



Customer Charter
Annual Report 2005



Personal Group Review

Brian Hartzler Group Managing Director



I am pleased to enclose ANZ's 2005 Customer Charter Report, which outlines further progress in improving our customer service performance in Australian retail banking, since our last report 12 months ago.

The promises made in the Customer Charter reflect the core products and services we want to provide to our customers and they are one of the ways we measure our progress in providing more convenient banking – market-leading products and services that are easy to access, simple to use, and managed responsibly. Put simply, we are looking to save people time and hassle, and help them manage their finances as best they can.

In terms of the promises in our Customer Charter, some highlights of our performance over the past year include:

- Being the first bank in Australia to open its call centre 24 hours a day, 7 days a week
- Opening more branches closer to our customers – we opened 15 new branches and 323 ATMs over the course of the bank year, and have plans for many more over the next two years
- Extending the opening hours of 176 branches over Easter, and 230 branches over Christmas, with 92 branches having permanent extended hours
- Serving 90% of our branch customers within 5 minutes, and 99% within 10 minutes
- Reducing our complaint resolution time from an average of 2 days last year, to 1 day this year – and it was particularly pleasing to see the number of complaints received down 25% from last year

The commitments in the Customer Charter are resulting in other outcomes for customers which have been recognised through a number of product and service awards over the past 12 months including:

- The highest customer satisfaction of any major bank in Australia
- 'Bank of the Year' for the 6th year in a row, from both Money magazine and Personal Investor
- Industry and consumer-voted awards for our home loans, transaction accounts, and our website anz.com
- Service excellence awards for our branch network and call centre, from the Customer Service Institute of Australia and the International Customer Service Professionals group

However, customer expectations don't stand still and we want to continue raising the bar for ourselves. Our Customer Charter was last updated in 2002 and it is timely that we revisit it again and ensure it reflects what our customers are looking for from us.

The new Charter will include stronger promises around convenience, simplicity and responsibility, and I look forward to sharing it with you soon.

BRIAN HARTZLER
GROUP MANAGING DIRECTOR,
PERSONAL DIVISION

PROMISE 1 SIMPLE ACCOUNTS, FEES AND CHARGES

We will keep our accounts and fee structures simple and transparent:

- All our communications will be concise and clear
- We will help you understand the total cost of your loan by giving you access to tools to make comparisons and well-informed decisions

We will provide you with simple choices for everyday personal banking:

- Unlimited ANZ transactions for a \$5 monthly fee, or
- A set number of free ANZ transactions and a low fee for every additional transaction
- There will be no monthly fee charged on our standard variable home loan

How we performed

In our September 2005 Customer Experience survey¹ we asked customers how satisfied they were that “all communication received from ANZ is concise and clear”, and they rated their satisfaction at 7.5 out of 10 (up 0.1 from 7.4 last year).

We also continued to simplify banking by assisting customers to understand the total cost of their home loan with ANZ by displaying the “Comparison Rate” in all our branches.

Our Home Loan Comparison Rate Calculator, available on anz.com made it even easier for customers to compare products and choose the one they feel is right for them.

We kept our promise to provide customers with simple choices for everyday personal banking through our Access Advantage and our Access Select accounts.

We also continued to offer no monthly fee on our standard variable home loan.

¹ Customer satisfaction results quoted in this report are from research surveys conducted for ANZ by Roberts Research Group.



PROMISE 2 SIMPLE, FAST ACCOUNT OPENING

We will refund one month's standard fee or its equivalent if we do not meet our account opening standards:

- Personal Banking – we will have your account available within 24 hours of satisfying identity requirements
- Personal Loans – we will answer standard loan applications within one (1) working day
- Home Loans – we will answer standard loan applications within two (2) working days
- Car Loans – we will answer standard loan applications within one (1) working day

How we performed

Personal Banking – Where identity requirements had been satisfied, 100% of accounts were opened in the branch network and telephone system within 24 hours, improving by 0.1% from 99.9% last year. The Internet channel opened 99.9% of accounts within 24 hours.

Personal Loans – We answered 125,015 out of 125,038 (99.9%) of standard applications in one working day with 23 cases resulting in a total refund of \$230 to our customers compared to 99.9% of applications answered in one working day and \$90 refunded last year.

