PUBLIC REPORT TEMPLATE 2012

Part 1 - Corporation Details

Controlling Corporation

Australia and New Zealand Banking Group LTD	Period to which the report relates: 1 Jul 2011 – 30 June 2012

Table 1.1 - Major Changes to Corporate Group Structure or Operations

Table 1.1 – Major Changes to Corporate Group Structure or Operations in the last 12 months
No Major Changes during the past year.

Declaration

Declaration of accuracy and compliance	
The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.	 Michael Smith Chief Executive Officer **Date** 20/12/2012.

Part 2 - Assessment Outcomes

Table 2.1 – Assessment Details

Name of entity	**Commercial** (includes critical sites, data centres and OnePath)	**Reporting Period:** 1 July 2011 to 30 June 2012

Total energy use in the last financial year	385,825	GJ
Total percentage of energy use assessed	95%	%

Description of the way in which the entity carried out its assessment

This report is the last in our 1st cycle Assessment Plan as required by the Energy Efficiency Opportunities Act (EEO) 2006.

At the end of the first 5 year EEO assessment period, as at 30 June 2011, ANZ identified 124 energy efficiency opportunities in commercial sites, of which:

- 59 had been implemented or implementation had commenced;
- 19 were not implemented; and
- 46 were under investigation.

ANZ actively pursued the 46 opportunities still 'under investigation' at the end of the first cycle period and will progress these into the second EEO assessment period (from 1 July 2011 to 30 June 2016).

In this report, ANZ is voluntarily reporting on the outcomes of the first year of the second assessment cycle covering, i.e. 1 July 2011 to 30 June 2012. ANZ has split its assessments into two components, commercial and retail, as listed below.

Lessons learnt – applied to carrying out the first year of the second cycle assessments

During the first EEO cycle, ANZ improved it's assessment of energy efficiency opportunities across its commercial portfolio. We also increased understanding of what types of energy efficiency projects would meet the corporation's cost-effective criteria for implementation.

Learning from the experiences gained in the first assessment period, during 2011 – 2012, ANZ focused on identifying quick-win, lower-cost energy efficiency opportunities that would not only deliver the greatest energy savings, but would also achieve cost savings in the shortest timeframe (<2 year paybacks).

Therefore, during 2011-2012, ANZ prioritised its energy efficiency assessments on the identification of opportunities in major energy consuming assets, i.e. the largest commercial property sites (92% coverage) and Data Centres (100% coverage). Regular energy monitoring and sub-metering at the large sites, e.g. ANZ Centre, global HQ at 833 Collins St, enabled the identification of energy efficiency opportunities. Further opportunities have been identified through specific asset maintenance plans.

In total, ANZ has been able to demonstrate that it has assessed energy efficiency opportunities across 95% of its commercial sites.

Name of entity | **Retail**

Reporting Period: 1 July 2011 to 30 June 2012

Total energy use in the last financial year	181,886	GJ
Total percentage of energy use assessed	100	%

Description of the way in which the entity carried out its assessment

In accordance with EEO guidelines, and given the extensive number of sites in the ANZ retail branch network, ANZ conducts energy efficiency assessments across a representative sample of retail branches in order to identify energy saving opportunities which may then be applied to the wider retail portfolio. In 2012, ANZ continued to implement the same approach adopted during its first assessment cycle; to invest in comprehensive sub-metering and energy efficiency opportunity assessment across 24 representative branches.

In the first assessment period, these 24 branches were selected by size and climate zone and remain representative of ANZ's overall retail portfolio as ANZ enters the second assessment cycle. These 24 branches continue to be the testing sample for potential energy savings projects and form the basis of identification of energy efficiency opportunities.

In 2012, ANZ has commenced design work associated with a major refurbishment program of its retail sites which has identified significant energy saving opportunities. This refurbishment program will roll-out over the next 5 years; 40 sites will undergo detailed design and assessment over the next 12 months.

Table 2.2 - Energy efficiency opportunities identified in the assessment

Commercial – progression of energy efficiency opportunities from 1st cycle report:

As summarised in Table 2.2a, further investigation into the potential of the 46 Commercial energy efficiency opportunities (as identified by 30 June 2011) revealed that:

- A further 11 opportunities could be (and have been) implemented;
- 19 remain 'under investigation'; and
- 16 were not to be implemented.

Table 2.2 a - Commercial – Energy Efficiency Opportunities from 1st cycle report

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response as at June 2012	Implemented	11	5	586	2	68	4	2495	3149
	Implementation Commenced	0	0	0	0	0	0	0	0
	To be Implemented	0	0	0	0	0	0	0	0
	Under Investigation	19	11	3170	3	214	5	1239	4623
	Not to be Implemented	16	3	1491	9	2337	4	1978	5805
Outcomes of assessment	Total Identified as 'under investigation' at end of first cycle, 30 June 2011	46	19	5247	14	2619	13	5712	13577

Commercial - New Opportunities Identified in 2012:

As summarised in Table 2.2b, over the course of the first year of the second assessment period (1 July 2011 to 30 June 2012), ANZ identified a total of 33 additional energy efficiency opportunities. As at 30 June 2012, 8 opportunities identified had been implemented and a further 24 had been approved to be implemented. 1 has been discontinued.

