

AUSTRALIAN PROPERTY AUSTRALIAN HOUSING CHARTBOOK

JULY 2012

CONTRIBUTORS

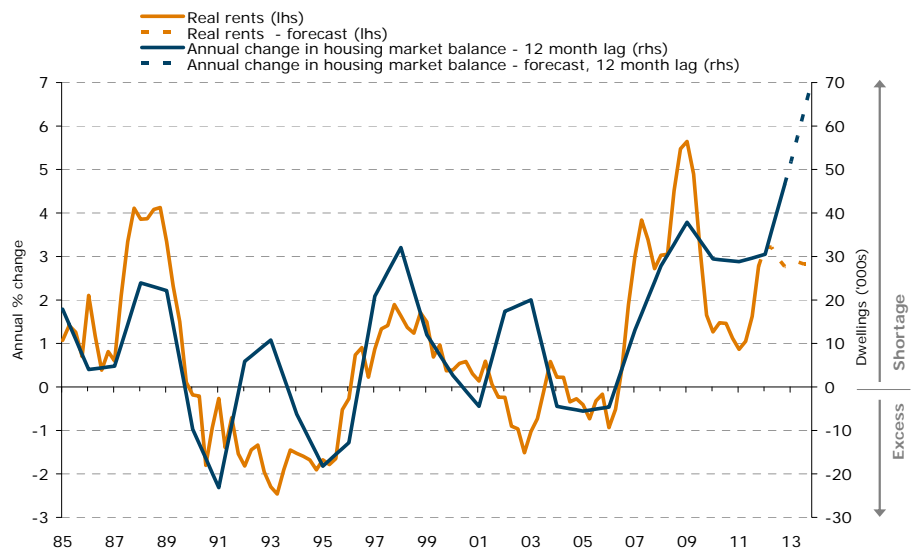
David Cannington
Senior Economist
+61 3 9273 4274
David.Cannington@anz.com

Paul Braddick
Head of Property
Research
+61 3 9273 5987
Paul.Braddick@anz.com

Ivan Colhoun
Head of Australian
Economics & Property
Research
+61 2 9227 1780
Ivan.Colhoun@anz.com

- **The Australian housing market has shown tentative signs of stabilisation in 2012, following a period of considerable softness through 2011.** Sales activity has improved, albeit from extreme lows, buoyed by the positive impact of underlying strength in housing market fundamentals, further consolidation of household financial stability and improving housing affordability.
- **Financial uncertainty stemming from the European sovereign debt crisis has driven Australian households to further strengthen their financial positions.** Household savings have continued to increase and household income growth remains solid while household credit growth has been sluggish for almost four years.
- **Nonetheless, divergent economic performance across states will maintain softer labour market conditions outside of the resources states.** This presents a higher risk of household financial pressure and an increased likelihood of some distressed sales in housing markets outside of the resources states, particularly in Tasmania and Victoria.
- **Despite 2011 Census data showing the Australian population level to be lower than previously estimated (294,000 lower at 22.324 million), weak housing construction continues to drive further tightening of housing market balances.** Forward indicators suggest net overseas migration, while slow to pick up to the end of 2011, will increase through 2012 and weak building approvals are adding further upward pressure to the outlook for the existing undersupply of housing. This tightness in the housing market is maintaining low rental vacancy rates and driving upward pressure on rents, particularly in the Sydney, Perth and Brisbane markets.
- **Softening house prices and low mortgage rates have combined to improve housing affordability.** Increased global economic uncertainty and job security concerns in some sectors of the economy are weighing on sentiment and house prices, however improving housing affordability and strengthening housing market fundamentals should support further stabilisation in housing market activity and house prices through the second half of 2012.
- **Improved housing affordability, tightening housing market balance pressures and upward pressure on rents are likely to support both first home buyer and investor housing market activity in the years ahead.** Looking through the distortions created by first home buyer policy incentives, first home buyer and investor housing finance growth improved moderately in the first quarter of 2012.

AUSTRALIAN HOUSING MARKET BALANCE AND RENTS



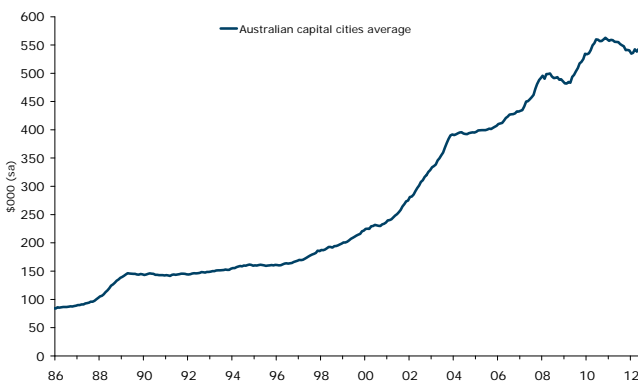
Sources: ABS, ANZ

KEY INDICATORS

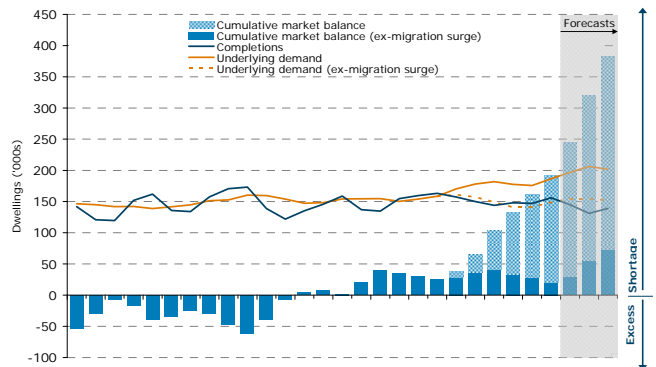
MARKET ACTIVITY CONTINUES TO BE DRIVEN BY WEAK SENTIMENT

- Indicators show that household caution continues to drive a wedge between housing market activity and underlying fundamentals. While recently showing some gradual improvement, market activity (sales, days on market, prices) remains soft, fuelled by global economic and financial market uncertainty and a protracted behavioural shift towards increased debt aversion.
- Recent growth in first home buyer housing finance signals the positive impact of both improving housing affordability and tight market fundamentals. The removal of the NSW first home buyer stamp duty exemptions for existing homes from 1 January 2012 has temporarily dampened this impact.
- Despite 2011 Census data showing the Australian population *level* to be lower than previously estimated (-294,000), population growth and underlying housing demand remains little changed and net migration remains a significant pressure on the housing stock. Consequently, the fundamentals of the Australian housing market remain generally solid. Skills shortages, particularly in the mining and related professional services sectors, have driven recent increases in net arrivals, indicating population growth is about to re-accelerate. Combined with a weak outlook for residential construction, we expect the underlying shortage of housing to increase in the years ahead, pushing rental vacancies lower, rents higher and eventually supporting house prices.