Home Loans – Out of a total of 275,901 standard home loan applications answered we identified 5,296 cases where our answer was unacceptably delayed and we refunded \$52,960 to our customers. Last year \$43,110 was refunded to 4,311 customers.

Car Loans – We answered 99.9% of standard car loan applications within one working day with 135,620 out of 135,747 applications resulting in \$2,625 being refunded to customers. In the previous year, we answered 99.9% of applications with 128,825 out of 128,910 applications answered within one working day. A total of \$1,535 was refunded to customers.



PROMISE 3 QUICK, CONVENIENT BRANCH BANKING

We know that access to face-to-face banking is important to you. We are committed to delivering this service:

- Our tellers will aim to serve you within five (5) minutes of your arrival
- We will keep a selection of our Victorian branches open at times that are more convenient to you, during weekdays and on Saturdays
- Over the next six months we will review our branch opening times nationally
- We will give you adequate notice of changes to branch locations, working to minimise the effect on you

How we performed

This year we have installed 35 Q-matic systems in selected branches increasing our total to 134. This Q-matic system allows us to identify how long customers wait to be served and provides us with the ability to react in real time. Of these branches, 97% met our current target to serve an average of 80% of our customers in less than five minutes, compared to 98 out of 99 branches (99%) nationally in September 2004.

In September 2005, we served 90% of all our customers at Q-matic branches in less than 5 minutes. This means that in September 2005, 10% of our customers waited more than 5 minutes to be served compared to 9% in September 2004. We continue to serve 99% of our customers in Q-matic branches within 10 minutes.

Refer to Chart 1
Refer to Chart 2

Mystery shopping, conducted by an independent third party, is conducted monthly in every branch within the network. One of the service standards measured is queue wait time and results show that the average customer wait time in our branch is 1.4 minutes compared to 1.1 minutes last year.

Refer to Chart 3

To provide our customers with more convenient banking options, 176 branches opened for extended hours over Easter and 230 opened for extended hours over the Christmas holiday periods. Ninety two branches have permanent extended banking hours greater than 30 minutes per week.

For branch relocations, our policy is to advise customers in writing six weeks in advance of branch closure, and to notify customers of the forthcoming closure through the branch itself closer to the time of the change.

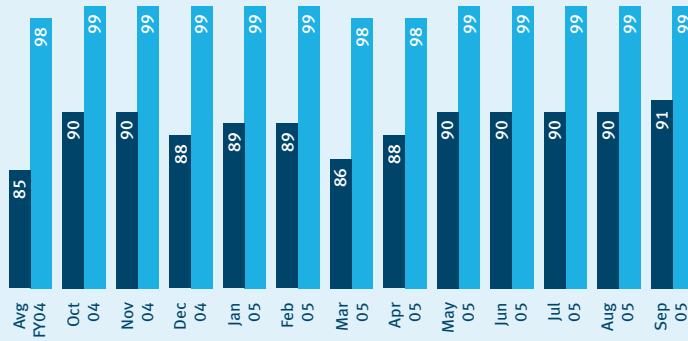


Chart 1: Percentage of customers served in 5 and 10 minutes
(based on Q-matic data)

■ % of customers served in 5 minutes in Q-matic branches
■ % of customers served in 10 minutes in Q-matic branches

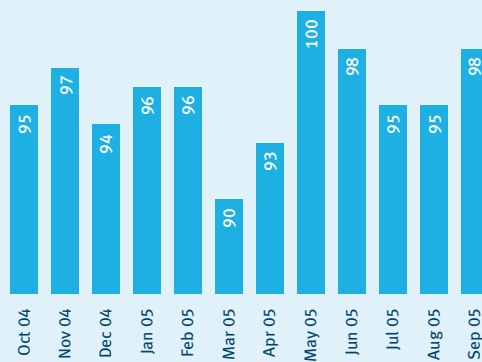


Chart 2: Percentage of Q-matic branches meeting standard

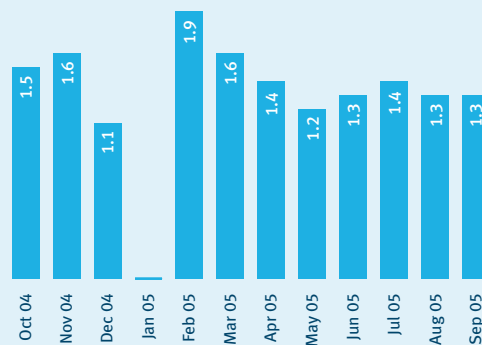


Chart 3: Average Queue wait times (minutes)
(based on Mystery Shopping)

