

Commonwealth Bank

# Sustainability Report 2011

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**Determined** to be different

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At the Commonwealth Bank, we're working to build a more sustainable future in everything we do – from working with our customers, developing our people, supporting our local communities to strategic corporate decision-making.



# About this report

Our annual Sustainability Report details the key sustainability initiatives we focused on during 2010–11 and helps us to share our experiences with our customers, our people and the broader community. We believe that being transparent around how we are working to be a sustainable business, and the role we play in the wider community, is an essential part of how we do business.

This report describes our key sustainability initiatives over the last 12 months, together with our plans for the future and it focuses on our **five foundations of sustainability**: People, Customers, Community, Environment and Governance.

## Scope

The Sustainability Report 2011 covers the activities of companies owned and

operated by the Commonwealth Bank Group within Australia for the period from 1 July 2010 to 30 June 2011. It includes a chapter on our subsidiary Bankwest, beginning on page 48.

ASB Bank (ASB), our wholly owned New Zealand bank, publishes its own corporate responsibility report, *ASB in Your Community*. This report, along with information about ASB's sustainability approach, is available online at:

**[asb.co.nz/community-and-sponsorship/corporate-responsibility](http://asb.co.nz/community-and-sponsorship/corporate-responsibility)**

For more detailed information on our financial performance, our 2011 Annual Report is available online at:

**[commbank.com.au/about-us/shareholders/financial-information/annual-reports](http://commbank.com.au/about-us/shareholders/financial-information/annual-reports)**

## United Nations Global Compact

We are a signatory to the Global Compact and committed to communicating our progress on integrating the Global Compact principles in the areas of human rights, labour, the environment and anti-corruption. This report fulfils our commitment to reporting as part of this important initiative.

## Independent assurance

Key metrics in this report as set out in the 'Metrics and Definitions' section on pages 54–57 have been independently reviewed by KPMG. See the Independent Review Report on page 58 for more details.

# A message from our CEO

The Commonwealth Bank's third Sustainability Report demonstrates our long-term commitment to the implementation of sustainable programs and initiatives that assist our customers, engage our people, support communities, consider the environment and embed strong corporate governance practices.

Sustainability is about being a successful business today while ensuring we deliver value over the long term for our people, customers, shareholders and the community. I am pleased to share with you the Commonwealth Bank Sustainability Report 2011.

Our sustainability focus has a direct link to our strategic priorities and the related five areas of opportunity – customer service, business banking, technology and operational excellence, trust and team spirit, and profitable growth.

During the 2010–11 financial year we have continued to build sustainable practices into every aspect of our business, working to create long-term value for our customers, employees, shareholders and the community.

As a Group, we are proud of the achievements we have made in these areas, and we remain dedicated to building on them in the future.

## **Our customers**

We remain committed to our vision to be Australia's finest financial services organisation through excelling in customer service. Over the financial year, we have supported this goal through our ongoing investment in process enhancement and systems which have improved the customer service experience. We also launched a number of new products and services (page 17) and reinvigorated training for our frontline staff with the launch of SkillBUILDER to help them better support our customers (page 25).

## **Our people**

We have continued to work towards creating a culture of trust and team spirit. We launched our inaugural Diversity Policy to bring about greater diversity in our organisation and assist with creating and maintaining an inclusive and collaborative workplace culture. We also continued to provide training and development opportunities for our people (page 24), and actively worked to support the health and wellbeing of all staff (page 25).

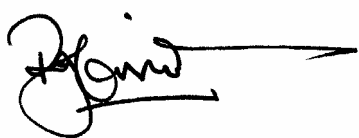
## **Our community**

The number and extent of natural disasters around the country during the 12 months to 30 June was unprecedented. We moved swiftly to provide support to the broader community affected by the Queensland and Victorian floods and Cyclone Yasi. As a Group, we made the largest ever community contribution of around \$65 million to flood victims (page 28), and many of our people were involved, giving their time and money to support impacted communities.

We also deepened our community engagement through new initiatives, such as Launching Local Heroes and the Community Seeds program (page 35). At the same time, we continued our support for established initiatives and partnerships (page 29–35), including supporting youth financial literacy through the Commonwealth Bank Foundation and children's youth organisations through our Staff Community Fund's Community Grants program.



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*Ralph Norris*  
CHIEF EXECUTIVE OFFICER



## Our environment

We continued our shift to more environmentally efficient properties, moving the first group of people into our new Commonwealth Bank Place buildings which have been awarded a six star Green Star rating for base building office design. In addition to a range of environmentally friendly features and energy efficiency targets, the North and South buildings both incorporate the activity-based working concept which paves the way for creating an even greater place for our people to work in (page 43).

## Our governance framework

We believe that strong corporate governance and an ethical framework is the backbone of a successful business. Our senior leaders and decision makers lead by example, demonstrating accountability and disclosure, and we continue to grow and embed a strong ethical culture (page 38).

## Our shareholders

We delivered a solid full year result ending 30 June 2011, announcing a Net Profit after Tax (NPAT) on a cash basis of \$6,835 million and a statutory NPAT of \$6,394 million. This result represents an increase of 12% and 13% respectively from the previous year's result, with the underlying strength of our businesses a primary contributor to the increase. Over the longer-term, we have achieved significant total returns for our shareholders, for example 49.08% over two years and 56.05% over five years, compared with the ASX200 at 26.41% and 12.51% over the respective corresponding periods.

## Bankwest

Our Bankwest business has made substantial progress during the year, both within its Western Australian home state and through its continuing east coast expansion. The business continues to prove a valuable addition to the Commonwealth Bank Group. We are very pleased with the Bankwest contribution and we are looking forward to continued improvement over the year ahead.

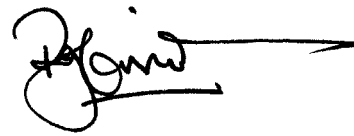
## Looking forward

We are making significant progress in our sustainability journey and remain committed to further embedding sustainability practices within our business and contributing to a more sustainable Australia.

