac has launched the Commodities, Carbon and Energy (CCE) combined trading desk and continues to build trading capability for Australian, European and New Zealand markets and for Kyoto Protocol project based market mechanisms.

CCE are conducting ongoing engagement with clients on the emerging market, likely impacts and the development of appropriate trading strategies, in conjunction with the work being undertaken by the Carbon Risk Committee to review and assess emerging industry and client risk impacts.

23. Reduction plans
23.1 Does your company have a GHG emissions and/or energy reduction plan in place?

Yes

If not:

23.2 Please explain why

Goal setting
23.3 Do you have an emissions and/or energy reduction target(s)?

Yes

23.4 What is the baseline year for the targets?

2008

23.5 What is the emissions and/or energy reduction targets(s)?
Year 1 – 5% reduction target
Year 5 – 30% reduction target
Note that these are in addition to the 40% in reductions already achieved since 1996

23.6 What are the sources or activities to which the target(s) applies?
All Scope 1 and 2 emissions in Australia and New Zealand

23.7 Over what period/timescale does the target(s) extend?
5 years

GHG emissions and energy reduction activities
23.8 What activities are you undertaking or planning to undertake to reduce your emissions/energy use?

A number of activities are underway or planned to meet this target, including:

- transition to hybrid vehicles for all branded fleet vehicles (commenced 2008)
- completion of energy management plans for all major corporate sites, including data centres, across the portfolio (underway)
- completion of energy audits within the branch network (underway)
- relocating to energy efficient head office in Auckland, New Zealand (underway)
- completion of a environmental assessment of our UK operations (complete)
- adjustments to building start up times (underway)
- installation of energy efficient lighting and improved zoning (underway)
- specifications for low energy IT equipment (complete)
- enhanced communication and behavioural change programs (underway)
- building consolidation (underway)

- investigation of alternative energy sources (underway)
- improvements to HVAC (underway)

In addition are a number of activities underway to reduce our indirect impacts, including:
- continued roll out of recycling programs
- continued roll out of e-statements and other paper reduction initiatives
- improved video conferencing facilities
- inclusion of environmental footprint criteria within the product development and project funding approval processes
- further development of products and services to help customers reduce their emissions impact
- provision of employee discounts, offers and interest free loans on a range of energy saving items and season travel loans

Goal evaluation
23.9 What benchmarks or key performance indictors do you use to assess progress against the emissions/energy reduction goals you have set?

Emissions data is presented to the Executive team quarterly and to the Board Sustainability Committee when it meets three times a year. It is also included in the personal scorecard reporting for our executive team.

These are benchmarked against performance over previous years.

Tracking of the success of individual changes and initiatives and tracked and monitored against return on investment, cost reduction and the reduction of greenhouse gas emissions.

Goal achievement
23.10 What emissions reductions, energy savings and associated cost savings have been achieved to date as a result of the plan and/or the activities described above? Please state the methodology and data sources you have used for calculating these reductions and savings.

The year 1 results of our current 5 year plan will be reported in late 2009, including savings associated with specific initiatives.

Prior to this emissions reduction of over 40% have been achieved within our Australian operations since formal tracking began in 1996.

23.11 What investment has been required to achieve the emissions reductions and energy savings targets or to carry out the activities listed in response to question 23.8 above and over what period was that investment made?

Planned expenditure for 2008/09 financial year (Year 1 of the current program) will be $4.5 million.

23.12 What investment will be required to achieve the future targets set out in your reduction plan or to carry out the activities listed in response to question 23.8 above and over what period do you expect payback of that investment?

Planned expenditure for 2008/09 financial year (Year 1 of the current program) will be $4.5 million. Initiatives across the five year reduction program are expected to provide an average payback of less than five years.

23.13 Please estimate your company's future Scope 1 and Scope 2 emissions for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

We expect to see emissions increase in the order of 50% as a direct result of our recent merger with St.George Bank. Our annual and five year targets will be extended across both the newly merged portfolios. This is seen as the most significant change to our emissions profile over the next five years and expect that our reduction targets will be achieved across a rebased figure to account for this increase.

	FY09	FY11	FY13
Group Scope 1 and 2 emissions	115,000	103,000	84,261

Note this does not include expected emissions from the St George business with which we merged on 1 December 2008. Data for this business will be included in our 2010 CDP submission following the completion of external verifications of data for this business.

23.14 Please estimate your company's future energy use for the next five years for each of the main territories or regions in which you operate or provide a qualitative explanation for expected changes that could impact future GHG emissions.