* Mystery Shopping times not available for January 2005



PROMISE 4 24 HOUR, 7 DAY ACCESSIBILITY

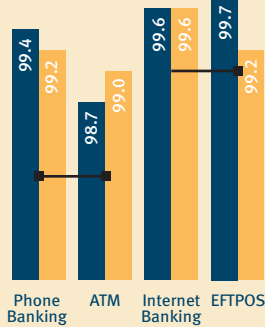


Chart 4: Percentage availability of Phone Banking, ATMs, Internet Banking & EFTPOS

■ 2004
■ 2005
■ Target

We will provide 24 hour, 7 day banking services through a combination of phone banking, call centres, Internet banking, EFTPOS and ATMs:

- Our Internet banking service, EFTPOS service and our web site www.anz.com will be available more than 99% of the time
- Our automated phone banking service on 13 13 14 and our ATMs will be available more than 98% of the time
- Over the next year we will be adding up to 100 new ATMs across Australia
- Our 13 13 14 enquiries phone service will be available from 8am to 8pm on weekdays
- Our Credit Card enquiries phone service on 13 22 73 and our Lost and Stolen Cards hotline on 1800 033 844 will be available 24 hours a day, 7 days a week
- Our Esanda phone service on 13 23 73 will be available from 8am to 8pm AEST weekdays and 9am to 5pm AEST Saturdays

How we performed

We continued to meet our performance targets with phone banking, Internet banking, EFTPOS and ATMs being available 99.2%, 99.6%, 99.2% and 99% respectively during scheduled times.

Refer to Chart 4

Our website, www.anz.com was available 99.9% of the time compared to 100% last year due to system issues.

We added 323 new ATMs to our total number of ATMs of 1,553 during the year, which is an increase on the addition of 56 machines last year.

Our 13 13 14 Enquiries phone service, 13 22 73 Credit Card Enquiries service, 1800 033 844 Lost and Stolen Cards hotline, and 13 23 73 Esanda phone service were also available throughout the year during the promised times.

PROMISE 5 FAST, EFFICIENT PHONE SERVICE

Many transactions can be completed quickly over the phone by calling ANZ on 13 13 14 or our Credit Card enquiries phone service on 13 22 73. These are our promises if you wish to speak to a customer service representative:

- We will aim to answer your call within one (1) minute of you pressing '0' to speak with a customer service representative
- We will advise you of the expected time before your call is answered if it is likely to take longer than 30 seconds
- If you need phone access to your branch, please ask the customer service representative who answers your call

How we performed

We answered 91% of calls to our 13 13 14 number in one minute compared to 93% last year and 92% of calls to our 13 22 73 number in one minute, compared to 92% last year.

Refer to Chart 5

We have an automated message advising customers how long they can expect to wait if we are unable to answer their call within 30 seconds.

Our service consultants continue to offer our customers phone transfers to branches where requested.

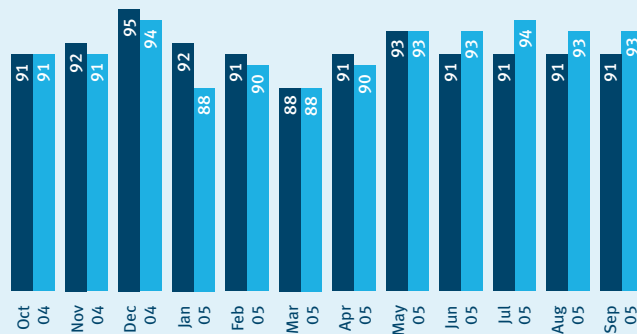


Chart 5: Percentage of calls answered in 1 minute

■ 13 13 14
■ 13 22 73



PROMISE 6 RESPECT FOR PERSONAL INFORMATION AND PRIVACY

We will keep any information you have provided to us private. The ANZ Privacy Policy is available at www.anz.com.

