

Statement Pursuant to Section 249P of the Corporations Act 2001

To : Westpac Banking Corporation ABN 33 007 457 141 (“Company”)

Pursuant to section 249P of the *Corporations Act 2001*, we the undersigned, being (when aggregated with other signatories) in total at least 100 members of the Company who are entitled to vote at a general meeting, request the Company to give to all its members the statement outlined below that has been provided by the members making the request about a matter that may be properly considered at a general meeting.

“Shareholders concerned about risks to reputation arising out of Global Outsourcing

We are concerned about the impact of Global Outsourcing strategies of companies in the Australian finance industry, that could result in Australian based jobs and customer databases being sent offshore.

As shareholders in Westpac, we are concerned that such strategies can affect a company’s reputation particularly with respect to:

- employees losing their jobs;
- the future of employment and skills in the finance industry; and
- the security and privacy of consumers’ sensitive financial data.

The potential nature and scale of global outsourcing is massive. In 2005 the OECD predicted that over 70% of all Australian finance sector jobs could be performed offshore¹ – this would equate to over 200,000 jobs. This would greatly exceed the number of full time banking jobs lost during the 1990’s as a consequence of restructuring and the closure over 2,200 retail branches.

We recognise that Westpac has worked extremely hard over recent years to improve its relationship with customers and has invested in the retail branch network to recover the deterioration associated with that period of branch closures and cost cutting.

It is critical that the Board of Westpac consider all the potential risks that could arise out of Global Outsourcing and avoid any potential future damage to its brand, reputation and relationships with staff, communities and consumers.

Staff concerns

Westpac staff, as key stakeholders in the company, are concerned about the impact of Global Outsourcing that results in jobs, skills and future opportunities going offshore. This could have serious impacts on the morale of staff.

Consumer concerns

We are mindful of research recently conducted by McNair Ingenuity² that clearly demonstrates that Australian consumers are concerned about Global Outsourcing and that it could influence their decisions about their banking relationships. The results of that survey were as follows:

- 96% agree that Australian companies have a responsibility to invest in Australian jobs and skills;
- 82% agree that they would consider changing to a different bank, if they knew that their bank was sacking Australian workers and sending their jobs offshore;
- 85% support the call for the Federal Government to require banks to inform customers if they are storing personal information overseas;

¹ OECD, 2005. *Potential Offshoring of ICT-Intensive using occupations*

² McNair Ingenuity, May 2006. *Attitudes to Offshore Labour*