In December 2011 we will celebrate the Commonwealth Bank's Centenary of our founding – 100 years of helping our customers achieve their financial goals, supporting communities, developing our people and providing strong shareholder returns. We share this milestone with our customers, shareholders and people, and this special time will provide the opportunity to celebrate and reflect on the positive difference we have helped to make to millions of Australians.

2011 will also mark the beginning of new leadership at the Commonwealth Bank, with incoming Chief Executive Officer Ian Narev officially taking on the role from 1 December. With Ian at the helm, the Group is well placed to continue its evolution and the progress we have made towards our vision to be Australia's finest financial services organisation through excelling in customer service.

We remain focused on being forward looking and committed to delivering long-term value for our shareholders, our customers, our people, our community and our environment over our next 100 years.



**Ralph Norris**  
Chief Executive Officer

“Sustainability is about being a successful business today while ensuring we deliver value over the long term for our people, customers, shareholders and the community.”

# Our sustainability scorecard

All metrics capture data from Australian domestic operations unless otherwise stated. Definitions for all metrics are on page 54–57.

	2011	2010	2009	2008	2007
<b>CUSTOMERS</b>					
Roy Morgan Research MFI	75.2%	75.6%	73.0%	70.1%	70.5%
Retail Customer Satisfaction	(ranked 4th)	(ranked 2nd)	(ranked 3rd)	(ranked equal 3rd)	(ranked 4th)
DBM Business Finance Monitor	7.1	7.0	–	–	–
MFI Customer Satisfaction	(ranked equal 2nd)	(ranked equal 1st)			
Wealth Insights Platform Survey	84.7% (ranked 1st)	86.5% (ranked 1st)	84.1% (ranked 1st)	88.2% (ranked 1st)	89.4% (ranked 2nd)
<b>PEOPLE</b>					
Lost Time Injury Frequency Rate (LTIFR)	2.3	2.9	2.4	3.1	3.7
Gallup Survey GrandMean	4.30	4.32	4.37	4.28	4.13
People and Culture Indicator (PCI)	4.30	4.31	4.36	–	–
Absenteeism (average days per FTE)	6.0	5.9	5.9	6.5	6.2
Employee Turnover (voluntary)	12.65%	12.73%	11.37%	18.45%	14.94%
<b>ENVIRONMENT</b>					
Property and fleet carbon emissions (tonnes CO <sub>2</sub> -e)	170,668 5.19 per FTE	176,806 5.5 per FTE	172,752 5.7 per FTE	173,397 5.6 per FTE	163,964 5.4 per FTE

# Who we are

Our vision is to be Australia's finest financial services organisation through excelling in customer service.

Since we first opened our doors in 1912, the Commonwealth Bank has become a familiar part of the lives of millions of Australians. We are proud to have been part of Australian history over the last 100 years, and we remain absolutely committed to supporting

Australian communities through our sustainability initiatives.

We are a leading provider of integrated financial services, including retail banking, premium banking, business banking, institutional banking, funds management, superannuation,

insurance, investment and stockbroking products and services. We have established businesses in Australia, New Zealand, Europe, the United States, and the Asia-Pacific region, including China, Indonesia, Vietnam and India.

## The Group at a glance

- With around **11 million retail and business customers**, and **52,000 employees globally**, we are Australia's largest financial institution, and the second largest company listed on the Australian Securities Exchange, based on market capitalisation.
- We supported our customers with more than **\$90 billion in new lending** during the 12 months to 30 June 2011.
- In the 12 months to 30 June 2011, **14% of logins to NetBank** were through a **mobile device**.
- We process **45% of Australia's transactions every day**, either through ATMs or EFTPOS.
- On average our customers hold **2.64 financial products each**. (Roy Morgan Research, based on Australians aged 14+, Banking and Finance customers, 30 June 2011).
- Our Business and Private Banking division has around **200,000 business customers, one million trading customers, and 15,000 private banking customers**.
- At market close on 30 June 2011 our share price was trading at \$52.30, a premium to our banking competitors and **up 7.5% over the financial year**. The S&P200 Financials Index increased 7.1% over the same period.
- In the 12 months to 30 June 2011 we generated **\$5 billion in dividends for shareholders and paid \$3 billion in taxes**.



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# Customer Study

Some of our awards in 2010–11

**MONEY MAGAZINE AWARDS 2011**

- Bank of the Year 2011
- Credit Card Issuer of the Year
- Banking Website of the Year
- Margin lender of the Year (CommSec)

Judged by a team of Money magazine experts, these awards evaluate thousands of products from banks, building societies and credit unions across Australia.



**MONEY MAGAZINE BEST OF THE BEST AWARDS**

- Best Feature-Packed Online Broker – CommSec
- Best Featured Margin Loan – Colonial Geared Investments

**CANSTAR CANNEX 2011**

We hold Canstar Cannex 5 star ratings across 31 products plus these awards:

- Youth Banking and Education Award
- Outstanding Value Award for Home & Contents Insurance
- Best Online Banking Award
- Innovation Award for the iPhone Property Guide application



**ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS 2011**

- Best Retail Bank in Asia Pacific
- Best Retail Bank in Australia
- Best Consumer Lending – Personal Loans Portfolio
- Best Cash Management Bank in Australia

The Asian Banker Excellence in Retail Financial Services Awards recognise financial institutions that have excelled in meeting the needs of their retail financial services customers.



**AUSTRALIAN PRIVATE BANKING COUNCIL AWARDS 2011**

- Most outstanding institution in the \$1 million-\$10 million category (Commonwealth Private) for the third year running

Hosted by the Australian Private Banking Council, these awards recognise outstanding institutions and individuals within private banking, private wealth and private client services.



**GLOBAL FINANCE AWARDS 2011**

- Best Bank in Australia
- Best Foreign Exchange Provider in Australia

Each year *Global Finance* magazine selects the best financial institutions around the world.