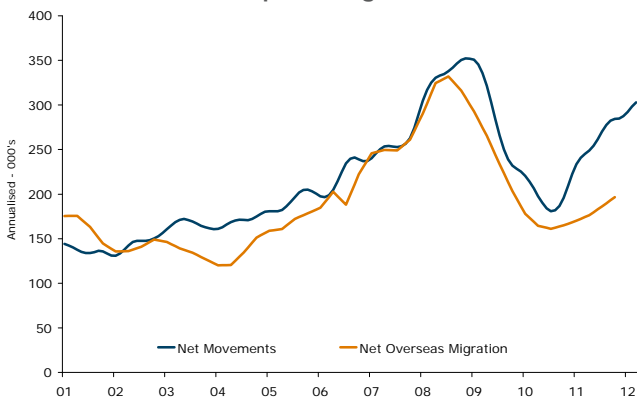
House prices



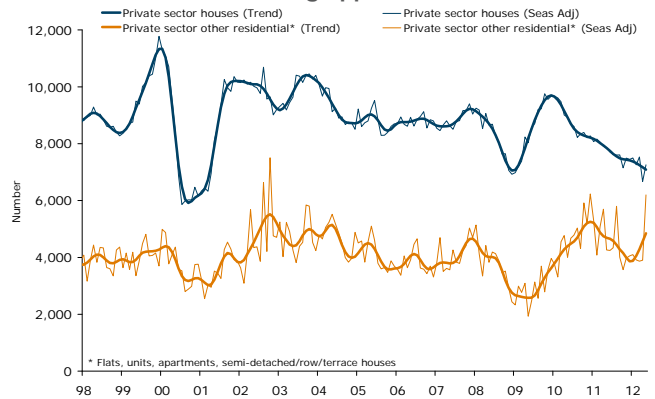
Market balance



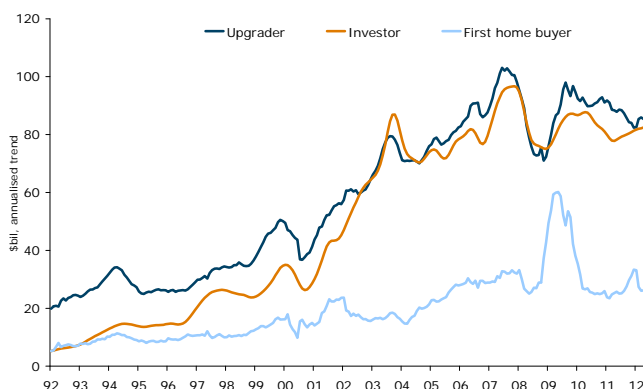
Population growth



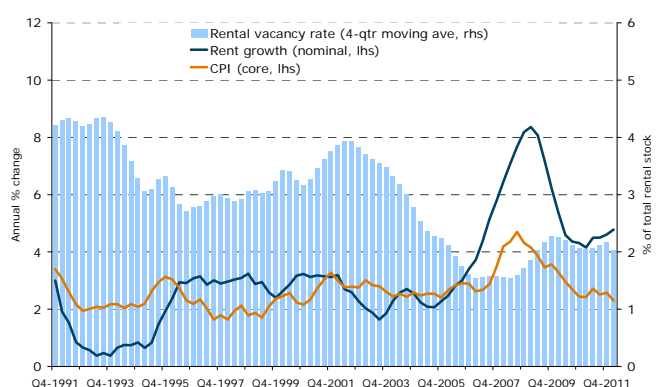
Building approvals



Housing finance



Rents vs vacancies



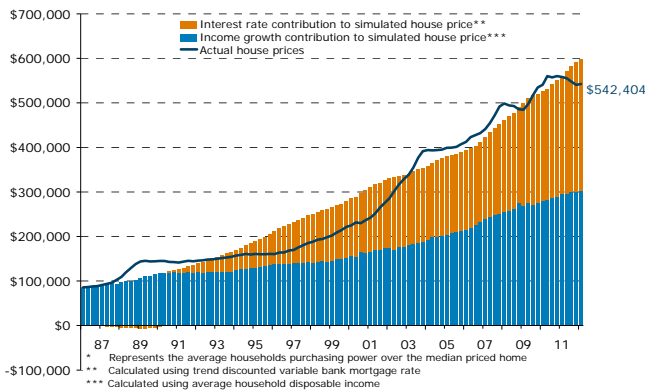
Sources: ABS, Residex, REIA, ANZ

VALUATION MEASURES

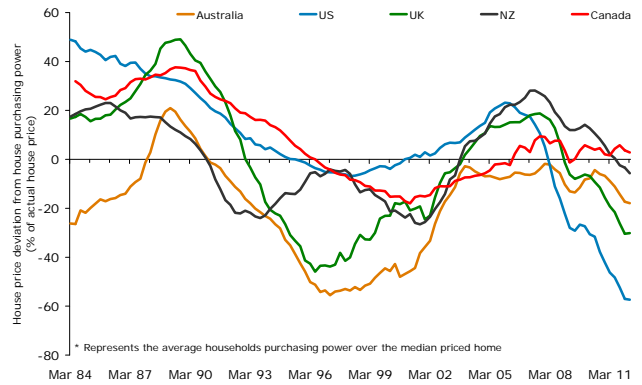
AUSTRALIAN HOUSE PRICE SOFTNESS REFLECTS BETTER VALUE WITHOUT ECONOMIC STRESS

- A combination of lower interest rates, falling house prices and rising household incomes has driven Australian house purchase affordability to better than long-run average levels. In contrast to many other developed economies, this has happened in the absence of a significant economic downturn and the associated stress on household finances.
- ANZ analysis of long-run trends in house prices, household income and interest rates (ignoring other drivers of house price growth, including housing market balance and mortgage lending criteria) shows the recent softness in Australian house prices has been mainly driven by weak household sentiment rather than economic fundamentals, with prices continuing to fall below expected house prices at current household income levels and mortgage rates.
- Cross-country comparisons using partial valuation measures - often used to contend the case of *overvaluation* of Australian house prices - continue to reflect broader economic and housing market differences, while revealing little about the future direction of house prices. These measures, including house price to income ratios and rental yields, do not address 'other drivers' of house prices, including economic growth and unemployment, population growth, housing stock, net household wealth, household financial stability, government policy, housing credit risk and mortgage lending standards.

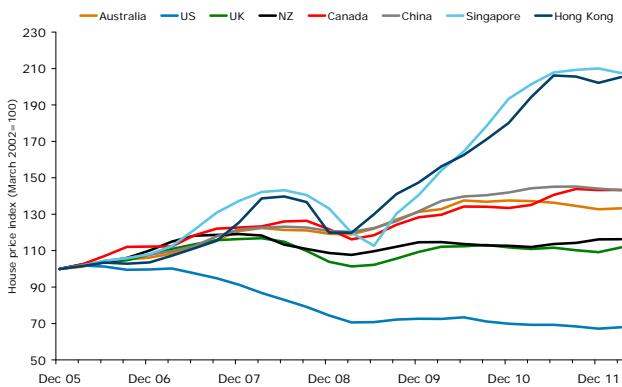
House prices and house purchasing power*



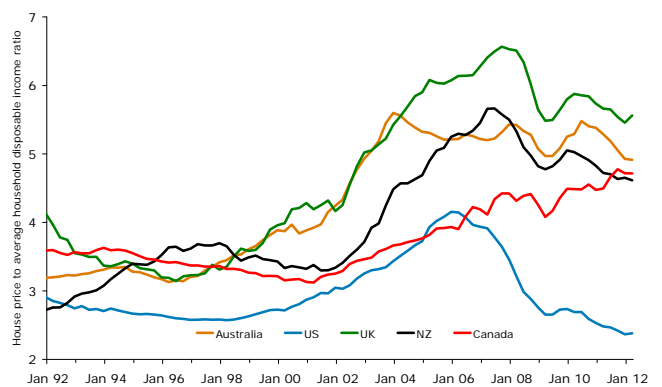
House price to purchasing power*



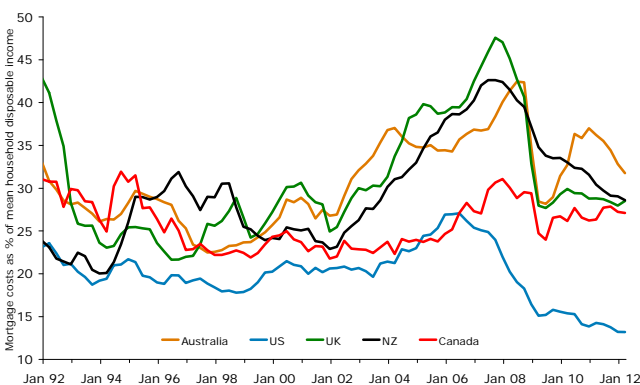
International house prices



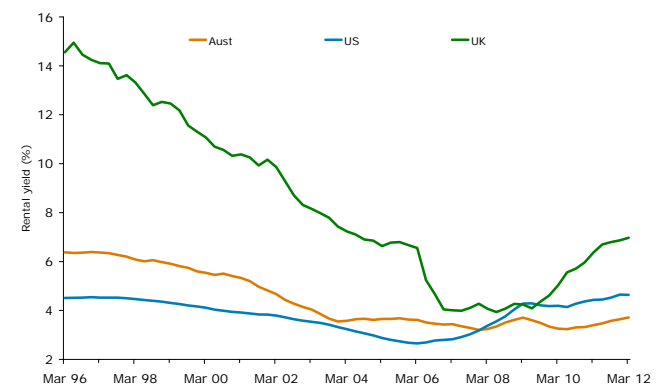
House price to income ratios



Housing affordability



International rental yield



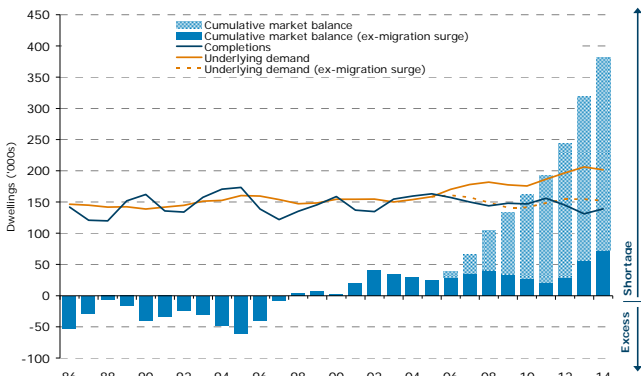
Sources: ABS, RBA, RP Data-Rismark, S&P/Case-Shiller, Nationwide, RBNZ, Teranet National Bank, Global Property Guide, ANZ

UNDERLYING DEMAND

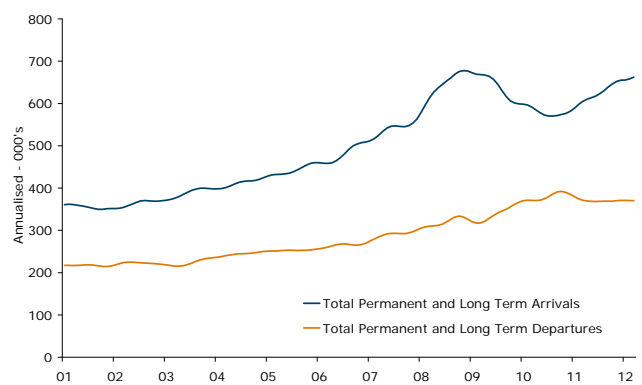
LEADING INDICATORS SUGGEST POPULATION GROWTH WILL SUPPORT UNDERLYING DEMAND

- Since 2006, net overseas migration has largely driven Australian population growth and supported strong underlying demand for housing. While recent data show moderation in net permanent and long-term arrivals, annualised net movements of 300,000 at May 2012 are expected to drive population growth and continue to support underlying demand for housing in the years ahead.
- While interstate migration activity is higher than post-GFC levels, it remains low as a share of population. This measure is expected to pick-up moderately through 2012-13 due to divergence in labour market conditions and housing affordability across states and territories.
- While divergent economic conditions across states and territories are already driving strong population growth and demand for housing in WA (with 15 of the top 20 fastest growing local government areas), moderate population growth in NSW and Victoria will continue to support the significant existing shortage of housing in these states (see Appendix). Combined with weak dwelling construction, population growth is already squeezing rental markets, driving increases in rental growth and yields, and building fundamental demand for first home buyers and lower priced housing.

