ANZ's Australian retail business has worked with customers and community groups over recent years to develop and deliver more convenient, simple and responsible banking products and services.

In this issue we profile new examples of how we are giving our customers better access to the products and services that meet their needs while supporting them to better understand and manage their finances.

**Improving access for visually impaired customers**

ANZ has taken a significant step toward making information about our products more accessible for people who have difficulty accessing standard printed material, including customers with a visual impairment.

Nine of our most commonly used product documents are now available to customers in braille, large print and audio CD format by calling 1800 ANZ DAP (1800 269 327). Four of these brochures are also accessible online in electronic text and audio MP3 format.

“Around 20% of Australians have difficulty reading the print used by their service providers” says John Harries, Managing Director ANZ Banking Products.

“These measures therefore make real business sense – they are key to our objective of welcoming and meeting the needs of all our customers and will hopefully help us attract new ones”.

Vision Australia, Australia’s largest provider of services to people who are blind or have low vision, provided ANZ with invaluable advice on the best way to develop and present product information for these customers. ANZ has also worked with Vision Australia to ensure our on-line MoneyMinded financial literacy courses are accessible to participants with low vision.

“We congratulate ANZ on bringing its Disability Action Plan to life and making product information not only clear, concise and effective, but truly accessible” said Vision Australia CEO Gerard Menses.

**Australia’s only credit card to reward repayments**

While most credit card reward schemes provide customers with points for dollars spent using their card, a new ANZ product encourages customers to pay off their credit card sooner.

ANZ Balance Visa rewards customers with points for every dollar they repay off their balance.

ANZ Managing Director Consumer Finance Jenny Fagg says the new product was developed in response to ANZ research which found that customers were looking for a card that offered a competitive interest rate and incentive to reach their
financial goals.

“Customers want to reduce debt and be rewarded for payments to their credit card, but at the same time, they don’t want to miss out on rewards programs,” says Jenny.

“ANZ Balance Visa is the only card of its kind in Australia – and one of the first in the world. It delivers on our strategy to understand our customers needs and provide more convenient banking, and products that are simple to understand and delivered in a responsible manner”.

The ANZ Balance Visa provides customers with one reward point for every $1 repaid to the account balance including repayments to interest, fees, cash advances and balance transfers. Customers can redeem their points as either credits on their credit card account, or in the form of shopping vouchers and gift cards.

Measures to help first home buyers

ANZ recently responded to the Federal Government’s proposal to introduce a First Home Saver Account (FHSA), designed to provide a simple, tax effective way for Australians to save a deposit for the purchase of their first home.

Under the scheme, individuals will be able to save for their deposit and receive the benefit of a lower rate of 15% on interest earnings. Amounts saved up to $5000 will attract an additional Government rebate of between 15% and 30% of contributions and withdrawals from the FHSA (available after 4 years) are tax free where they are used to purchase a first home.

Our submission provides an overview of an FHSA that we initially propose to offer and raises some technical issues with the scheme. For instance, we have asked the Government to clarify the level of training required for an ANZ staff member to sell an FHSA. In order to keep the product simple and accessible for customers, we have recommended that level be the same as is required for basic deposit products sold by front line staff.

The Government is aiming to have arrangements in place for FHSA by 1 July 2008.

Options to assist customers manage repayments

Rising interest rates are stretching some household budgets. ANZ this month increased interest rates on a range of deposit and lending products by 0.35%pa following an increase in the cash rate by the Reserve Bank of Australia and the higher cost of borrowing that is affecting banks around the world.

To assist customers having difficulties with their loan, ANZ has introduced Customer Connect - a program that offers temporary repayment arrangements to customers who need time to manage their financial situation before resuming normal repayments.

The program allows ANZ staff to, where possible, tailor repayment arrangements to what our customer can afford to pay at the time and does not require them to ‘prove’ hardship before they receive assistance.

ANZ has been piloting Customer Connect since August 2007 with the assistance of Kildonan Uniting Care, a community-based organisation with expertise in consumer hardship. The service will be available to all mortgage, credit card and personal loan customers within the next few months.

Read more about how ANZ has developed Customer Connect and other initiatives to assist customers in difficulty

CEO announces next phase of cultural transformation program

Chief Executive Officer Mike Smith has announced the next stage of ANZ’s Breakout program, affirming the Group’s long term focus on developing its people and culture as a strategic competitive advantage.

