

7 December 2011

Merran Kelsall  
The Chairman  
Auditing and Assurance Standards Board  
PO Box 204  
Collins Street West  
MELBOURNE VIC 8007

Dear Ms Kelsall

**Subject: *Exposure Draft 03/11 – Related Services ASRS 4450 Comfort Letter Engagements***

Westpac Banking Corporation appreciates the opportunity to comment on the exposure draft of ASRS 4450.

We do not have a firm view on whether a new standard is required, however we are a regular issuer of term debt in foreign capital markets, and therefore have an interest in any new standard.

We are concerned that some aspects of Draft ASR 4450, if implemented, would inhibit timely access to offshore funding.

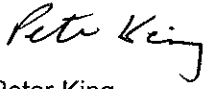
The requirement for the auditor to apply ASRS 4450, notwithstanding that the auditor may also apply another standard issued by a national auditing standards body, where one exists, will invariably lead to conflict between ASRS 4450 and the standards and conventions of some foreign debt capital markets. We believe the proposed standard should be limited to comfort letters for offerings in jurisdictions without equivalent standards.

In particular, we are concerned that the requirement for dealers/underwriters of US debt offerings to enter into an engagement letter including reference to the proposed Australian standard will create conflict with the requirements and framework included in SAS 72 which does not require dealers/underwriters to enter into an engagement letter. The US debt capital markets are amongst the deepest in the world. In our experience, dealers/underwriters in those markets do not enter into engagement letters with an issuer's auditor for the provision of comfort letters because SAS 72 prescribes the framework and procedures required and these are, in any event, narrated in the comfort letter. We are concerned that dealers/underwriters may avoid or delay participating in US debt offerings if the issuer's auditor is required to enter into an arrangement letter with them.

It is important for Westpac Banking Corporation to be able to access offshore funding markets in a timely manner, as and when market opportunities present themselves.

If you would like to discuss these comments, please call Paddy Rennie on (02) 82533123.

Yours sincerely

A handwritten signature in black ink that reads "Peter King". The signature is written in a cursive style with a large, looped initial 'P'.

Peter King  
Deputy Chief Financial Officer  
The Westpac Group