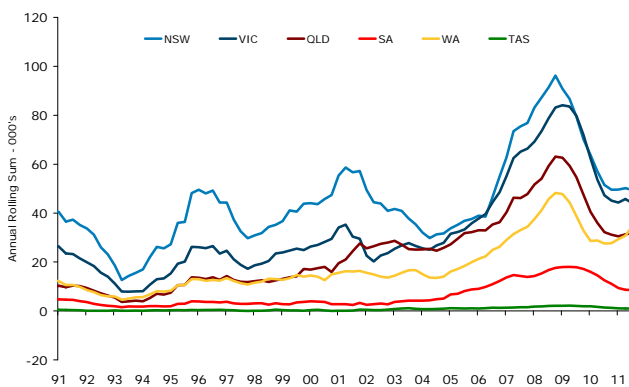
Market balance: Australia



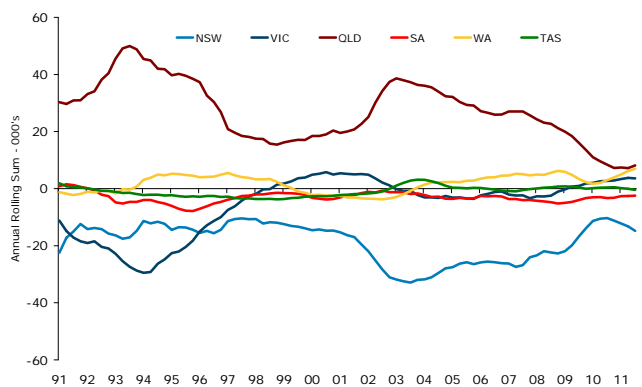
Permanent and long-term arrivals and departures



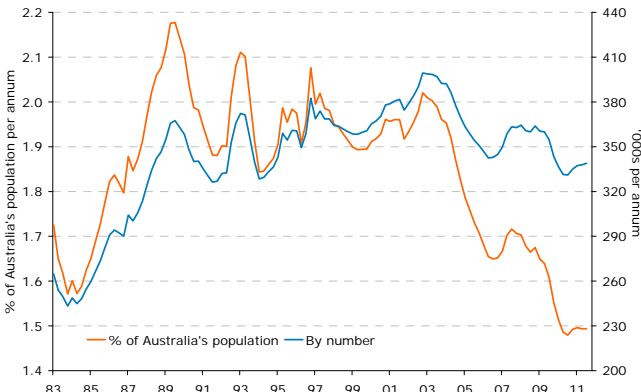
Net overseas migration



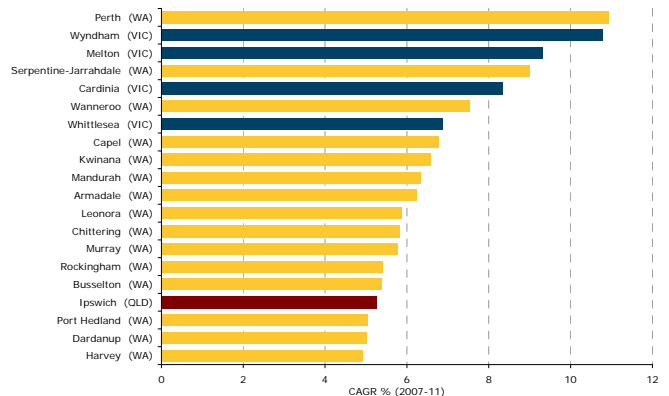
Net interstate migration



Gross interstate migration



Top 20 fastest growing populations



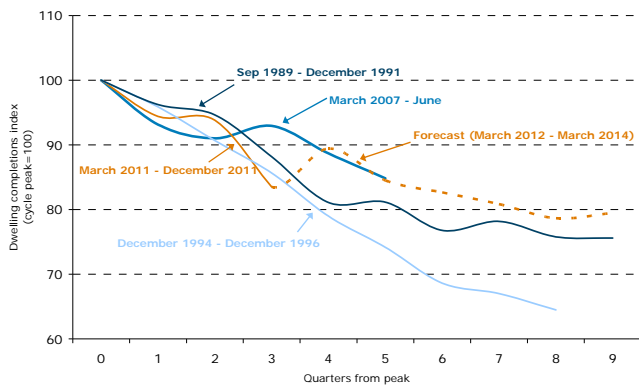
Sources: ABS, ANZ

SUPPLY

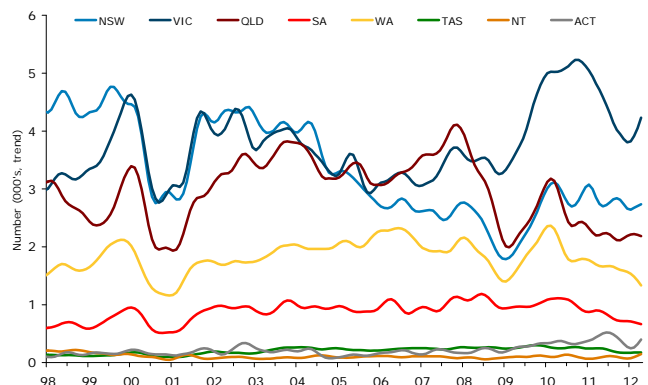
HOUSING CONSTRUCTION DOWNTURN APPROACHING 1990'S RECESSION LEVEL

- The outlook for residential building remains weak with the current dwelling construction downturn indicating completions are approximately 15% lower from the peak of the cycle (March 2011). The severity of the slowdown has been sharper than previous building contractions and the loss in residential building activity in the current downturn is expected to be only slightly less than during the early 1990's recession.
- While soft house prices, weak house sales and tight credit conditions continue to dampen developer sentiment, financial market volatility and global economic uncertainty have also likely weighed on residential construction plans. Annualised trend completions (134,000 dwellings), while improving in recent months, remain well below long-run average levels and significantly below our estimate of underlying housing demand of 196,000 for 2011-12. Despite the recent interest rate cuts, weak housing market sentiment will continue to weigh on housing construction until early 2013, before building activity is expected to recover in the second half of 2013.
- Looking through monthly volatility in building approvals, trend housing construction levels continue to be strongest in Victoria, though approvals are well below late-2010 peak levels. NSW has shown the most resilience in the current construction downturn, with building approvals 55% higher than the lowest point in the GFC. Approvals of flat, unit and townhouse buildings continue to show that housing affordability and land availability constraints are driving an increasing share of total dwelling approvals, especially in Sydney and Melbourne.

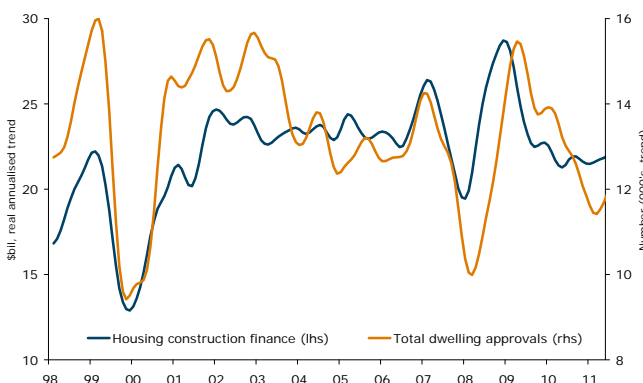
Dwelling cycle comparison



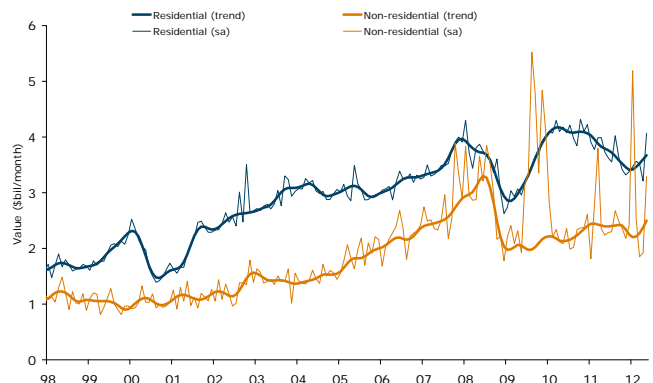
Building approvals



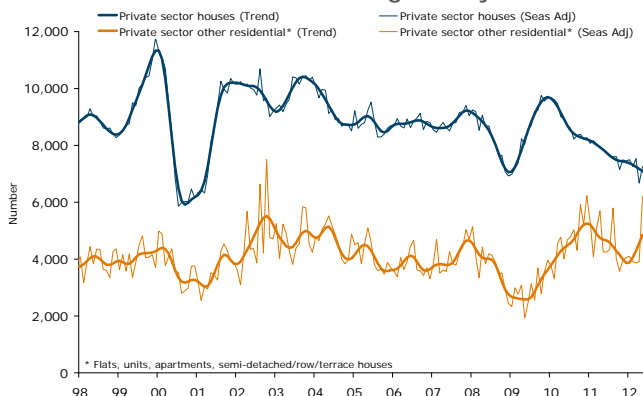
Building approvals & construction finance