	FY09	FY11	FY13
MWh	155,000	138,000	115,000

Note this does not include expected consumption from the St George business with which we merged on 1 December 2008. Data for this business will be included in our 2010 CDP submission following the completion of external verifications of data for this business.

23.15 Please explain methodology used for your estimations and any assumptions made.

Estimated emissions and consumption figures for the next 5 years are based upon a small increase in the branch network and the achievement of agreed reduction targets. Note this does not currently include projections from the addition of our merger with St George or synergies expected from the integration of non-retail functions of this business.

24. Planning

24.1 How do you factor in the future cost of emissions into capital expenditures and what impact have those estimated costs had on your investment decisions?

Emissions trading schemes are currently proposed for our two major areas of operation – Australia and New Zealand. Current electricity contracts already include clauses allowing the providers to pass on any costs associated with the proposed schemes. Recent announcements in early May on the proposed Australian scheme include a delay to the commencement of the scheme and a fixed price of $10 for the first 12 months of operation.

Projected future costs of energy and fuel as a result of the introduction of these changes have been incorporated into the business cases when assessing the viability of energy efficiency projects.

25. Responsibility
25.1 Does a Board Committee or other executive body have overall responsibility for climate change?
Yes
If not:

25.2 Please state how overall responsibility for climate change is managed and indicate the highest level within your company with responsibility for climate change.
Not applicable

25.3 Which Board Committee or executive body has overall responsibility for climate change?
Board Sustainability Committee

25.4 What is the mechanism by which the board or other executive body reviews the company's progress and status regarding climate change?
Both the Board and the Executive team review Westpac's emissions tracking and climate change response at regular points throughout the year. Endorsement for Westpac's five year climate change strategy was also received from both of these groups with annual updates provided on progress both to these groups and publicly.

In addition a Carbon and Water Forum has been established within Westpac Institutional Bank to specifically explore our indirect carbon risks and opportunities. This year has also seen the formation of a carbon risk and renewable energy sub-committees. Details on the work of these groups is discussed in question 1.

In New Zealand emissions management is monitored by an Environmental Steering Committee membership of which includes a number of General Managers and the Chief Financial Officer.

The past 12 months has seen the establishment of two additional governance groups across the organisation to manage sustainability issues including climate range. The Sustainability Council, consisting of representative of each area of the business with responsibility for the implementation of the Group sustainability strategy, including New Zealand and Pacific Banking.

The Facilities Management Governance Group also meets weekly to review progress against implementation plans for our emissions reduction plan. Whilst led by Group Property it also includes representatives from sustainability, IT and sourcing.

Further details on the governance of climate change issues at Westpac can be found in our climate change position paper "Transitioning to a low carbon economy" available online at
http://www.westpac.com.au/manage/pdf.nsf/0FABF64D6FD44959CA257500007EEB99/$File/Transitioning_low_carbon_economy.pdf?OpenElement

26. Individual performance

26.1 Do you provide incentives for individual management of climate change issues including attainment of GHG targets?
Yes
If so:

26.2 Are those incentives linked to monetary rewards?
Yes, emissions reduction targets are included in personal scorecards of a number of individuals across the organisation and directly impact on their bonus potential.

26.3 Who is entitled to benefit from those incentives?
Our Executive Team (ie our CEO and their direct reports) have a shared emissions reductions target and where appropriate to job role these have been cascaded to General Manager level and below. All employees have a sustainability component within their personal scorecard relating to elements of Westpac's overall sustainability strategy as relevant to their individual role and agreed with their manager. As appropriate these will include a climate change element.

27. Communications
27.1 Do you publish information about the risks and opportunities presented to your company by climate change, details of your emissions and plans to reduce emissions?
Yes

If so, please indicate which of the following apply and provide details and/or link to the documents or a copy of the relevant excerpt:

27.2 The company's Annual Report or other mainstream filings.
Annual Report
A number of aspects of climate change and associated risks, opportunities and emission reduction plans are included in our Annual Report, some examples from our 2008 report follow:

Environmental disclosures in relation to environmental reporting
http://info.westpac.com.au/annualreport2008/default.aspx?PID=163

Major reduction emission reduction programs are included, for instance our move to a new energy efficient corporate headquarters in Auckland, New Zealand
http://info.westpac.com.au/annualreport2008/default.aspx?PID=144

The roles and responsibilities of the Board in considering environmental risk, together with monitoring of environmental policy and our broader business principles
http://info.westpac.com.au/annualreport2008/default.aspx?PID=152
http://info.westpac.com.au/annualreport2008/default.aspx?PID=154
http://info.westpac.com.au/annualreport2008/default.aspx?PID=158