**AUSTRALIAN BANKING AND FINANCE AWARDS 2011**

- Australian Financial Institution of the Year – Major Banks
- Chief Information Officer of the Year – Michael Harte
- Chief Risk Officer of the Year – Alden Toevs
- Innovative Mortgage Product of the Year – No Fee Variable Rate Home Loan

The Australian Banking & Finance Awards are Australia's premier financial services awards with winners selected by an independent panel of senior industry professionals.



## Some of our awards in 2010–11

### INSTO DISTINCTION AWARDS 2011

- Chief Financial Officer of the Year – David Craig
- Australian Issuer of the Year – Australian Bond Market

The benchmark for achievement in Australia's finance and capital markets, the Insto Distinction Awards draw on the views of a broad sample of leading international institutional investors.



### 2011 AUSTRALIAN LENDING AWARDS

- Third Party Operator of the Year (RBS) • 2011 Best Innovator (RBS)

We are proud to have been recognised with several awards at the inaugural 2011 Australian Lending Awards, reinforcing our position as Australia's leading financial services organisation among consumers and brokers.



### STANDARD & POOR'S FUND AWARDS 2010

- Fund Manager of the Year – Colonial First State Global Asset Management

Acknowledged as a pre-eminent accolade in the funds management industry internationally, the Standard & Poor's Fund Manager Awards recognise managers who have demonstrated superior investment capabilities and are well positioned for sustainable success.



## Customer service awards

### 2011 AUSTRALIAN BUSINESS AWARDS

- Australian Business Award for Service Excellence – Financial and Insurance Services segment



### PROFESSIONAL ADVISER AWARDS 2011, LONDON

- Best International Equity Group – Colonial First State Global Asset Management
- Best Fund Management Group (Small) – Colonial First State Global Asset Management



### CUSTOMER SERVICE INSTITUTE OF AUSTRALIA

- Service Excellence Award for Large Business – Commonwealth Bank
- Best Medium Business in NSW – Commlnsure General Insurance
- Customer Service Executive NSW – Fred Pollock
- Customer Service CEO of the Year – Ralph Norris



### 2011 CALL CENTRE AWARDS FOR SERVICE EXCELLENCE

- Commonwealth Life Indonesia

### CONTACTCENTERWORLD

- Best Large Contact Centre Award – Asia Pacific, Direct Banking

### WORLD CONTACT CENTRE AWARDS

- Silver Medal, Direct Banking Contact Centre (Parramatta)

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# Customers

Over the last year, we have continued to improve our day-to-day services for both retail and business customers as well as helped our customers in the wake of natural disasters. And we are determined to keep our customers at the very heart of our vision, now and in the future.

## Customer satisfaction

Customer satisfaction remains our top priority. During the 2010–11 financial year we introduced a number of initiatives to support our retail, business and wealth management customers. We also remained focused on our commitment to deliver exceptional products and services to all our customers and launched a range of innovative solutions.

We achieved a customer satisfaction rating of 75.2% in the Roy Morgan Research Main Financial Institution (MFI) Retail Customer Satisfaction Survey in June 2011 on a six-month rolling average. This result put us in fourth position against the three other main Australian banks and was a 0.4% decrease on the previous year's result.

However, this year we achieved some of our highest ever results against the Roy Morgan measure and held second position for five out of the 12 months. Additionally, in June 2011 we were first among the major banks on *Overall providing good service* on a six-month rolling average, as measured by Roy Morgan Research.

Note: Among customers answering "Overall provides good service" of their main bank (% answering 5, 6 or 7 on a 7 point scale) Commonwealth Bank rates the highest among the major four banks. Source: Roy Morgan Research, six-month rolling average to June 2011.

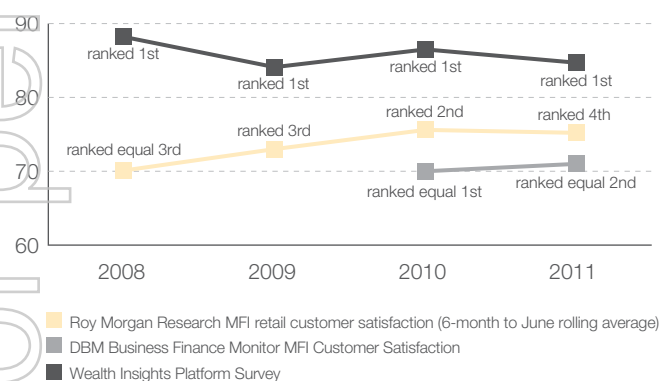
Colonial First State's FirstChoice product platform was ranked number one for the fourth consecutive year, scoring 84.7% for overall satisfaction by financial advisers in the 2011 Wealth Insights Platform Service Level survey.





In August 2010, we moved our business customer satisfaction provider to the DBM Business Financial Services Monitor (from the TNS Business Finance Monitor). On this measure, our MFI business customers gave us a satisfaction rating of 7.1 out of 10, on a six-month rolling average to 30 June 2011, giving us a ranking of equal second among the major banks.

Customer satisfaction 2008–2011



### Listening to our customers

Understanding our customers' views enables us to better meet their needs and provide them with relevant services.

In January 2011, we launched the Commonwealth Bank Facebook page as a new forum for customers to talk about our organisation and engage in discussions with other customers. The page has been well received by customers, with more than 30,000 people with a Facebook account 'liking' the page by 30 June 2011.

We also continue to run our Brand, Advertising and Reputation Tracker every month to monitor the sentiments of 2,000 consumers using an online survey. The survey covers topics such as consumer confidence, brand and reputation perceptions, and awareness and recognition of our advertising. The survey results provide an insight into consumer perceptions of market conditions and the Commonwealth Bank brand.

### COMPLAINTS AND COMPLIMENTS

We actively encourage feedback from our customers and regard complaints as constructive comments that enable us to recover our customer relationships and improve our business.

Customer feedback is addressed at the first point of contact wherever possible. If this is not possible, feedback is escalated to our Group Customer Relations team, which is a standalone business unit focused on resolving issues quickly and transparently. Customers can provide feedback through a range of channels, including a freecall phone number, in person, mail, email, online and social media such as Twitter or Facebook.