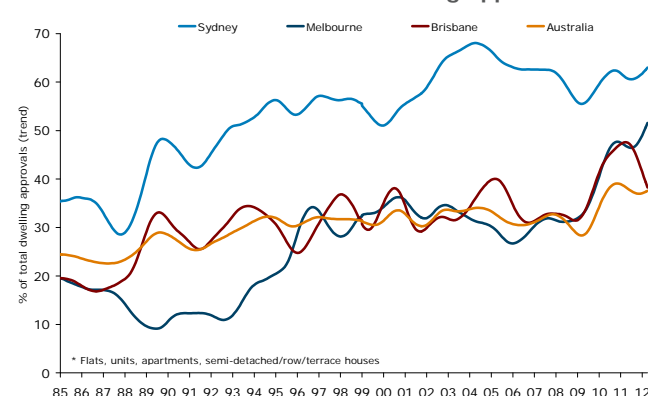
Residential vs non-residential building



Private sector building activity



Non-house* share of total dwelling approvals



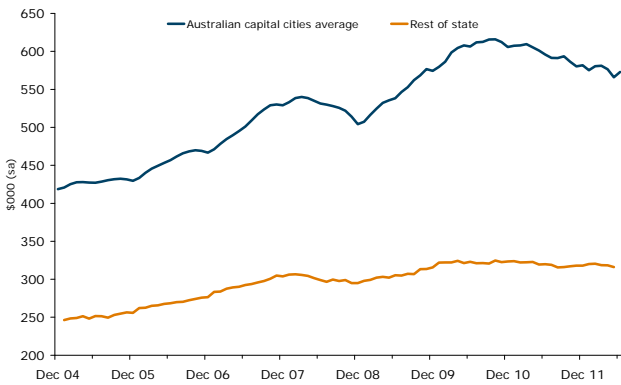
Sources: ABS, ANZ

PRICES

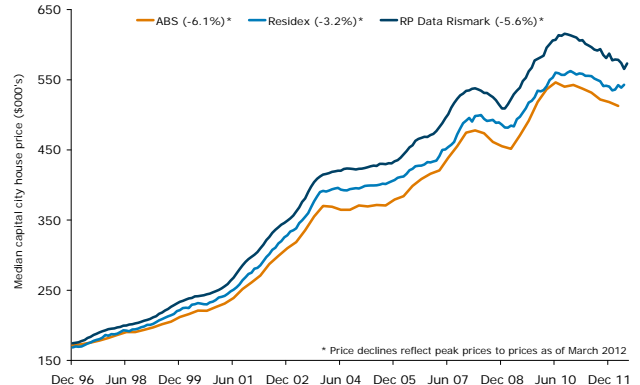
HOUSE PRICES WEAKEN FURTHER ON GLOBAL ECONOMIC UNCERTAINTY

- With the exception of Darwin and Canberra, house prices have weakened across all other capital cities in the year to June 2012. However, through 2012 monthly changes in house prices have been extremely volatile, particularly at the high-price end of the market. House price falls from peak to May 2012 for the most expensive 20% of suburbs have been more than double price falls for remaining 80% of suburbs. This has most likely reflected the negative impact on house prices of increased volatility in equity markets and weak consumer sentiment.
- Despite weakening in recent months, Sydney dwelling (house and unit) prices have continued to outperform most other Australian capital cities since the peak of the current price cycle, due to the increasing pressure of stronger population growth on weak housing construction and a degree of resilience after an extended period of prior price underperformance in houses and especially units.
- In the absence of a sharp global economic downturn and escalating domestic unemployment, improving housing affordability, solid household financial positions and strong housing market fundamentals should support modest house price growth into 2013. While previous structural and policy drivers have now been capitalised into house price growth, we expect prices to increase at a moderate 4-5% in annual terms by the end of 2014.

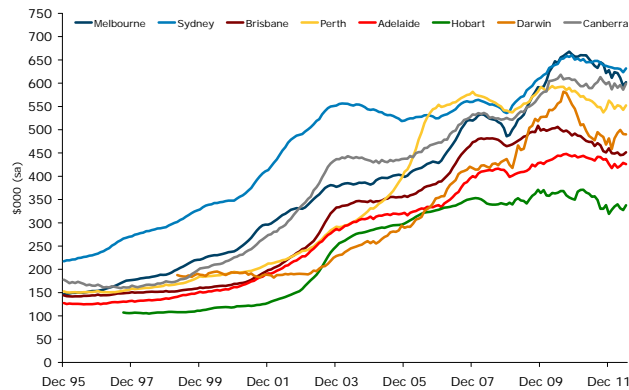
House prices



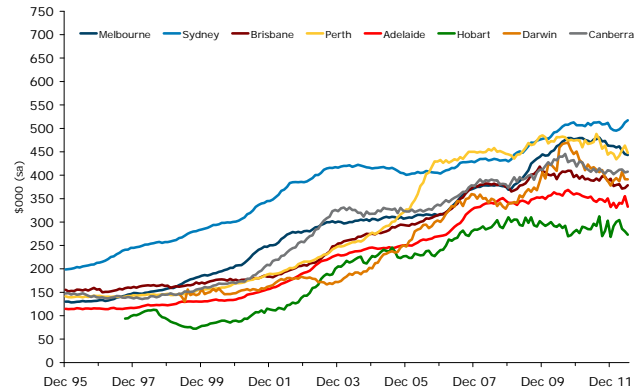
House prices, selected measures



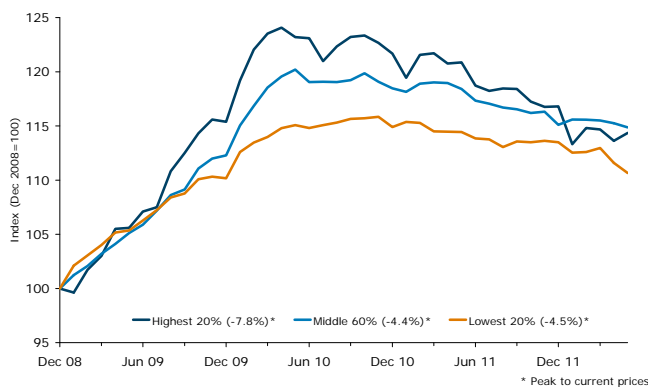
House prices, capital cities



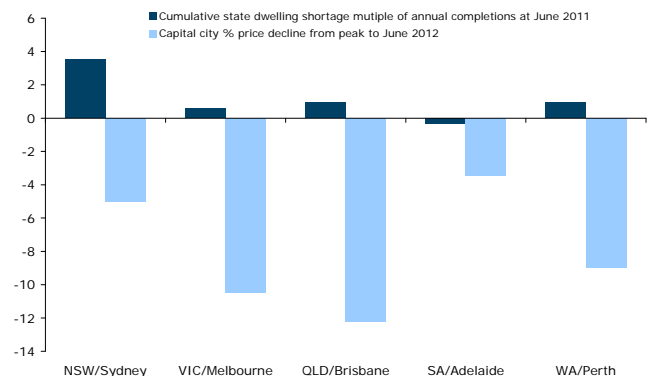
Non-house dwelling prices, capital cities



House prices, price range



Dwelling prices & housing market shortage



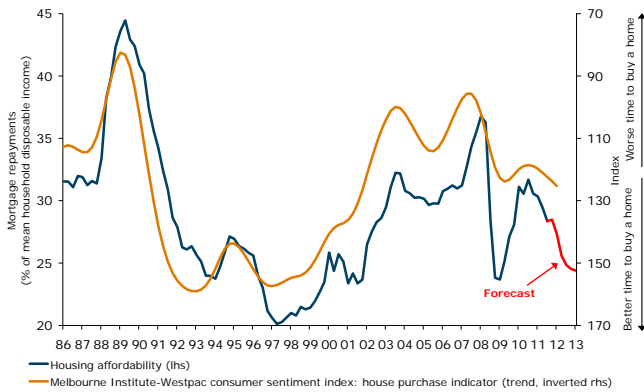
Sources: ABS, RP Data-Rismark, Residex, ANZ

