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2007 ANZ Corporate Responsibility Report

Definitions

<p>Accelerated Development Program</p>	<p>The ANZ Talent Radar is aimed at identifying and developing a strong leadership pipeline across ANZ. It targets junior management level and above with strong potential. Participants of the ANZ Talent Radar can expect a range of benefits, including greater profile and visibility by senior leaders, the chance to network outside their own business unit and specialist area, and the option to choose from a range of development opportunities in line with their individual development plan.</p>
<p>AIL</p>	<p>This is a levy applied under the NZ Stamp and Cheque Duties Act. In effect, it is an alternative to the application of NZ NRWT to interest payments to non resident and is charged at the rate of 2% of the interest paid to the non resident customer. Non resident bank customers can elect to have the AIL charged on their interest instead of NRWT at 10% or 15%. The major difference from NRWT, is that a non resident does not get a credit for AIL (unlike NRWT) as the AIL is not a tax but is a levy charged by the NZ government.</p>
<p>Air travel – domestic</p>	<p>Domestic air travel booked through the Australian and New Zealand air travel booking systems.</p>
<p>Air travel – international</p>	<p>International air travel booked through the Australian and New Zealand air travel booking systems.</p>
<p>Annual employee volunteer hours</p>	<p>The number of hours of paid leave recorded by staff in order to undertake volunteering activities in the community.</p>
<p>Annual turnover rate</p>	<p>Annual turnover rates were obtained from PeopleSoft, ANZ's HRIS system, as at 30 September 2007. Total turnover includes both voluntary⁶ and involuntary turnover. The below formula is used to calculate annual total turnover:</p> <p>Total no. of employee who exited ANZ between 1/10/06 – 30/9/07 / Average total headcount between 1/10/06 – 30/9/07 x 100</p> <p>Note: The average headcount is obtained by summing the total headcounts at the end of each pay fortnight between 1/10/06 – 30/9/07 and dividing this by the number of pay fortnights between 1/10/06 – 30/9/07 (which is 26). The above formula excludes non-employees.</p>
<p>Average customer wait time</p>	<p>Measured monthly using the Q-matic system in a sample of 176 branches that identifies how long customers wait to be served.</p>
<p>Average daily waste from 10 key sites</p>	<p>General waste was measured at 10 key sites over a two week period and averaged to provide average daily waste at each site. This was then totalled to provide the total average daily waste for the 10 key sites.</p>

Cash contributions	Total cash contributions to benefit charitable organisations and programs in the community.
Cheque Duty	This is an indirect tax on the issue of new cheques by banks to their customers. The duty which is levied at 5 cents per cheque is collected by the banks from their customer and on paid to IRD. The duty is applied under the NZ Stamp and Cheque Duties Act.
Community and regional banks	Banks, other than the top four, which are included in the Roy Morgan Research Customer Satisfaction (Main Financial Institution) Results.
Community Giving	Comprises: Regular payroll deductions, Team Giving and Staff Foundation contributions. Staff participation is calculated by totalling the number of staff listed on: Team Giving notification forms, Payroll deduction reports and Staff Foundation donation records. Those staff participating in more than one of the programs offered has only been counted once. Regular donations are considered as more than one donation during the period of reporting.
Community investment – management costs	The cost of maintaining Community Relations personnel responsible for Group community investment activities; research that informs community investment strategy; and expert advice on cross-sector partnerships with government and community organisations.
Congestion Levy/Parking Space Levy	This represents an amount levied by certain states on car spaces in the CBD. The amount is borne as it represents car spaces owned and used by ANZ.
Corruption	Used interchangeably with 'Fraud' and 'Bribery'.
Cost to income ratio	Cash cost to income ratio.
Council Rates	This represents amounts paid for council rates imposed by local authorities.
Customer satisfaction (Consumer Finance Monitor)	The Consumer Finance Monitor (CFM) measures customer satisfaction in New Zealand. The CFM data is collected throughout the year via 10,500 face-to-face interviews with people aged 15+ and reported quarterly. This sample is nationally representative of the age, gender and geographic distributions in the NZ population.
Customer satisfaction (Peter Lee Associates)	Our Institutional division measures customer satisfaction through an annual survey, conducted independently by Peter Lee Associates. The survey gathers the views of Treasurers and Chief Financial Officers of almost 500 of Australia's, and 145 of New Zealand's, largest corporations (i.e. greater than AUD300 million turnover) about their overall banking relationships.
Customer satisfaction (Roy Morgan Research)	Based on data from the Roy Morgan Research Single Source model. Roy Morgan Research conducts around 55,000 face-to-face interviews amongst Australians (14 years of age and over). The research is conducted continuously over a 12-month period. Main