Recent regulatory changes in Regulatory Guidelines (RG165) require a higher standard of complaint recording and handling, and we seek to resolve complaints at the first point of contact. In September 2010, we introduced a frontline customer feedback system called Firstpoint, which allows employees across the business to record complaints. We also continued to train our frontline staff in complaint handling.

As a result of the expansion to the definition of what amounts to a complaint, and the introduction of Firstpoint, there was an increase in the number of complaints recorded in the last financial year. At the same time, compliments rose significantly.

Complaints and Compliments	2010–11			2009–10		
	Satisfy*	Firstpoint	Total	Satisfy*	Firstpoint	Total
Complaints received	6,428	131,482	137,910	32,213	0	32,213
Compliments received	975	8,414	9,389	3,371	0	3,371
Complaint to compliment ratio	6.6	15.6	14.7	9.6	N/A	9.6

\* Prior to the introduction of Firstpoint, complaints and compliments were logged centrally through the Satisfy database by the Group Customer Relations team.

## Supporting our customers in times of need

### DISASTER RELIEF

In the wake of the devastating natural disasters that occurred across the country, we acted swiftly to introduce a range of responsive banking initiatives to help our customers affected by flood and cyclone damage. Our Emergency Assistance Package was activated to support our retail and business customers, as well as the broader community, in Queensland, New South Wales, Victoria, Western Australia and Tasmania.

Our flood and cyclone financial assistance comprised initiatives totalling \$65 million, including:

- Compassionate Assistance Fund of up to \$50 million and ex gratia payments of \$8 million.
- Community Group Flood Assistance Grants Program of \$5 million.
- Cash donations of \$2 million to flood relief appeals.

We also set aside \$1 billion for loans to business and agribusiness customers, and we waived the first three months' interest for customers taking out new or increased overdraft facilities.

On a global scale, following the Japan earthquake and subsequent tsunami occurring off the Pacific coast of Tohoku in March 2011, we donated \$100,000 to the Australian Red Cross Japan and Pacific Disaster Appeal and launched an appeal accepting donations in all Commonwealth Bank branches. In New Zealand, after the devastating earthquake which hit Christchurch in February 2011, our ASB business donated NZ\$1.5 million to the Christchurch Earthquake Appeal and also launched the NZ\$1 million ASB Christchurch Community Groups Assistance Grants.

### CUSTOMER ASSIST

Our specialist Customer Assist team continued to help our customers requiring financial hardship assistance. During the year, our team moved to a new operating model focusing on the delivery of real-time assessment over the phone. Our aim is to provide an immediate response to our customers experiencing financial hardship, where possible.

We immediately sent Customer Assist Team Managers to areas affected by the floods, cyclones and bushfires, to offer support and assistance to our customers directly impacted by natural disaster. Our Emergency Assistance Package, including a three month loan repayment deferral and options for interest and fee waivers, provided instant relief for these customers.

Subsequent to these events, the team has managed a significant increase in call volumes, with the usual daily call volumes doubling in January 2011. The team helped more than 2,000 affected customers in the month of January alone and continues to assist many customers on a case-by-case basis with reduced repayment arrangements, interest and fee concessions and debt restructure. These solutions are available to support the rehabilitation of our customers' financial position.

The support our Customer Assist team provides to customers is imperative to help them achieve financial well-being. This support includes providing access to our dedicated financial counsellors network.

At 30 June 2011, the Customer Assist team had 81 staff. During the 2011–12 financial year we will be recruiting 30 new Customer Assist front-line officers and also enhancing our existing management team.

### Responsible lending

We continue to take a considered approach when lending to customers and follow responsible and business-minded practices.

During the financial year, our Institutional Banking and Markets team updated its Risk Appetite Statement to include Environmental, Social and Governance (ESG) risk mitigation. ESG considerations are factored into the credit risk assessment of the transaction exposure, including the potential associated reputational risks. ESG considerations are also evaluated on a portfolio basis and factored into sector business strategies, further strengthening our risk mitigation practices.

We are committed to ensuring we continue to balance the requirements of our customers and shareholders by offering competitive, fairly priced products and operating profitably.

### INTEREST RATES

We continue to balance interest rate pricing with customer needs, market fluctuations and shareholder returns. International capital markets volatility and pressure on funding costs for deposits within Australia makes this balance a challenging task.

Since the Global Financial Crisis, the sustained increase in the retail bank's wholesale funding and retail deposit costs increased our funding costs to 135 basis points above the official cash rate. Our overall wholesale funding costs continue to increase as cheaper funding expires and is replaced with more expensive funding. At the same time, competition for retail deposits has significantly increased the cost of retail funding.

### Accessibility

We are always looking for ways to make banking easier for our customers with a disability. This year, we commenced an 'ATM Refresh' project which includes making ATMs more accessible. The screen displays now have a better contrast, and text appears in a larger, clearer font. We currently have 75 ATMs with enhanced frontal access, and over 1,100 ATMs are audio-enabled. By the end of 2014, we aim to have 100 per cent of our ATMs audio-enabled.

Customers can easily locate ATM banking services with improved accessibility features by visiting our website – [commbank.com.au/locate-us](http://commbank.com.au/locate-us).

Our website has also been upgraded and simplified to provide better accessibility and navigation for people who are vision impaired or have a print disability and are users of screen reading technologies.

All our web development and maintenance adheres to our guidelines on improving accessibility and usability.

For customers who are deaf, or have a hearing or speech impairment, we provide information on how to use the National Relay Service, both online and in our Telephone Banking brochure. We also provide Telephone Typewriter (TTY) banking services that specifically assist these customers.

### Privacy

We take the privacy of our customers very seriously, in particular our responsibility to maintain the confidentiality of customer records and information.

The Group Privacy Standard outlines our policy for personal information handling practices, including collection, usage, integrity and storage, and is in accordance with the *Privacy Act* and the National Privacy Principles.