AFFORDABILITY

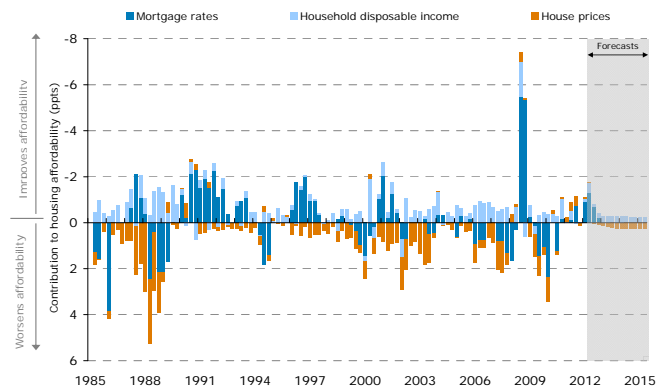
LOWER HOUSE PRICES AND MORTGAGE RATES CONTINUE TO IMPROVE HOUSING AFFORDABILITY

- Softening house prices, rising household incomes and lower mortgage rates have continued to improve Australian housing affordability. This has been reflected in improved consumer expectations of the best time to buy a house and lower mortgage delinquency rates through 2012.
- Previous episodes of improving housing affordability (in the early and mid-90s) were largely driven by significant reductions in interest rates (and steady growth in household incomes). With interest rates at relatively low levels and expectations of moderate growth in household income, improvements in housing affordability through 2012-13 are expected to be driven more by household income gains and weaker house prices than in the past.
- Despite Melbourne house prices experiencing the largest falls over the past year, Melbourne housing remains the least affordable to purchase across Australian capital cities. Strong growth in WA household income and weak house price growth has maintained Perth house deposit affordability compared to other major capital cities (ranked 6th across Australian capital cities compared to equal 1st before the GFC).

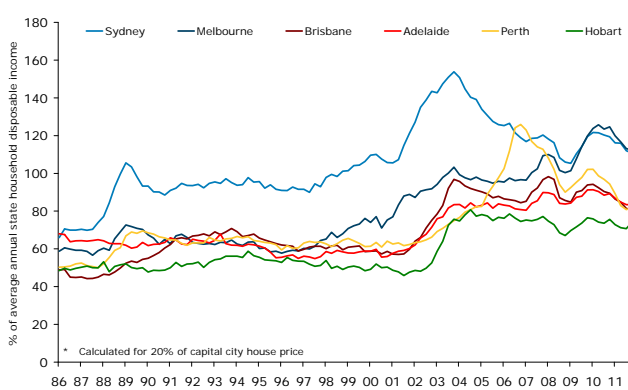
Housing affordability



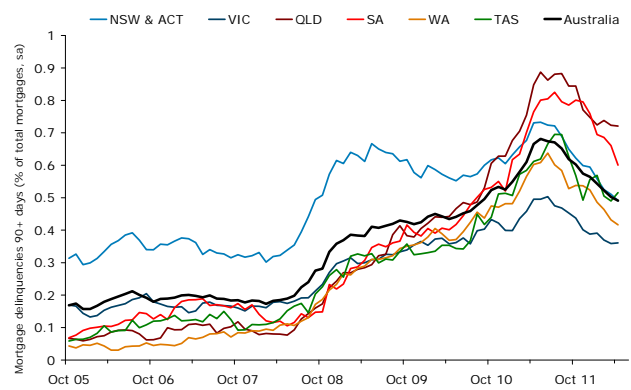
Housing affordability, factor contribution



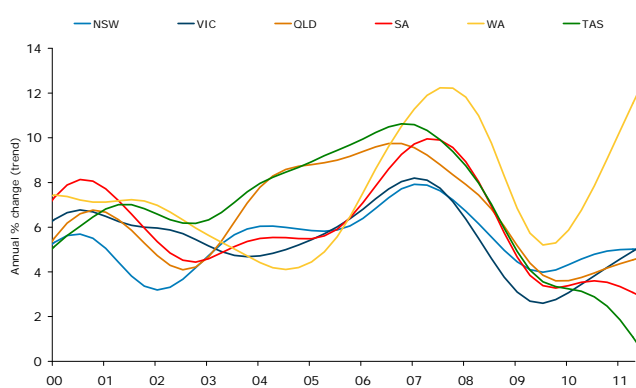
House deposit* affordability, capital cities



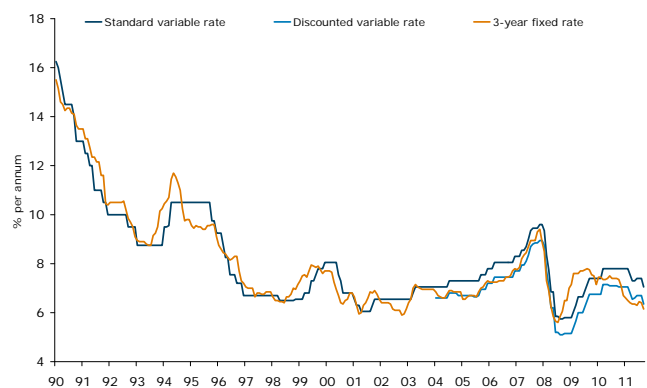
Mortgage delinquencies



Household disposable income



Housing loan interest rates



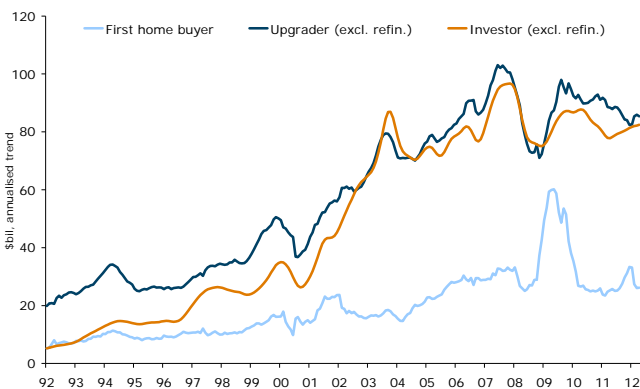
Sources: ABS, RBA, Residex, Melbourne Institute-WBC, ANZ

MARKET ACTIVITY

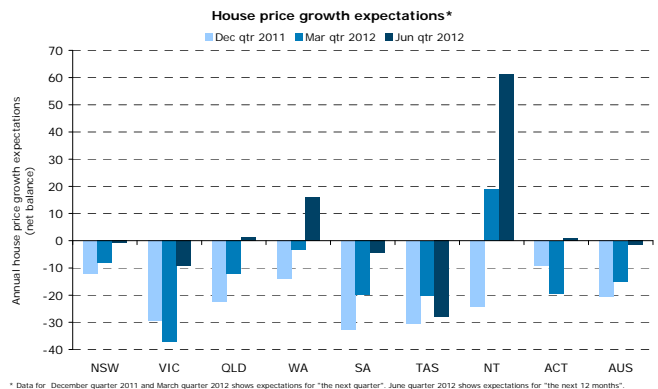
HOME SALES ACTIVITY REMAINS WEAK

- Housing market activity continues to be weighed down by weak household confidence, most likely driven by ongoing financial market volatility and an uncertain global economic outlook. Despite continued softening in house prices and improving housing affordability, residential home sales are running at 17-year lows and housing finance activity remains soft.
- Home sales levels are running at around 100,000/month, well below the pre-GFC peak of 140,000/month and tracking below the 120,000/month sales levels seen in 2009. While auction clearance rates and days on market have shown some improvement more recently, they also remain well below recent peak levels, suggesting continued divergence between the expectations of home buyers and vendors.
- With ongoing softness in house prices and escalating uncertainty around the prospects for the global economy, the outlook for housing market sales continues to look weak over the second half of the year. However, recent interest rate cuts and the potential for further rate cuts should drive improvements in housing affordability, eventually rousing market sales activity from the current lows, especially for first home buyers.