	Financial Institution (MFI) Satisfaction refers to the proportion of each financial institution's MFI customers (defined as those holding at least a Deposit/Transaction account) that are either 'Very Satisfied' or 'Fairly Satisfied' with their overall relationship with that financial institution. Customers who have relationships with multiple brands within a Financial Institution group are regarded as a customer of each brand.
Duty on hire of goods/rental business duty	Duty imposed by the States on ANZ in its capacity as a hirer. ANZ passes this cost to the customer.
Duty on vehicle Transfers	Invisible – not identified.
Electricity consumed/FTE	ANZ's electricity consumed per FTE.
Electricity consumed/m²	ANZ's electricity consumed per m ² .
Environmental and social screening	Lending to banks is excluded due to the high number of entities that would be involved in such a screening. Lending to these entities attracts an annual limited review.
Equator Principles	Equator Principles is a set of voluntary standards designed to help banks identify and manage social and environmental risks associated with the direct financing of large infrastructure projects such as dams, mining and pipelines.
Female representation (%) at the executive positions (as at 30 Sept 2007)	This reflects the percentage of female employees in executive level positions as at 30 September 2007. Executive positions are those at Group 1 (Senior Executive) and Group 2 (Executive).
Financial literacy programs	ANZ community programs delivered with community and government partners and designed to help people make informed judgements and effective decisions about the use and management of money. Also includes programs which aim to address financial exclusion – which is the lack of access, faced by the most needy members of our community, to appropriate low-cost, fair and safe financial services from mainstream providers.
Fossil fuels consumed in premises	Total gas consumed and diesel purchased.
Fringe Benefits Tax (FBT)	This represents fringe benefits tax paid to the ATO on the value of certain benefits providing to employees net of refunds.
FTE (Environment)	Full Time Equivalent comprises month end figures for permanent full-time, part-time and temporary staff averaged over the twelve months ended 30 September 2007 as derived from Hyperion.
Fuels for emergency power units	Diesel purchases made by contractors on behalf of ANZ for the operation and standby capability of generator sets and oil fired boilers across all commercial and retail sites where such equipment has been installed.
GHG emissions of non-premises energy use	Australian greenhouse gas emissions from non-premises energy (fleet road transport). New Zealand greenhouse gas emissions from non-premises energy includes fleet and car rental road transport.

GHG emissions of premises energy use	Greenhouse gas emissions from Total energy consumed in premises.
Goods & Services Tax (GST)	GST borne = the difference between the amount of GST paid on acquisitions and the GST input tax credits claimed from the ATO, i.e. the amount of GST included in the price of acquisitions that cannot be reclaimed from the ATO.
Graduate	People who were offered and have accepted a place in the 2007 ANZ Graduate Program. This number reflects individuals recruited during 2006 (February to June 2006) who will commence the program in January 2007.
Headcount by employee status (as at 30 Sept 2007)	This data was obtained from hyperion, ANZ's finance system, as at 30 September 2007. The figures include ANZ's permanent full time and part time employees (casual employees are included in the part time headcount) as well as ANZ's temporary staff headcount (those staff who are not paid by ANZ's payroll system and are not IT Contractors).
Insurance Contributions to Fire Brigades	This represents the State-imposed fire services levy paid on insurance premiums.
Insurance Premium Tax	This represents stamp duty paid to the states on insurance premiums.
Income Tax	Corporate tax paid to the ATO during the financial year for the Australian Tax Consolidated Group. Data is collected on a tax paid basis net of refunds and doesn't take into account prior year adjustments.
Integrate	To incorporate requirements into our business practices.
Key supplier	These key relationships are defined by a risk, spend and relationship matrix.
Land Tax	This is the amount imposed by the States on the value of land owned by ANZ.
Land Transfer Duty/Conveyance Duty	Duty imposed by the relevant state on the transfer of land. The amount borne represented the amount paid by ANZ on the acquisition of land during the relevant period. In Victoria and Tasmania, ANZ also collects and remits the duty payable on the acquisition of land by rental customers. In the other states, transfers of land are stamped prior to settlement and are accounted for by the customer.
Lost time injury frequency rate (LTIFR)	Lost time injury frequency rate (LTIFR) is the number of lost time injuries (LTIs) per million hours worked.
Major banks	Major banks included in Roy Morgan Research's 'Consumer Banking in Australia.'
Mortgage Duty	Duty payable to states by customer on mortgages. For retail and