Since 2000, ANZ’s cultural transformation program, Breakout, has helped create a workplace based on shared values, opportunities for our people and high employee performance. This work has contributed to ANZ having one of the most engaged banking workforces in the world.

The next phase of this journey, BreakOUT PERFORM, will encourage ANZ people around the world to work even more collaboratively, focus on customers as our number one priority and set stretching goals that will help ANZ outperform on every level.
"The culture and confidence of ANZ people are among the reasons I decided to join ANZ" said CEO Mike Smith.

"Breakout has had a huge role in developing this culture and now the challenge is to build on that – to equip our people to be the best they can be and develop the organisational confidence that will help us take on and beat the competition."

A new Breakout workshop will draw from the very latest research on supporting employees to develop and perform at their best. It will be rolled out globally to ANZ staff throughout 2008. 

Read more about how Breakout helped ANZ improve employee engagement

Celebrating local community involvement

ANZ Community Now, is a new website showcasing how ANZ people and local communities are working together to make a difference right across the country.

"ANZ manages a number of programs designed to help enhance the well-being and prosperity of communities. We wanted to provide a forum to highlight some of the initiatives that have resulted from those programs and the inspiring work quietly taking place throughout Australia," said John Harries, Managing Director ANZ Banking Products.

"We invited people to share their stories in words and photographs, with a focus on how their project has impacted the local area and its people. The result is a collage of community activity presented by location via an online map of Australia.

"While each project is individual and impressive in its own right, collectively they demonstrate that community activity and pride is clearly alive and well across Australia."

Projects are varied and include restoration of community buildings, initiatives to boost local tourism, improving services for people with disabilities and measures to help protect the local environment.

The site also features real examples of how we work with a range of grassroots local organisations to build financial literacy and money management skills in the community. Read more about how the MoneyMinded financial literacy program is being delivered in communities around Australia in Sharing the Stories.

Helping more low-income Australians to save

ANZ is extending its partnership with The Smith Family to expand the Saver Plus matched savings and financial literacy program into Tasmania.

Independent research by RMIT has found Saver Plus is succeeding in changing the behaviour of participants and helping them reach their savings goals – both during the program and beyond. The research shows around 75% of Saver Plus participants are continuing to save 12 or 24 months after completing the program.

New Saver Plus sites will soon be launched in the Tasmanian communities of Rocherlea; Mayfield; Tablecape; Bridgewater; Gagebrook; Chigwell and Claremont, as part of an expansion of The Smith Family's work with disadvantaged communities in that state.

"This is a great opportunity to deliver a proven financial literacy program to Tasmanians and build on the already strong relationship between ANZ the community" said John Marschall, ANZ's Local CEO for Hobart and Launceston.

The Smith Family, with assistance from a grant from the Tasmanian Community Fund, will manage the program and contribute to operational costs, while ANZ will provide central administrative support and funds to match the dollars saved by participants.

"The Saver Plus program fits well with the programs the Tasmanian Community Fund supports - it will meet a real need, and strengthen individual and community capacity" said Gerald Loughran, Chairperson, Tasmanian Community Fund.
Expanding our ‘green’ fleet

ANZ will become the first major bank in Australia to replace its entire fleet of Australian business pool cars with a petrol/electric hybrid model.

The model chosen not only achieves the highest rating of 5 stars under the Australian Government’s Green Vehicle Guide, which measures air pollution and greenhouse gas emissions, but is also more cost-efficient.

Based on an average 4-year 100,000km lease, the new car will cost approximately $2,100 less to run than a 6-cylinder petrol sedan. During that time, average CO₂ savings per vehicle are expected to be more than 13 tonnes.

The decision builds upon the initiative of Corporate Banking announced in June last year to replace its pool car fleet with hybrid vehicles.

Our existing 97 pool cars will be changed over to hybrid models progressively over the next 12 months as current leases expire.

NZ Government concludes OECD Guidelines examination

The New Zealand Government has concluded that a complaint against ANZ under the OECD Guidelines for Multi National Enterprises by the Green Party of Aotearoa New Zealand does not warrant further examination.

The complaint related to the conduct of our client Rimbunan Hijau (RH), a company with logging operations in Papua New Guinea. A similar complaint was raised against ANZ in Australia in August 2006. Read previous update summarising this complaint.

The New Zealand Government concluded that given the lack of a sufficient link between RH and ANZ’s New Zealand-based business and the previous examination of the issue by the Australian Government, further examination of the complaint is not warranted and would not contribute to the purposes and effectiveness of the Guidelines.