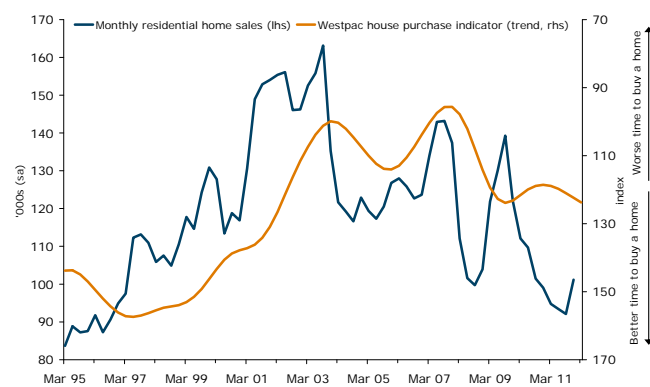
Housing finance



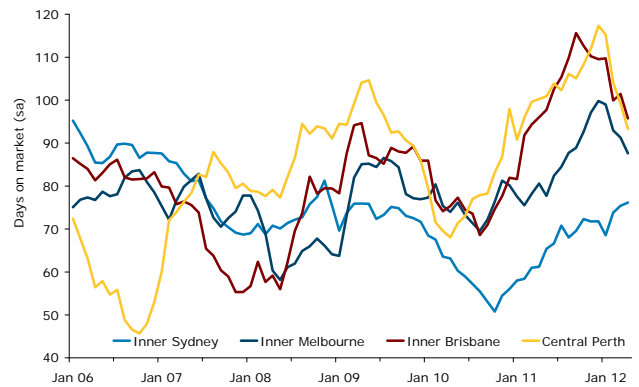
ANZ/PCA property industry confidence index



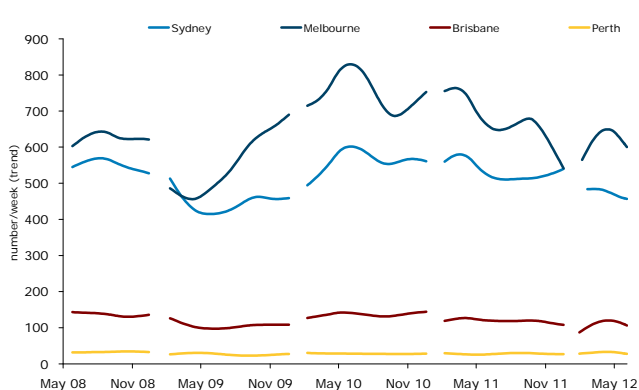
Monthly sales



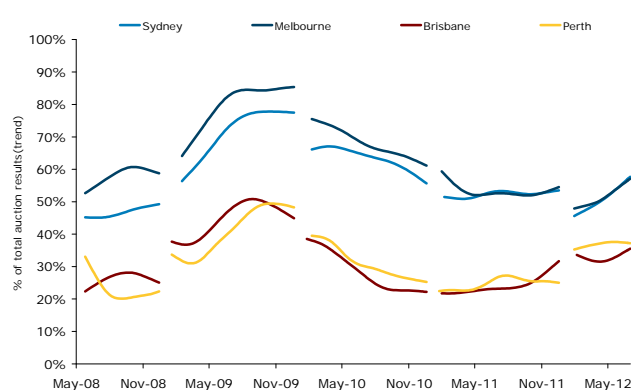
Days on market



Auctions, major capital cities



Auction clearance rates, major capital cities



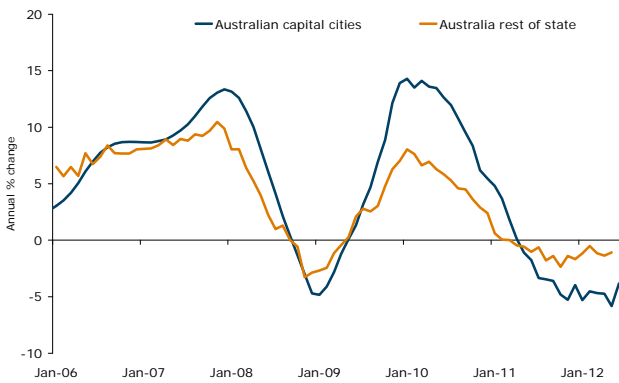
Sources: ABS, RP Data, PCA/ANZ, Melbourne Institute-WBC, ANZ

REGIONAL PERSPECTIVE

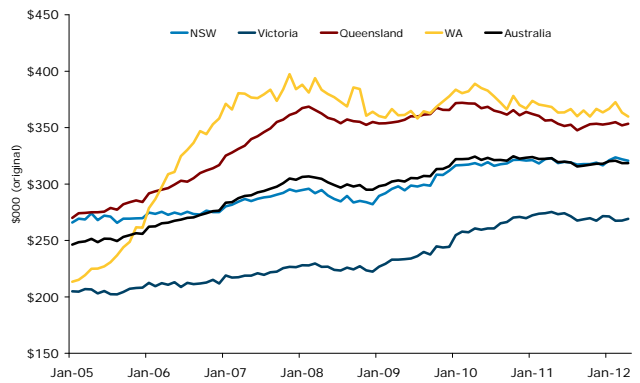
REGIONAL HOUSE PRICES OUTPERFORMING CAPITAL CITIES

- Despite being lower in annual growth terms, regional house prices have been more stable than capital city house prices, which have seen larger price falls across all major states and territories. Across states/territories and regions, house price growth has continued to differ, reflecting varying economic performance across Australian industries. NSW regional house prices were the strongest across states and territories in the year to March 2012, with the central inland regions of Orange and Dubbo showing the greatest house price growth.
- Queensland has shown the greatest intra-state variation in regional house prices, reflecting the divergent economic performance of regions exposed to the tourism sector (ie Cairns, Gold Coast) and mining-related services (Gladstone, Mount Isa).
- House price growth in WA regional centres has counter-intuitively been the weakest, with house prices in many centres lower in the year to March. Of note, house price growth in the Greenough River and Moore regions were much weaker in March 2012 (-6.5% and -4.7% respectively) compared to September 2011 (+1.3% and +0.6% respectively). Nonetheless, the economic benefits from major mining and energy projects in WA should boost house prices in many WA major regional centres over the next 12-18 months.

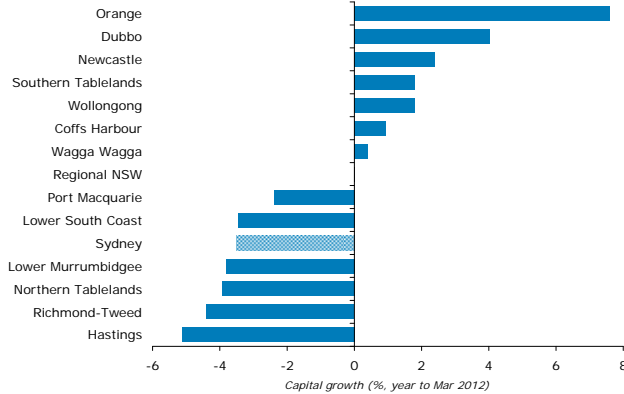
House prices: capital cities & rest of state