Full year profit announcement
Emissions data for Australia is publicly reported and lodged with the Australian Securities Exchange (ASX) as part of half and full year profit announcements, refer page 5 of our most recent full year announcement at
http://www.westpac.com.au/manage/pdf.nsf/4DAC03E7B58D2D33CA2574F10076A590/$File/WBC_FY08_ProfitAnnouncement.pdf?OpenElement

In future this will be expanded to include data for both Australia and New Zealand/

Investor discussion pack
Also lodged with ASX our investor discussion pack includes details of emissions reduction targets and key elements of our climate change strategy. See slide 17 at
http://www.westpac.com.au/manage/pdf.nsf/793AB901BC029761CA2574F1007700C0/$File/WBC_FY08_IDP.pdf?OpenElement

27.3 Voluntary communications (other than CDP such as Corporate Social Responsibility reporting).
The primary vehicles for communicating our approach to managing climate change are via:
- our annual sustainability reporting via our Stakeholder Impact Report
http://www.westpac.com.au/internet/publish.nsf/Content/WICRSR+2008+Stakeholder+Impact+Report
- our position paper 'Transitioning to a low carbon economy'
http://www.westpac.com.au/manage/pdf.nsf/0FABF64D6FD44959CA257500007EEB99/$File/Transitioning_low_carbon_economy.pdf?OpenElement
- our website
http://www.westpac.com.au/internet/publish.nsf/Content/WICREVII+Climate+change; and
- PACT: our stakeholder newsletter:, in particular a special climate change edition available at
http://www.westpac.com.au/manage/pdf.nsf/37474B3136D34094CA25752200023C1E/$File/pactV8.pdf?OpenElement
- in 2008 our New Zealand business reported under the CEMAR scheme for the first time http://www.carbonzero.co.nz/members/cemarscertified.asp
www.westpac.co.nz/sustainability

In addition Westpac was the first bank to sign up to the Greenhouse Challenge Plus program, run by the Australia Federal Government and have voluntarily reported our emissions under the program since 1996.

28. Public Policy
28.1 Do you engage with policymakers on possible responses to climate change including taxation, regulations and carbon trading? If so, please provide details.

Westpac is extensively engaged in the development of public policy in response to climate change. Intense government engagement continues throughout 2008/09.

A summary of key activities is set out below.

- Westpac has provided detailed commentary on the Government's Green Paper on emissions trading, the White Paper on the proposed Carbon Pollution Reduction Scheme (CPRS), the draft CPRS legislation and supporting regulations and now the final form of the CPRS legislation and supporting regulations. This is an ongoing process of engagement on multiple fronts.
- Submission provided on the National Carbon Offset Standard Discussion Paper.
- Submission provided to the Senate Economics Committee Inquiry on the Exposure Draft of the Carbon Pollution reduction Scheme Bill and Westpac appeared representatives before the Committee to provide direct evidence. The final report was released on 16 April 2009. The final legislation has also been referred to this Committee for further examination and Westpac will again be providing a submission.
- Submission and additional feedback provided directly to the Government on the draft CPRS legislation.
- Submission provided to the Senate Select Committee on Climate Policy and Westpac representatives appeared at the Committee hearings to provide evidence. The Committee is due to report back in June 2009.
- Submissions to all of these forums also provided through both the Australian Bankers' Association (ABA) and the Australian Financial Markets Association (AFMA).
- Westpac has participated in a number of technical workshops with the Department of Climate Change (DCC) focusing on specific elements of market design. These have included taxation treatment issues, the status of permits as a financial product, auction procedures and trading and settlement processes, amongst others.
- Westpac is also a member of the New South Wales (NSW) Carbon Markets Taskforce, providing feedback to the NSW State Government on promoting Sydney as a carbon markets trading hub.

We will continue to work with the Government and all political parties over the course of the passage of the legislation through Parliament in 2009.

Westpac New Zealand is also engaged in ongoing dialogue with the New Zealand Government over the current review of the New Zealand Emissions Trading Scheme (NZETS).

Westpac has provided a written submission to the New Zealand Emissions Trading Scheme Review Committee, and provided evidence directly to the Committee at a public hearing. This Committee is expected to report back in mid-2009.

Westpac will continue to contribute to the development of international policy frameworks in the lead up to the Copenhagen Roundtable through various multilateral organisations, such as the United Nations Environment Program (UNEPFI) of which we were a founding member, and through initiatives such as the Poznan Communiqué.

Westpac transparently communicates our public policy position through a number of channels, as set out in our response above to question 27. Copies of our submissions to government can be found on our website at http://www.westpac.com.au/internet/publish.nsf/Content/WICREVII+Communication+and+advocacy