	Esanda customer, ANZ collects and remits the duty payable on behalf of the customer.
Natural gas	Includes metered gas consumption for sites in Australia and New Zealand for those sites directly owned or controlled by ANZ. Where metered data is not available, gas consumption has been estimated based on an equivalent floor space model using consumption figures for similar known sites.
New supplier	A new supplier is where an active contract or agreement does not currently exist for this supplier within ANZ.
Non-premises energy (fleet road transport)	ANZ's Australian energy from fleet road transport calculated from fuel consumed using conversion factors from AGO Factors and Methods Workbook December 2006. New Zealand's non-premises energy is calculated from road transport and includes fleet and car rental km's using conversion factors from NZ Business Council for Sustainable Development.
Number of courses completed	Total number of courses completed through ANZ's online training program eTrain.
Number of customer Complaints received	Number of customer complaints received by our Customer Response Centre.
Number of unfair dismissals	An unfair dismissal claim is an application to the Australian Industrial Relations Commission for reinstatement or compensation on the basis that the termination of the applicant's employment was harsh, unjust or reasonable.
Occupied building space	All ANZ floor space excluding ATMs, residences, childcare facilities and other land items. Data has been extracted from the ANZ space database and reflects the agreed NLA (Net Lettable Area) that has been historically used for internal ANZ charging purposes.
Paper use	Includes all office and print paper ordered via stationery and print partners. Excludes any paper procured by ANZ through providers other than those contracts managed by ANZ's Sourcing Alliances team.
Participation (Community Giving)	Documentation regarding participation has been received before 12pm Friday 29 September. Documentation received after this time will be recorded in the next banking year.
Participate (Community Program)	As the community programs can be very broad in the type of education offered, it is not always necessary for each participant to complete every stage of a program. Having participated in a community program means that a person has registered and commenced an aspect of a community program.
Participation (Volunteer program)	Staff are considered to have participated in the Volunteer Program when they have applied and have gained line-management approval for volunteer leave through the People Soft system or have been recorded as participating in a formal ANZ-led volunteering activity.
PAYG – collections from non-disclosure of TFN	The amount of tax withheld by ANZ for the non disclosure of TFN and remitted to the ATO. Amounts withheld according to the highest rate of income tax - 46.5% from 1 July 2006 (previously 48.5%), from payments of interest.