### Core banking modernisation

Initiated in 2008, our Core Banking Modernisation program continues to roll out, and we achieved significant milestones during the year. By updating our core banking processes and systems, we are introducing a world-leading banking technology platform that enhances our services to customers and how we do business in general.

In late 2010, 10 million retail deposit and transaction accounts were migrated to our new core banking system, giving these account holders access to real-time banking 24 hours a day, seven days a week.

Our retail customers are now experiencing the benefits of the new platform, including:

- Seeing their transactions in real-time using Netbank.
- Instantly opening new accounts which allow immediate transactions.
- Clear and simple transaction descriptions, as well as simplified processes, which mean easy, understandable and efficient banking.

We are now focused on bringing our business customers to the new platform, with more than 1 million business deposit and transaction accounts being migrated in the project's next release.

We expect that these business deposit and transaction accounts migrations will be completed by early 2012.



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## Innovation

### NEW NATIONAL FLAGSHIP BRANCH

We were pleased to open our national flagship branch at 240 Queen Street, Brisbane in March 2011. This exciting branch brings together Personal, Business, Premier and Private Banking, as well as Foreign Exchange and Financial Planning, to provide a one-stop financial service solution for our customers.

The branch offers a range of state-of-the-art technology innovations, including iMac Netbank terminals and iPads for customers to access the iPhone Property Guide application, and a self-service online booking system to schedule meetings with banking specialists. There are quick deposit machines for cash and cheques plus a coin counting machine, Business Banking tellers and a Foreign Exchange area.

Customers are welcomed by dedicated concierges and engaged by compelling digital media, including LCD video screens.

### PRODUCTS AND SERVICES

During the 2010–11 financial year we introduced a number of new products and services for both our retail and business customers:

- **No Fee Variable Interest Rate Home Loan.** The first of its kind in the Australian market, this 'no fee' home loan is available to new and existing customers, with no switch fees for existing standard variable rate home loan customers. Customers can conveniently arrange this type of loan by visiting one of our branches, over the phone, online or through a broker.
- **GoalSaver savings account.** With no monthly account or withdrawal fees, this account offers a variable bonus rate currently at 6% pa when customers increase their savings balance by at least \$200 and no more than one withdrawal is made each month.
- **Business Debit MasterCard.** This MasterCard gives business customers improved access to their business transaction or cheque accounts. It allows them to access their money from their business transaction accounts at ATMs and also pay for purchases using EFTPOS. Customers can also use business funds to pay for business expenses online, over the phone or in person. This card also provides extra security through an Europay, MasterCard and VISA (EMV) chip and MasterCard Zero Liability.
- **General upgrades.** Over the year we upgraded our platforms, including Netbank, CommBiz and CommSee with new features to enhance the customer experience through increased efficiency. We also updated our ATMs to reflect our current branding and advertising campaign, including visual improvements and audio enabled functionality for customers with impaired vision (see the Accessibility section on page 15).

## BUSINESS BANKING

2011 is our third year of running our free small business forums for customers. These popular forums were held between February and April. In addition to informative presentations and discussions, the forums also provided participants with free financial health checks and business reviews.

We also launched our new Business Banker in branch service, making it easier and more engaging for our customers to talk to us about their business needs.

Two innovative iPhone applications now complement our Business Banking offerings. The first application enables business customers to use their smart phone to process transactions. The other application enables businesses and consumers to access our foreign exchange calculator and also set currency alerts on their smart phones. The Foreign Exchange Toolkit incorporates a number of comprehensive, market-leading features including the latest exchange rates for 33 foreign currencies, up to two years worth of historical currency data to view past performance and currency tracking using user-defined alerts.

In April 2011 we celebrated the first anniversary of our Institutional Equities business. This business is part of our Institutional Banking and Markets division's Total Capital Solutions offering. The research team now includes 35 analysts covering 90% of the ASX 200.

### MEET THE HARRINGTONS VIDEO SERIES

Also in March 2011, we launched our *Meet the Harringtons* video series. This online media series debunks the myths around financial planning. Four episodes cover the different Harrington family members as they experience specific life stages – from Steve and Lucy who are about to start a family, to Carly the young professional. *Meet the Harringtons* demonstrates how a Commonwealth Financial Planner can assist customers throughout their life. The videos were well-received on YouTube, with more than 43,000 views by 30 June, 2011.

View the *Meet the Harringtons* video series at [commbank.com.au/harringtons](http://commbank.com.au/harringtons).

## JUST FOR STUDENTS

For our tertiary student customers, we held an Orientation Week 'heaps free' campaign in February 2011. We also launched our University of Canberra Campus Card (UC1 card) at the same time.

## CFSGAM and United Nations Principles for Responsible Investment

Colonial First State Global Asset Management (CFSGAM) provides asset management services to wholesale and institutional investors and has been a signatory to the United Nations Principles of Responsible Investment (PRI) since March 2007.

The PRI provides a framework for incorporating environmental, social and corporate governance (ESG) issues into investment decision-making and covers six principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

## TRANSPARENCY

CFSGAM endeavours to be fully transparent in its approach to implementing the PRI and keeping stakeholders informed on progress, and has worked to raise awareness of ESG initiatives. All current policies and reports are publicly available on the CFSGAM website at [cfsgam.com.au](http://cfsgam.com.au).

In 2011, CFSGAM published its fourth annual Responsible Investment Report covering the 2010 calendar year. CFSGAM produces this report to encourage discussion with stakeholders, increase awareness of challenges and opportunities and to provide transparency on the implementation of the PRI.

## BUSINESS STRATEGY

The PRI are an important part of CFSGAM's business strategy and are used to set key performance indicators throughout the business. CFSGAM's effectiveness in implementing the PRI are incorporated into the business's balanced scorecard, with the target of achieving top quartile ranking across five of the six Principles by the 2011 calendar reporting year.

During 2010, CFSGAM continued to promote the business case for the PRI and encouraged a deeper understanding of ESG issues. CFSGAM participated in a number of engagement initiatives and associations to enhance the PRI's implementation and contributed to a number of articles and academic publications.