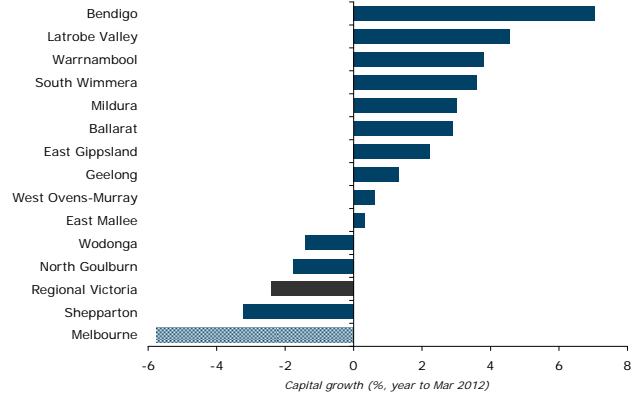
House prices: non-capital city regions



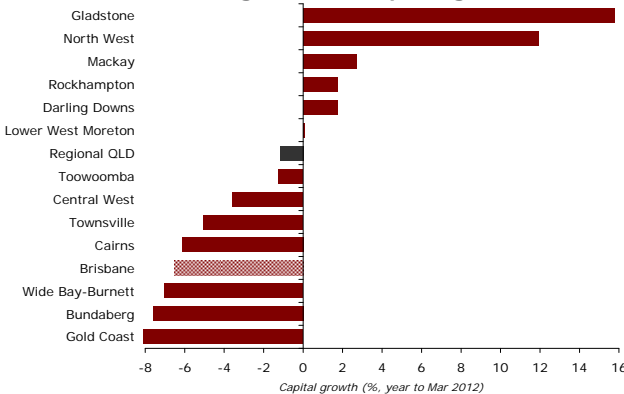
NSW regional house price growth



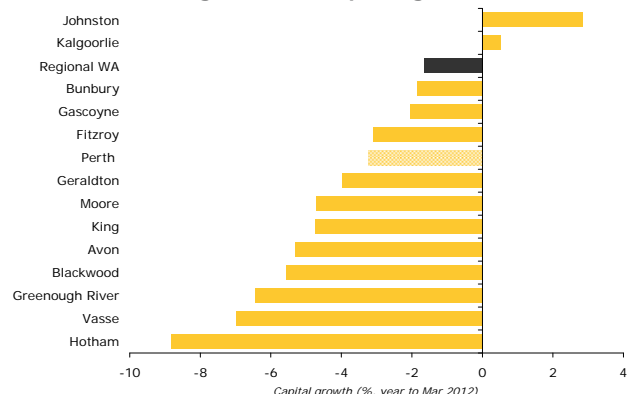
Victoria regional house price growth



Queensland regional house price growth



WA regional house price growth



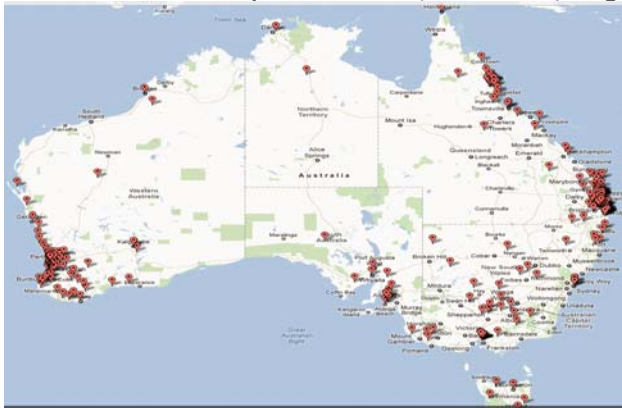
Sources: Residex, RP Data-Rismark, ANZ

REGIONAL PERSPECTIVE

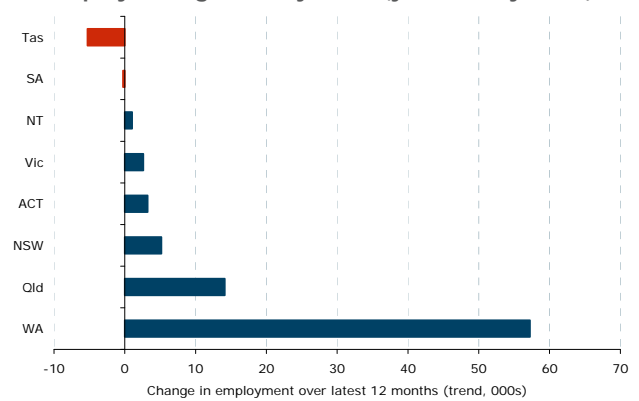
REGIONAL HOUSE PRICES (CONTINUED)

- Regional house price growth in South Australia, Tasmania and the territories have also reflected differing regional economic performance. While regional house price growth in most states have been dispersed between increases and decreases, Tasmania's regional house prices were all lower in the year to March 2012, reflecting the relatively soft economy and weak labour market conditions.
- While we continue to expect continued divergence within South Australia and ACT regional housing markets, a broadly soft economic outlook for the South Australia and ACT economies combined with relatively balanced housing markets should contain house price growth in the coming year across most regions.
- The outlook for house price growth across the Northern Territory regions is buoyant, with significant mining and energy investment (ie Ichthys gas project) expected to drive solid state economic growth and broad regional house price increases through the second half of 2012 and through 2013.

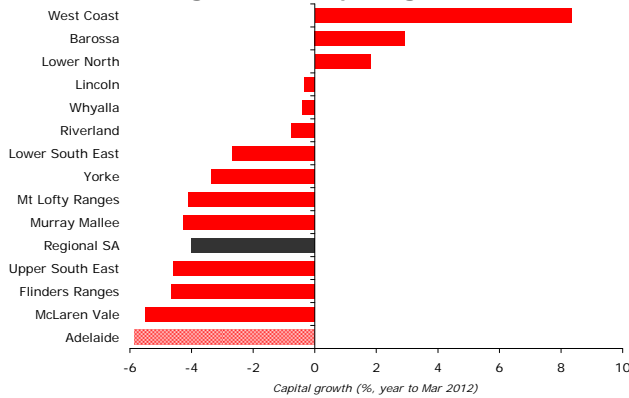
10%+ annual house price declines (March 2012), regions



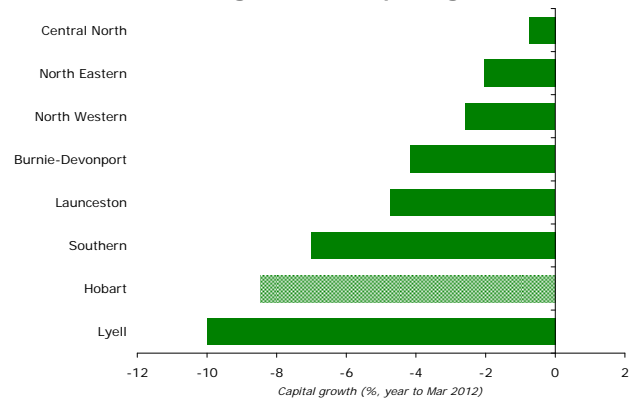
Employment growth by state (year to May 2012)



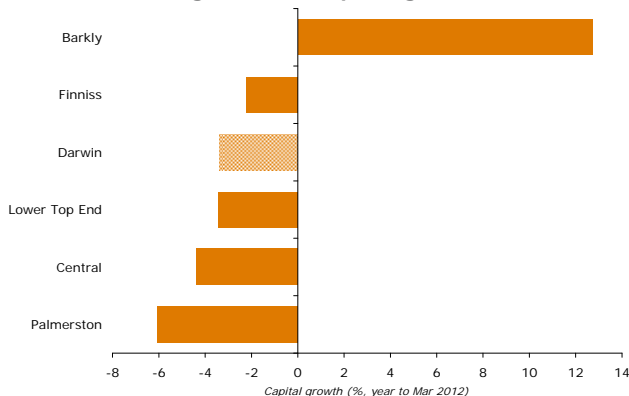
SA regional house price growth



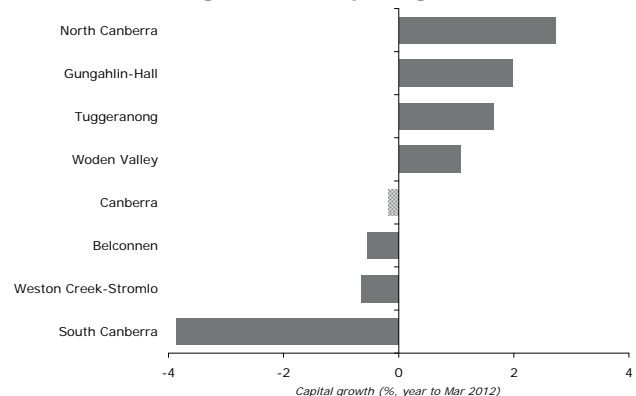
Tasmania regional house price growth



NT regional house price growth



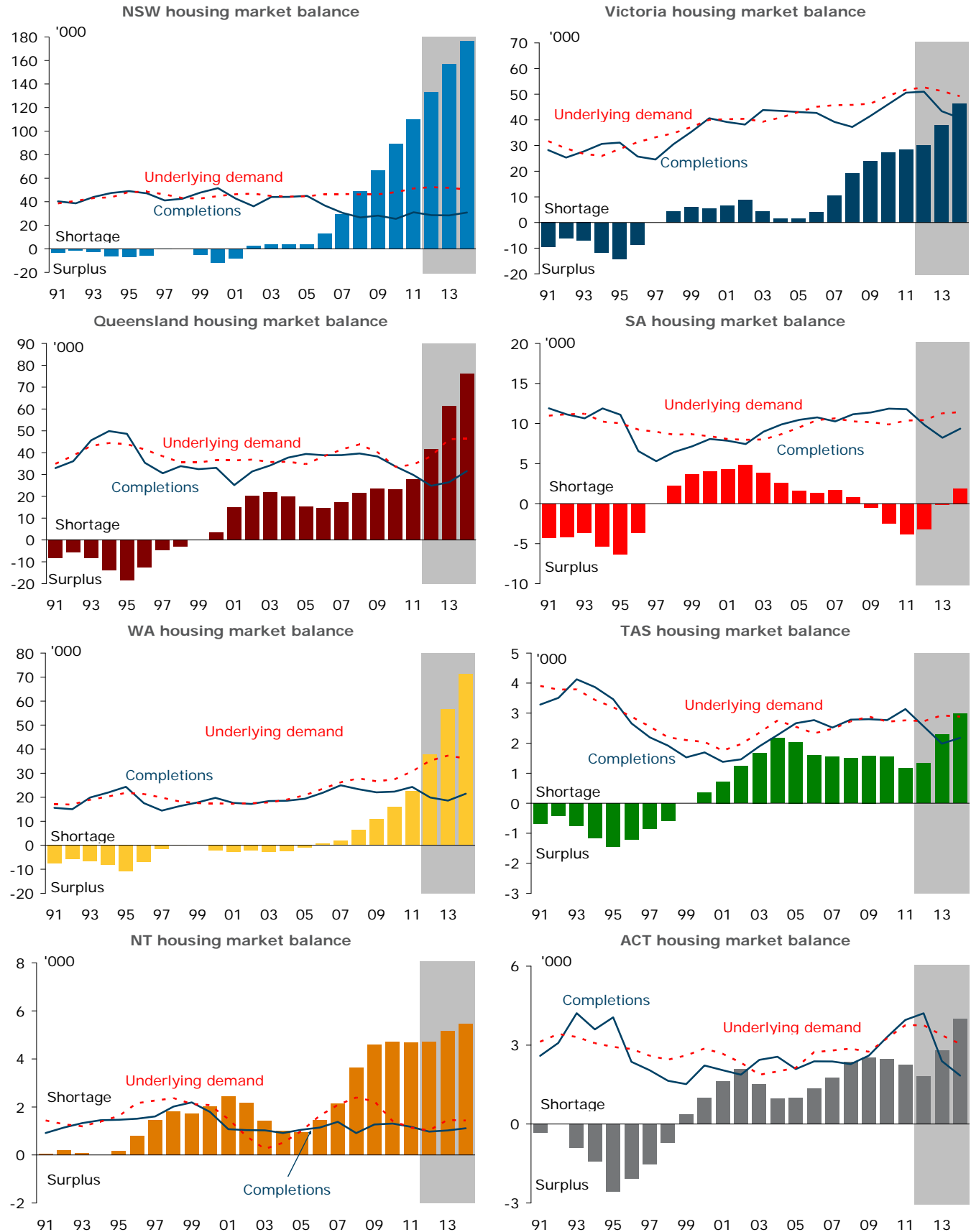
ACT regional house price growth



Sources: ABS, Residex, ANZ

IMPORTANT NOTICE

STATE/TERRITORY UNDERLYING HOUSING MARKET BALANCE



Sources: ABS, ANZ

IMPORTANT NOTICE

IMPORTANT NOTICE: The distribution of this document or streaming of this video broadcast (as applicable, "publication") may be restricted by law in certain jurisdictions. Persons who receive this publication must inform themselves about and observe all relevant restrictions.