How we performed

For the purposes of this report, the number of privacy-related enquiries or complaints we receive from our customers to our Customer Response Centre is used to measure our performance on this

promise. During the year, we received 38 such enquiries or complaints and we rectified the 20 cases that required further action. This compares to 68 enquiries or complaints received last year and 9 cases requiring further action.

PROMISE 7 HELPING YOU UNDERSTAND OUR COMMUNICATIONS

We will write all letters, brochures, ATM messages and other notices in plain language. In all our communications we will help you understand what they mean for you.

How we performed

We measure our performance on this promise by our customers' overall satisfaction with our communication. When customers were asked "overall, how satisfied are you with ANZ's communication?", they rated their satisfaction at 7.4 out of 10, equal to 7.4 last year.

Customers were also asked "how satisfied are you that letters, brochures, ATM messages and other notices are written in plain language?" This year satisfaction was rated at 7.4 out of 10, compared to 7.6 last year.

PROMISE 8 SWIFT RESOLUTION OF COMPLAINTS

If we make a mistake, we will put it right. We will respond to your complaint within 48 hours and let you know who is responsible for managing your case.

Our Customer Response Centre will work with you to resolve your case quickly and within a maximum of 10 working days. When this is not possible, we will contact you within 10 working days to let you know how much longer the matter should take to resolve. If you have a complaint please contact us by:

Phone: FREECALL 1800 805 154 (8am to 5pm)
 Mail: ANZ Customer Response Centre
 100 Queen Street
 Melbourne VIC 3000
 Fax: 03 9683 9267
 Email: YourFeedback@anz.com

Our Customer Advocate has the power to review your complaint if a satisfactory resolution is not achieved. You can contact the Customer Advocate on 03 9273 6523 weekdays from 8am to 5pm. The Customer Advocate's role and our full resolution process is detailed in our brochure "Resolving your Complaint".

How we performed

Our Customer Response Centre continues to receive fewer complaints with 22,429 complaints received compared to 30,003 last year. We responded to 97% of complaints within 48 hours compared to 99% last year.

Refer to Chart 6

Of the complaints we received, 86% of complaints were resolved within 48 hours and 99% were resolved in 10 working days. This is an improvement on last year where 78% of complaints were resolved within 48 hours and 93% in 10 working days.

*Refer to Chart 7
 Refer to Chart 8*

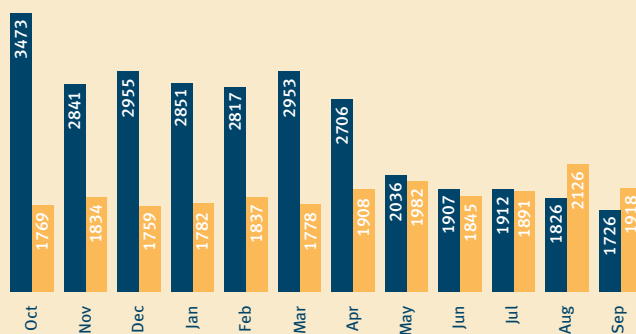


Chart 6: Number of complaints received

■ Complaints received in 2004
 ■ Complaints received in 2005

PROMISE 8 SWIFT RESOLUTION OF COMPLAINTS (continued)