PAYG – Employees	This represents the amount that ANZ withholds from remuneration payments to employees and remits to the ATO.
PAYG – non-residents (interest, royalties, dividends)	The amount of tax withheld from payments made to non-residents and remitted to the ATO. Payments consist of interest, dividends, royalties, contractors etc.
Payroll Tax	This represents the amount that ANZ paid to states in regards to the tax on payments to its employees (including salary, wages, non cash benefits and payments to certain contractors).
Privacy complaints and breaches	Number of privacy complaints and breaches recorded by our Customer Response Centre.
Renewable Energy	ANZ purchases its New Zealand electricity from Mercury Energy, 80% of whose generation is from renewable sources: Hydro, Geothermal (steam) and Biomass. ANZ New Zealand's fixed volume hedge contracts with Mercury covers 81% of the total consumption purchased directly from energy generators. This allows ANZ to claim a 65% of its New Zealand operations as a 'renewable electricity offset' for its electricity consumption (i.e. 80% of 81%).
Resident withholding tax (RWT)	This is a withholding tax that the bank is required to deduct, at either 19.5%, 33% or 39%, from interest it pays to NZ resident customer. To avoid RWT, a bank customer must obtain from the NZ IRD a certificate of exemption from RWT. However, the IRD only issues exemptions in a limited number of cases such as a taxpayer, being in a tax loss, having a very high level of income or being a bank. As with NRWT and AIL, the bank files monthly returns for RWT to IRD. RWT is also required to be deducted from non imputed (non franked) dividends companies pay to their NZ shareholders.
Revenue	Revenue growth reported on page 7 of this report refers to revenue adjusted for AIFRS 2005 adjustments and non-core items (including significant items, ANZ National Bank incremental integration costs and AIFRS mark to market of certain hedge gains/losses) as reported in the ANZ 2006 Annual Results media release dated 26 October 2006.
Road transport	Total ANZ kilometres travelled by fleet and car rentals.
Senior leaders	Group 1 – 3 employment level.
Stakeholders	Those individuals or groups who are affected by ANZ's activities, products and services.
Superannuation	This represents the amount of compulsory superannuation contribution payments made by ANZ on behalf of its employees.
Tender requirements	A tender is a written offer to contract goods or services, a bid. The tender requirements contain specifications describing ANZ's needs. The requirements are constructed in such a way that a supplier can develop a proposed solution and price with precision.
Top 20% of managers	Managers who receive a performance rating of 1A, 1B, 2A.

Total community investment	Total value of contributions to benefit charitable organisations and programs in the community, including cash, management costs, in-kind contributions and time.
Total corporate transport	Total air travel and road transport.
Total corporate transport/FTE	Total corporate transport per FTE.
Total energy consumed in premises	Total electricity usage, gas usage and diesel purchases.
Total GHG emissions	Total greenhouse gas emissions of premises and non-premises energy use.
Total GHG emissions/FTE	Total greenhouse gas emissions per FTE.
Total greenhouse gas emissions	ANZ's Australian CO2-equivalent emissions has been calculated from the following measures: electricity consumption, natural gas consumption, estimated petrol consumption from fleet car travel and diesel fuel purchased. CO2-e conversion factors used are from AGO Factors and Methods Workbook December 2006. New Zealand's calculations include the above, plus rental km's using conversion factors from the NZ Business Council for Sustainable Development.
Total material recovered, recycled or reused	The summation of Total paper and cardboard recycled and Total other recycled.
Total paper and cardboard recycled	Paper/cardboard recycled from all commercial, retail, data centres. It excludes on-site and offsite ATM's and approximately 40 remote sites.
Total water consumed from 10 key sites	Water data has been reported for a sample of 10 major sites in Australia and has been calculated from billing information.
Total corporate transport	Total air travel and road transport.
Unquoted Marketable Securities Duty	This represents the amount of state tax paid by ANZ on the acquisition of unquoted market securities.
Vehicle Registration Fees	Estimate
Volunteer support	In paid company time, what it costs to have someone away from their desk (including salary, benefits, health insurance etc) in the pursuit of activity in the community under volunteer leave allowances. The value of the support is determined by the type of skills required (general, technical or managerial). Value of Staff Volunteer Support = Hourly rate determined for type of volunteering x total number of volunteer hours recorded. The general hourly rate is defined by Positive Outcomes (administrators of LBG in Australia/NZ); the technical and managerial rates are defined by ANZ (using Group averages) and assured by Positive Outcomes.
Water Rates	This represents amounts paid for water rates imposed by local authorities.

% FSC chain of custody certified paper	The percentage of paper fibres with FSC chain of custody. FSC chain of custody for print paper is certified to the paper mills, % FSC for office paper refers to the percentage of office paper with FSC labelling.
% Recycled content	The percentage of paper fibres sourced from recycled content.