The education of CFSGAM's investment professionals in matters relating to responsible investment remains a priority for the business. Investment managers need to become responsible investment specialists if they are going to successfully and effectively integrate ESG considerations into their investment processes. CFSGAM made a significant investment in training staff during 2010 and of particular note was a globally-recognised training program for the direct infrastructure team. Given the long-term nature of direct infrastructure investing, it's critical that CFSGAM understands and manages ESG issues to both maximise value for investors and to reduce investment risk.

CFSGAM has a long term commitment to responsible investment in order to respond to the future needs of clients and the industry. Increasingly, clients are demanding that ESG issues are integrated into investment processes, as it becomes clear that a proper consideration of ESG issues in the investment process can help investment managers make the best possible investment decisions. It is CFSGAM's role as a fiduciary to make the best possible investment decisions on behalf of clients, and this is what drives the business's approach to responsible investment and the PRI.

For more information about CFSGAM's ESG initiatives and to download the 2010 Responsible Investment Report visit [cfsgam.com.au/RI](http://cfsgam.com.au/RI).

We are determined to deliver world-class banking to all our customers, wherever they are and whatever their needs.



shave  
men  
complete grooming

men  
complete grooming

men

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□ We are determined to give our customers the best banking experience

Our customers are at the heart of everything we do – and everything we do has an impact on our customers' experience. We are determined to deliver world-class banking to all our customers, wherever they are and whatever their needs. We are proud of our achievements to date and we are working on a number of programs and initiatives to further enhance our customer experience.

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# People

Fostering a culture of trust and team spirit is a key driver of customer satisfaction and an important strategic priority for us. With a particular focus on diversity, our initiatives over the last year have helped to build an engaged, talented and effective workforce.

Through a number of initiatives we have pre-empted as well as responded to the needs of our people. Over the year, as part of our diversity strategy, we have increased our focus on providing diversity support to our people with a disability, mental illness or other serious health conditions. In June 2011 we launched our inaugural Diversity Policy.

## People and Culture Survey

We measure our progress towards better people engagement each year in the People and Culture survey. The key survey indicators are:

- The People and Culture Indicator (PCI), designed by the Group to measure overall engagement.
- The GallupQ12, a set of questions designed to measure engagement within teams.

In 2011 we recorded a PCI result of 4.30 and Gallup GrandMean score of 4.30, putting us in the 73rd percentile in the Gallup Worldwide database. This represents a 0.02 decline in the Gallup GrandMean result from the previous year's 4.32 result, which is only a marginal difference given our survey population of nearly 30,000 and 88% participation rate.

The overwhelming majority of employees feel that we genuinely care about our people. They see this reflected in the flexibility offered, the effort on developing individuals in their careers and our focus on workplace diversity.



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The focus groups held as part of our People and Culture Survey revealed high levels of collaboration and respect as a major characteristic of our organisational culture, contributing to pride and advocacy. The focus groups also revealed a strong positive view of our senior leadership team, including our Chief Executive Officer, Ralph Norris.

**Absenteeism and turnover**

Our absenteeism rate was 6 average days per full-time equivalent, while voluntary turnover dropped to 12.65%, a decline of 0.08% from the previous year.

Voluntary turnover rates are directly affected by workplace culture, employee benefits and the external job market.

In the context of a tightening domestic labour market, we have improved the retention of our employees within Australia by providing a range of competitive employee benefits and undertaking initiatives in flexible working environments and workplace culture.

While benchmarking of these measures is unavailable for 2011, both of these results are comparable to finance industry medians from 2010.

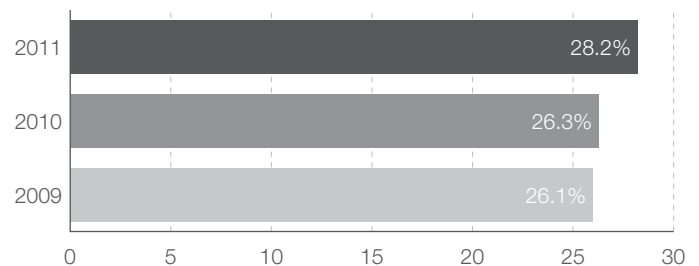
**Diversity**

In June 2011, we launched our inaugural Diversity Policy which formalises our framework to create and maintain an inclusive and collaborative workplace culture. It outlines our diversity strategy which is focused on building a sustainable business by accessing the broadest possible talent pool.

We recruit, develop and retain qualified and passionate individuals who bring strength to our organisation through their differences, including gender, age, race, family or caring responsibilities, disability or sexual orientation. Within the Group, 43.6% of people in Manager roles (Branch Manager to Group Executive) are female employees, an increase of 0.4% from the previous year. Our primary focus on increasing gender diversity in senior leadership continues, as we understand the business benefits attained by having broader gender diversity across all levels of the organisation.

Since setting our goal in June 2010 to increase the representation of women in Executive Manager and above roles from 26.6% in December 2009 to 35% by December 2014, we have seen an increase to 28.2% at 30 June 2011.

**Female Participation in Executive Manager roles and above 2009–2011 (June)**



Our Diversity Council, established in 2006, continued to meet at least quarterly during the year to discuss and track progress of the diversity strategy.

We also rolled out the Unconscious Bias Leadership program in March 2011. This program is for General Managers and above, and aims to teach our leaders how to leverage the full value of a diverse workforce. At 30 June 2011, 268 senior leaders had completed this program out of a total 380 people who will complete the program before it ends.

In addition to Group activities, Colonial First State (CFS), our wealth management business, is focused on broadening diversity across the business and established the CFS Diversity Council during the reporting period and held a cultural diversity day in August 2010.

## DIVERSITY SUPPORT

Having a diverse workforce brings internal benefits to our teams and the way we work together. Diversity among our people also reflects the diversity of the customers and communities we serve, and enables us to better deliver products and services. For example, having diversity of ethnic backgrounds means we can offer translation services and where applicable, provide culturally appropriate products and services.