COUNTRY/REGION SPECIFIC INFORMATION:

Australia. This publication is distributed in Australia by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ"). ANZ holds an Australian Financial Services licence no. 234527. A copy of ANZ's Financial Services Guide is available at <http://www.anz.com/documents/AU/aboutANZ/FinancialServicesGuide.pdf> and is available upon request from your ANZ point of contact. If trading strategies or recommendations are included in this publication, they are solely for the information of 'wholesale clients' (as defined in section 761G of the Corporations Act 2001 Cth). Persons who receive this publication must inform themselves about and observe all relevant restrictions.

BRAZIL. This publication is distributed in Brazil by ANZ only for the information of the Central Bank of Brazil. No securities are being offered or sold in Brazil under this publication, and no securities have been and will not be registered with the Securities Commission - CVM.

BRUNEI. JAPAN. KUWAIT. MALAYSIA. SWITZERLAND. TAIPEI. This publication is distributed in each of Brunei, Japan, Kuwait, Malaysia, Switzerland and Taipei by ANZ on a cross-border basis.

EUROPEAN ECONOMIC AREA ("EEA"): UNITED KINGDOM. ANZ is authorised and regulated in the United Kingdom by the Financial Services Authority ("FSA"). This publication is distributed in the United Kingdom by ANZ solely for the information of persons who would come within the FSA definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FSA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the FSA. **GERMANY.** This publication is distributed in Germany by the Frankfurt Branch of ANZ solely for the information of its clients. Other EEA countries. This publication is distributed in the EEA by ANZ Bank (Europe) Limited ("ANZBEL") which is authorised and regulated by the FSA in the United Kingdom, to persons who would come within the FSA definition of "eligible counterparty" or "professional client" in other countries in the EEA. This publication is distributed in those countries solely for the information of such persons upon their request. It is not intended for, and must not be distributed to, any person in those countries who would come within the FSA definition of "retail client".

FIJI. For Fiji regulatory purposes, this publication and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this publication.

HONG KONG. This publication is distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered by the Hong Kong Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this publication have not been reviewed by any regulatory authority in Hong Kong. If in doubt about the contents of this publication, you should obtain independent professional advice.

INDIA. This publication is distributed in India by ANZ on a cross-border basis. If this publication is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing. Further copying or duplication of this publication is strictly prohibited.

NEW ZEALAND. This document is intended to be of a general nature, does not take into account your financial situation or goals, and is not a personalised adviser service under the Financial Advisers Act 2008.

PEOPLE'S REPUBLIC OF CHINA. If and when the material accompanying this publication does not only relate to the products and/or services of Australia and New Zealand Bank (China) Company Limited ("ANZ China"), it is noted that: This publication is distributed by ANZ or an affiliate. No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this publication in the People's Republic of China ("PRC"). Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this publication or any other method. This publication may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this publication relates to the products and/or services of ANZ China only, it is noted that: This publication is distributed by ANZ China in the Mainland of the PRC.

SINGAPORE. This publication is distributed in Singapore by the Singapore branch of ANZ solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore. In respect of any matters arising from, or in connection with the distribution of this publication in Singapore, contact your ANZ point of contact.

UNITED ARAB EMIRATES. This publication is distributed in the United Arab Emirates ("UAE") or the Dubai International Financial Centre (as applicable) by ANZ. This publication: does not, and is not intended to constitute an offer of securities anywhere in the UAE; does not constitute, and is not intended to constitute the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the United Arab Emirates Ministry of Economy; does not, and is not intended to constitute an offer of securities within the meaning of the Dubai International Financial Centre Markets Law No. 12 of 2004; and, does not constitute, and is not intended to constitute, a financial promotion, as defined under the Dubai International Financial Centre Regulatory Law No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority ("DFSA"). The financial products or services described in this publication are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules. In addition, ANZ has a representative office ("ANZ Representative Office") in Abu Dhabi regulated by the Central Bank of the United Arab Emirates. ANZ Representative Office is not permitted by the Central Bank of the United Arab Emirates to provide any banking services to clients in the UAE.

UNITED STATES. If and when this publication is received by any person in the United States or a "U.S. person" (as defined in Regulation S under the US Securities Act of 1933, as amended) ("US Person") or any person acting for the account or benefit of a US Person, it is noted that: ANZ Securities, Inc. ("ANZ S") is a member of FINRA (www.finra.org) and registered with the SEC. Also, ANZ S's address is 277 Park Avenue, 31st Floor, New York, NY 10172, United States of America (Tel: +1 212 801 9160 Fax: +1 212 801 9163). This publication is distributed in the United States by ANZ S (a wholly owned subsidiary of ANZ, which accepts responsibility for its content. Information on any securities referred to in this publication may be obtained from ANZ S upon request. Any US Person receiving this publication and wishing to effect transactions in any securities referred to in this publication must contact ANZ S, not its affiliates.

IMPORTANT NOTICE

DISCLAIMER

Except if otherwise specified above, this publication is issued and distributed in your country/region by ANZ, on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (collectively, "recipient"). This publication may not be reproduced, distributed or published by any recipient for any purpose. It is general information and has been prepared without taking into account the objectives, financial situation or needs of any person. Nothing in this publication is intended to be an offer to sell, or a solicitation of an offer to buy, any product, instrument or investment, to effect any transaction or to conclude any legal act of any kind. If, despite the foregoing, any services or products referred to in this publication are deemed to be offered in the jurisdiction in which this publication is received or accessed, no such service or product is intended for nor available to persons resident in that jurisdiction if it would be contradictory to local law or regulation. Such local laws, regulations and other limitations always apply with non-exclusive jurisdiction of local courts. Before making an investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

The views and recommendations expressed in this publication are the author's. They are based on information known by the author and on sources which the author believes to be reliable, but may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this publication and are subject to change without notice; and, all price information is indicative only. Any of the views and recommendations which comprise estimates, forecasts or other projections, are subject to significant uncertainties and contingencies that cannot reasonably be anticipated. On this basis, such views and recommendations may not always be achieved or prove to be correct. Indications of past performance in this publication will not necessarily be repeated in the future. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided. Additionally, this publication may contain 'forward looking statements'. Actual events or results or actual performance may differ materially from those reflected or contemplated in such forward looking statements. All investments entail a risk and may result in both profits and losses. Foreign currency rates of exchange may adversely affect the value, price or income of any products or services described in this publication. The products and services described in this publication are not suitable for all investors, and transacting in these products or services may be considered risky. ANZ and its related bodies corporate and affiliates, and the officers, employees, contractors and agents of each of them (including the author) ("Affiliates"), do not make any representation as to the accuracy, completeness or currency of the views or recommendations expressed in this publication. Neither ANZ nor its Affiliates accept any responsibility to inform you of any matter that subsequently comes to their notice, which may affect the accuracy, completeness or currency of the information in this publication.

Except as required by law, and only to the extent so required: neither ANZ nor its Affiliates warrant or guarantee the performance of any of the products or services described in this publication or any return on any associated investment; and, ANZ and its Affiliates expressly disclaim any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense ("Liability") arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this publication.

If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. ANZ and its Affiliates do not accept any Liability as a result of electronic transmission of this publication.

ANZ and its Affiliates may have an interest in the products and services described in this publication as follows:

- They may receive fees from customers for dealing in the products or services described in this publication, and their staff and introducers of business may share in such fees or receive a bonus that may be influenced by total sales.
- They or their customers may have or have had interests or long or short positions in the products or services described in this publication, and may at any time make purchases and/or sales in them as principal or agent.
- They may act or have acted as market-maker in products described in this publication.

ANZ and its Affiliates may rely on information barriers and other arrangements to control the flow of information contained in one or more business areas within ANZ or within its Affiliates into other business areas of ANZ or of its Affiliates.

Please contact your ANZ point of contact with any questions about this publication including for further information on the above disclosures of interest.