The increase in the implementation rate has been driven by targeting 2012 assessments of 'low hanging fruit' energy efficiency opportunities. Approximately 55% (15,971 GJ) of the 2012 estimated commercial energy savings (28,000 GJ) arise from Data Centres. Details of the Data Centre Project can be found in Table 2.3. ANZ will continue to conduct further detailed site assessments of commercial sites, data centres and the OnePath portfolio (acquired during the first cycle Assessment period) in 2013.

Table 2.2b - Commercial – New Energy Efficiency Opportunities Identified in 2012

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Implemented	8	4	16004	0	0	4	523	16528
	Implementation Commenced	0	0	0	0	0	0	0	0
	To be Implemented	24	2	488	7	1921	15	9023	11432
	Under Investigation	0	0	0	0	0	0	0	0
	Not to be Implemented	1	0	0	1	142	0	0	142
Outcomes of assessment	Total Identified	33	6	16492	8	2063	19	9546	28102

Total Commercial Energy Efficiency Opportunities:

As at 30 June 2012, progression of 79 new commercial energy efficiency opportunities had resulted in implementation of 19 opportunities, with a further 24 to be implemented and a remaining 19 under investigation, as summarised in Table 2.2c. The energy efficiency opportunities either implemented or to be implemented represent 75% of the total energy savings identified (~42,000 GJ pa).

Table 2.2c - Commercial Total – Opportunities from 1st cycle and New Opportunities Identified in 2012

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Implemented	19	9	16590	2	68	8	3018	19677
	Implementation Commenced	0	0	0	0	0	0	0	0
	To be Implemented	24	2	488	7	1921	15	9023	11432
	Under Investigation	19	11	3170	3	214	5	1239	4623
	Not to be Implemented	17	3	1491	10	2478	4	1978	5947
Outcomes of assessment	Total Identified	79	25	21739	22	4681	32	15259	41679

Retail – progression of energy efficiency opportunities from 1st cycle report:

As summarised in Table 2.2d, as at 30th June 2012, ANZ had actively pursued 172 Retail opportunities that were 'under investigation' from the first cycle assessment period. A further 12 opportunities were implemented and 69 remain 'under investigation'.

Table 2.2d Retail – Energy Efficiency Opportunities from 1st cycle report

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Implemented	12	6	56	2	18	4	37	110
	Implementation Commenced	0	0	0	0	0	0	0	0
	To be Implemented	0	0	0	0	0	0	0	0
	Under Investigation	69	25	185	16	222	28	198	605
	Not to be Implemented	91	53	554	21	505	17	37	1096
Outcomes of assessment	Total Identified as 'under investigation' at end of first cycle, 30 June 2011	172	84	795	39	745	49	272	1811

Retail - New Opportunities Identified in 2012:

In 2012, ANZ has begun a five-year retail refurbishment program which has identified significant lighting energy saving opportunities. Over 40 sites have been identified to commence implementation of this lighting opportunity. As summarised in Table 2.2e a further 14 new energy efficiency opportunities have been identified in 2012. As at 30 June 2012, 8 projects were implemented, 2 commenced, 2 measured to be implemented and 2 still under investigation. The energy efficiency opportunities either implemented or to be implemented represent 40% of the total energy savings identified (~12,000 GJ p.a.)

Table 2.2e Retail – New Energy Efficiency Opportunities Identified in 2012

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Implemented	8	3	1913	4	76	1	1185	3174
	Implementation Commenced	2	1	836	0	0	1	1180	2016
	To be Implemented	2	2	95	0	0	0	0	95
	Under Investigation	2	1	3689	0	0	1	3296	6985

	Not to be Implemented	0	0	0	0	0	0	0	0
Outcomes of assessment	Total Identified	14	7	6533	4	76	3	5661	12270

Retail Total Energy Efficiency Opportunities:

As at 30 June 2012, of 186 retail energy efficiency opportunities identified only 20 had been implemented, a further 2 commenced, another 2 planned to be implemented and 71 still under investigation (Table 2.2f). Following investigation, 91 opportunities were considered to be non-viable, operationally or financially.