Equal access to banking products and services for all is very important to us. We released our updated Disability Action Plan in December 2010, outlining our commitment and strategies for

# Profile – Jane Taylor, Business Analyst, Workforce Analytics Team



"I was born in Sydney to deaf parents. As my sister and I were also deaf, our only form of communication while growing up at home, with extended family and friends in the deaf community, was by Auslan (Australian Sign Language).

This was the life I knew until I started school in the Oral Deaf Unit (ODU) at Penshurst Primary School. It was a shock to find that I was not allowed to use my hands to communicate, so I started to wear hearing aids and learn to lip-read and speak.

When I was about 10 years old, my teacher commented that, 'Hearing people will always be better than deaf people'. I was mortified and humiliated that deaf people – including my family, friends and myself – were seen as not being good enough. As I grew older, this comment was a motivating factor in making me more determined to achieve my best in whatever I did. I felt that I had to prove that deafness was not a barrier.

Due to the unavailability of teachers in the ODU at Kogarah High School at HSC

level, I left with my School Certificate and applied for positions in both the Public Service and the Commonwealth Bank. I was offered a position in both and chose the Bank, and am still a Commonwealth Bank employee 35 years later.

In my interview I was asked if I wanted to work with other deaf employees, as at the time there were about 10 deaf female employees working in the Clearing Branch. Since I lived at home with my deaf family and socialised and played sports with deaf people, I decided not to join this team. I wanted exposure to the big wide world. It was a nerve-racking first day when I started my role as a Claims Assessor in CBHS in April 1976, aged 16. I needn't have worried as I was warmly welcomed by the entire team. I remained in CBHS until I received my first promotion nine years later.

Following the births of my two children (both hearing) I resumed work part time and job shared until they started high school, and then returned to a full time role. My speech noticeably improved

as my children grew older and at work I lip-read and verbally communicate with colleagues.

I currently work in Workforce Analytics in HR Operations as a Business Analyst. I thoroughly enjoy the role and work with a great team. In team meetings my colleagues ensure I sit in the best spot to lip-read each person and I have never felt left out or missed out on vital information. At workshops or seminars, sign language interpreters are usually provided.

Over the years, I have met some great role models and worked with managers and mentors who have supported and encouraged me. And I think it is fantastic that the Commonwealth Bank has the drive to support people with disabilities and has implemented the Disability Action Plan."

Alice Klontzaris, Manager, Workforce Analytics and Jane's manager, adds, "I had never had the opportunity to work with someone who had a disability and I was looking forward to the challenge when I joined the team. Jane's disability has never been an obstacle in our working relationship. The technology that we have in the Commonwealth Bank has always made it simple and very easy for us to communicate. In addition we have had web-cams installed on both of our PCs, as Jane works in Melbourne, and this allows us to catch up face to face and is particularly beneficial as Jane can lip read. The team and I do not see Jane's deafness as a disability. We are all working as a team toward common goals."

supporting our people and customers with a disability, mental illness or other serious health conditions. During 2010–11, our Group Culture and Diversity team welcomed a specialist Diversity Support Manager, a new role with a focus on leading our approach and providing advice and support to implement strategies across the business in the areas of disability.

#### INDIGENOUS EMPLOYMENT STRATEGY

The Indigenous Employment Strategy remains one of our key focuses and we made good progress towards our target of creating 350 additional positions for Indigenous Australians by June 2012. In the 12 months to 30 June 2011, we welcomed 30

new Indigenous employees to the Group and are tracking well against our target with 185 Indigenous employees joining the Group since the commencement of the strategy on 1 July 2009.

We also continue to support Indigenous students completing their Higher School Certificate or equivalent through our Indigenous School Based Trainees program, which has been running since 2003 and provides 80 traineeship positions each year. In 2010, the program expanded with 48 new School Based Trainees starting across the country. We also welcomed 10 graduating School Based Trainees as permanent employees, in addition to the 30 new starters.

## Profile – Evelyn Forrester, Customer Service Representative, Maddington Branch



Evelyn Forrester, now a Customer Service Representative at the Maddington Branch in Western Australia, successfully completed the Commonwealth Bank four day pre-employment program which aims to support Aboriginal and Torres Strait Islander job seekers. The program assists Indigenous job seekers interested in working at the Commonwealth Bank by offering them training in a range of competencies such as customer service, communication, sales and teamwork.

Evelyn joined the pre-employment program in late October 2010 and found it a very rewarding experience.

“I heard about the Commonwealth Bank’s pre-employment program via an online Job Network site. Signing up to the program was quick and easy.

Soon after, I was invited to the Commonwealth Bank’s Learning Centre in Perth. The program was intensive and highly informative. I experienced first-hand the high standard of professionalism and duty of care the Commonwealth Bank has for its clients and expects from its people. I also learned that banking at the Commonwealth Bank is so much more than just figures; it’s about providing life changing and life enhancing financial tools and products for personal and business needs.

I feel privileged to have had an insight into the dynamics of the Commonwealth Bank even before starting my role as Customer Service Representative. From the moment I first walked through the door of the Commonwealth Bank Maddington Branch, I was welcomed with open arms. My Branch Manager, my Customer Service Managers, and

each of my colleagues have gone out of their way to ensure my transition into life at the Commonwealth Bank has been a wonderful experience. Since starting my role, the Commonwealth Bank’s Indigenous Banking Team has also been very supportive and proactive in ensuring I settled in well.

The pre-employment program has been a fantastic experience. My current role is both challenging and rewarding and my experience is enhanced by the positive support and guidance I receive. I would highly recommend the program to other Indigenous Australians especially if they love to be challenged!”

Dino Pacella, Maddington Branch Manager and Evelyn’s manager, adds, “Evelyn has been extremely proactive in learning her Customer Service Representative role in both aspects of sales and service. She consistently demonstrates the organisation’s behaviours at a high level and knows what is expected of her in regards to providing exceptional customer service and also working with colleagues in a large team environment. She is an asset to my team and I’m extremely proud of her tremendous efforts.”

“The pre-employment program has been a fantastic experience. I would highly recommend the program to other Indigenous Australians especially if they love to be challenged.”