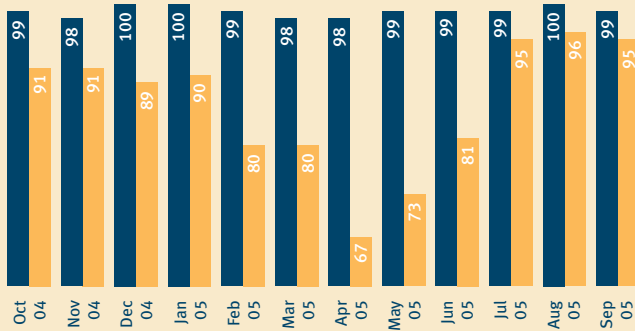


Chart 7: Percentage of complaints resolved in 48 hours and 10 working days

■ % resolved within 10 working days
 ■ % resolved within 48 hours

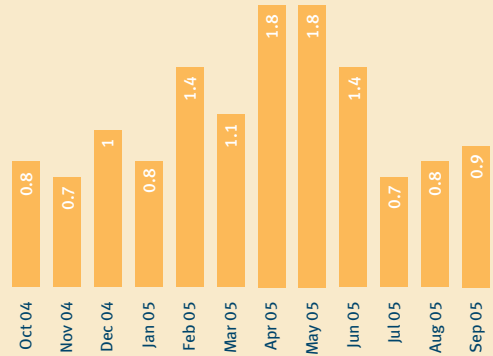


Chart 8: Average days to resolve

PROMISE 9 BUILDING RELATIONSHIPS WITH THE COMMUNITY

We are committed to contributing to the communities to which we belong:

- We will maintain our banking presence in the rural communities we are currently servicing
- We will continue to provide:
 - Unlimited fee-free over the counter transactions for customers aged 60 and over
 - 15 fee-free transactions and no monthly fee for Centrelink payment recipients and health care cardholders
- Paid leave for staff who volunteer for community service

How we performed

We maintained all our rural branches as promised.

We continued to offer unlimited fee-free over the counter banking to seniors, and we also continued our 15 fee-free transactions offer for Centrelink payment recipients and health care cardholders.

We continue to provide one day's paid leave for staff who volunteer for community service.



PROMISE 10 ACCOUNTABILITY THROUGH AN INDEPENDENT AUDIT

This Customer Service Charter will be reviewed annually. ANZ's external auditors will independently audit our performance against these promises every year and we will publicly report the results.

How we performed

We had our performance against this Charter reviewed by ANZ's Group Audit team and reviewed by our external auditors, KPMG.

KPMG's report appears on the following page.



Independent review report to the directors of Australia and New Zealand Banking Group Limited ('ANZ')

SCOPE

We have reviewed the accompanying Performance Report of the ANZ Customer Service Charter ("the Charter") for the period 1 October 2004 to 30 September 2005. The Performance Report provides information about the performance of ANZ against its promises as set out in the Charter under the heading "How we performed" for each promise.

ANZ management are responsible for preparing a Performance Report that is accurate and not false or misleading, and for ensuring that there are systems, internal controls, procedures, and processes in place to enable accurate and complete measurement and monitoring of Charter performance.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review included a review of systems, procedures and controls implemented by management which monitor ANZ's level of compliance with each of the promises set out in the Customer Service Charter. A review is limited primarily to enquiries of entity personnel, inspection of evidence and observation of, and inquiry about, the operation of the control procedures for a small number of transactions or events.

We have provided an opinion on the performance of the Charter taken as a whole. In addition, we do not provide an opinion on the appropriateness and completeness of the performance measures selected by management for each promise.

INHERENT LIMITATIONS

Because of the inherent limitations in any system of internal controls it is possible that errors or irregularities may occur and not be detected.

A review is not designed to detect all weaknesses in control procedures or compliance with the Charter as it is not performed continuously throughout the period and the tests performed are on a sample basis. Also a review does not provide all evidence that would be required in an audit thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

QUALIFICATIONS

The level of performance reported by management in relation to performance of account opening for Mortgages (Promise No. 2) and Privacy (Promise No. 6) is based on identified promise breaches by staff and / or customer. However, we note that the systems, internal controls, procedures and processes are not able to determine the completeness of breach reporting for these promises.

We have not been able to provide an opinion on Promise No. 7 "Helping you understand our communications" as management do not have any measures by which to objectively measure performance.

QUALIFIED REVIEW STATEMENT

As a result of our review, which is not an audit, except for the matters referred to in the qualification section, nothing has come to our attention to indicate that the level of performance reported by ANZ in respect of each promise under the heading "How We Performed" in the attached Performance Report for the period from 1 October 2004 to 30 September 2005 prepared by management is not fairly stated.



KPMG



MA SOMERVILLE
PARTNER
MELBOURNE
14 NOVEMBER 2005