Table 2.2f Retail–Opportunities from 1st cycle and New Opportunities Identified in 2012

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Implemented	20	9	1969	6	94	5	1222	3285
	Implementation Commenced	2	1	836	0	0	1	1180	2016
	To be Implemented	2	2	95	0	0	0	0	95
	Under Investigation	71	26	3874	16	222	29	2494	7590
	Not to be Implemented	91	53	554	21	505	17	37	1096
Outcomes of assessment	Total Identified	186	91	7328	43	821	52	5933	14082

Table 2.3 - Details of significant opportunities identified in the assessment

Description of Opportunity No 1	Voluntary Information	
Retiring of redundant equipment at Data Centres A review of services at the Data Centres highlighted that ANZ was running a significant volume of old equipment that could be removed without impacting service levels. Relatively low-cost to implement, the payback was immediate. Energy savings in the region of $0.4m are estimated.	Equipment Type	Data Centres
	Business Response	Implemented
	Energy saved (GJ) p.a.	15,971
	Greenhouse gas abated (CO2-e) p.a.	5,945 tonnes
	$ saved p.a.	~$400,000
	Payback period	Immediate

Description of Opportunity No 2	Voluntary Information	
Lighting and HVAC upgrade at 111 Parramatta Road An energy audit identified:- * An opportunity to upgrade from the existing less efficient (T8) lighting installation to more efficient (T5) lamps (250 fittings). * The air conditioning load (HVAC) could be reduced by applying insulating film to the exposed western side of the building to minimise solar gain. * The installation of variable speed drives on water pumps; * Carbon Monoxide controls to manage fresh air into the car park. The combined average payback of all the measures is 2.2 years, with an annual estimated energy saving of ~$54,000.	Equipment Type	Lighting & HVAC
	Business Response	To Be implemented
	Energy saved (GJ pa)	972
	Greenhouse gas abated (CO2-e)	272 Tonnes
	$ saved p.a.	~$54,000
	Payback period	2.2 years

Description of Opportunity No 3	Voluntary Information	
Upgrade of Cooling Fans at 100 Queen Street Upgrade of fans with electronic cooling fan belts at 100 Queen St improved efficiency by 45% without impact to services at the building. The payback on this is expected to be 3 years, with an annual saving of ~$12,000.	Equipment Type	Maintenance
	Business Response	To Be Implemented
	Energy saved (GJ pa)	391
	Greenhouse gas abated (CO2-e) p.a.	65 Tonnes
	$ saved p.a.	~$11,000
	Payback period	3 Years

Part 3 – Transition to Second Cycle

At the conclusion of the first EEO assessment cycle in December 2011, ANZ publically reported that a total of 218 opportunities remained 'under investigation'; 46 Commercial and 172 Retail opportunities.

As at 30 June 2012, of these 218 opportunities (as transferred into the second cycle assessment period), ANZ has implemented a further 23 energy efficiency opportunities and has elected to not implement 107. The Bank continues to actively pursue a further 88 opportunities, as summarised in Table 3a below, representing ~5,000 GJ p.a.

In addition to the transferred opportunities, ANZ has identified additional energy efficiency opportunities amounting to ~40,000 GJ p.a.; ~57% of which have less than a 2 year payback.

As at 30 June 2012, the energy efficiency opportunities either implemented, commenced, or to be implemented represented over 82% of the total energy savings identified. The improvement in energy saving and implementation rate between the EEO first and second reporting cycles is as a consequence of ANZ's revised energy efficiency assessment strategy designed to better target opportunities with high energy savings potential and lower payback periods.

Table 3a: Total Business Response from opportunities taken forward from 1st assessment period into 2nd assessment period

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
As reported in December 2011	Under Investigation	218	103	6041	53	3363	62	6024	15389
Business Response as at 30 June 2012	Implemented	23	11	641	4	86	8	2532	3259
	Not to be Implemented	107	56	2045	30	2842	21	2015	6901
	To be evaluated/reported in the second cycle	88	36	3355	19	436	33	1437	5228

Table 3 b: Total new opportunities identified in 2012, first year of second assessment cycle

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Implemented	16	7	17918	4	76	5	1708	19702
	Implementation Commenced	2	1	836	0	0	1	1180	2016
	To be Implemented	26	4	584	7	1921	15	9023	11527
	Under Investigation	2	1	3689	0	0	1	3296	6985
	Not to be Implemented	1	0	0	1	142	0	0	142
Outcomes of assessment	Total Identified	47	13	23027	12	2139	22	15207	40372

Table 3c: Progress as at 30 June 2012 of opportunities for transition to second cycle and newly identified in 2012

Status of opportunities identified to an accuracy of better than or equal to ±30%		Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
			0 – 2 years		2 – 4 years		> 4 years		
			No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Implemented	39	18	18559	8	162	13	4240	22961
	Implementation Commenced	2	1	836	0	0	1	1180	2016
	To be Implemented	26	4	584	7	1921	15	9023	11527
	Under Investigation	90	37	7044	19	436	34	4733	12213
	Not to be Implemented	108	56	2045	31	2983	21	2015	7043
Outcomes of assessment	Total Identified	265	116	29068	65	5502	84	21191	55760