## Leadership and talent development

### LEADERSHIP PROGRAMS

In September 2010 we launched our Influential Leadership program. The program is for Executive Managers with at least 18 months in an Executive Manager role, and aims to ensure they have the skills to lead effectively. Designed in partnership with the Australian Graduate School of Management Executive Programs, the Influential Leadership program focuses on three key areas: analysing and translating strategy, creating a culture of high performance, and leading change.

In June 2011 we also launched True North, an assessment and development program to identify leadership potential among our General Managers. The True North program helps us to provide meaningful and ongoing career planning and development activities for our future leaders.

### GRADUATE PROGRAM

This year, we welcomed 161 graduates into our graduate program, a significant increase on the previous year's intake of 134. The participants work in areas across our business, with 38 of the 2011 graduate intake joining the Financial Planning team and the remaining 123 joining a range of teams, including Institutional Banking, Enterprise Services, Regional and Agribusiness, Retail Banking, and Marketing and Communications.

#### Our graduate intake

2011	2010	2009	2008
161	134	135	114

# Profile – Julia O'Brien, first year Commonwealth Bank Graduate



“The graduate experience begins nearly 12 months before the job starts. The application and recruitment process is thorough and competitive, so I was excited when in April 2010 I was selected as one of four Marketing and Communications graduates. By accepting the offer I was taking on a two-year position at the Bank that would involve rotating across five areas of the Marketing and Communications division.

In October 2010, our graduate group was invited to a ‘get to know you’ event in Sydney. The diversity of our group was noticeable, with recruits coming from every state and territory in Australia as well as New Zealand. As a collective we possessed 43 different degrees and spoke 24 languages.

In February 2011, the group participated in a three-day induction and training program that covered everything from the Bank’s vision and objectives, through to negotiation skills and an ‘Amazing Race’ orienteering style team building activity.

As an in-coming graduate I was also introduced to a buddy from the previous year’s graduate intake who answered all of my many questions. As well as the buddy, I was assigned a mentor in a management position and this relationship helped to make the transition smoother. By the time I began my job, I felt I had a good idea of what to expect.

Aside from the role and learning about Marketing and Communications at the Bank, I have had many other opportunities for extra-curricular and social activities

with different teams from across the organisation. I was the coxswain for my team’s rowing crew in the Les Taylor Cup; volunteered with other graduates at Midnight Basketball and the Cerebral Palsy Foundation; helped to organise a karaoke event to fundraise for Clown Doctors; and even dressed up as one of the Dollarmites on Clean Up Australia Day. And as a member of the Graduate Sustainability Committee I helped organise the annual Graduate Trivia Night, which raised money for the Breast Cancer Institute of Australia.

Most recently, in June 2011 I attended the Graduate Mid-Year Forum – a two-day reunion that provided additional training and the opportunity to meet Ralph Norris and other Executive Committee members at the CEO cocktail function.

My experience as a Commonwealth Bank graduate has so far proven both challenging and highly rewarding, and I am looking forward to the many opportunities and experiences that lie ahead.”

**TRAINING**

Investing in the long term future of our people is important to us, and we offer a range of learning and development opportunities for all staff across the Group. We have dedicated teams within both Human Resources and the business who deliver learning solutions. Access to learning is provided to all staff through our intranet-based Learning Centre.

During 2010–11 more than 4,000 online learning and face-to-face programs were completed by staff through the Learning Centre at the Group-wide and business unit level. Of these, more than 1,300 face-to-face learning initiatives were held at the Group-wide level, with more than 15,300 people participating in these events. This is a marked increase on the 780 face-to-face events reaching over 9,300 staff in the previous year.

We launched skillBUILDER, an online coaching tool for our Retail Banking Services team in April 2011. A major learning initiative, skillBUILDER is designed to teach customer service skills and uses computer-generated avatar expert role models to teach best practice responses for various situations. This training creates consistency in the service we provide with a view to improve the overall customer experience.

**Safety**

We endeavour to promote a safe environment for our people. During 2010–11 our Lost Time Injury Frequency Rate (LTIFR) result improved compared to the previous period.

**Lost Time Injury Frequency Rate**



A number of initiatives focusing on improving our health and safety systems and performance contributed to our improved LTIFR, including the implementation of the 2010–12 Occupational Health and Safety (OHS) Strategy. We also had no non-conformances in the annual external OHS Management System audit against the National Audit Tool in September 2010. The audit was conducted across Business Units in Sydney, regional New South Wales, Canberra and Melbourne.

Aligned with our OHS Strategy, our individual Business Units have implemented BU OHS Plans, which will be reviewed annually. The BU OHS Plans reflect the key priorities of the Group-wide OHS Strategy and focus on the risk areas and identified trends within the particular business units (for example, slip, trip and fall injuries or hazards external to the workplace) to further improve the safety of our staff.

The LTIFR indicator has also improved due to our focus on positive safety behaviours in internal communications, alerting our staff to behavioural key hazards.

In October 2010, our annual Group-wide Safety Day campaign focused on common incident and hazard categories, and

concentrated on raising everyday safety awareness by asking our people to stop and think before acting to prevent workplace incidents. It became one of the most successful Safety Day campaigns to date, with an internal video using the theme ‘Man Vs Workplace’ having 24,000 views. Not only was this the highest number of views achieved for a Safety Day campaign, it was also the most-watched internal video of 2010. And in November 2010, our Manual Handling and Ergonomics e-learning programs received the Best Corporate eLearning Award in the eLearning Industry Association of Victoria’s excellence awards.

Looking ahead, we are continuing to prepare for the introduction of the Model Work Health and Safety legislation, which will apply across Australia from 1 January 2012. Our preparation for this change includes a number of Group-wide initiatives that will be rolled out from mid to late 2011.

**Health and wellbeing**

Supporting the health and wellbeing of our people is of critical importance for our business. We continue to offer a comprehensive range of health and wellbeing initiatives to our people to actively support their needs and fulfil our duty of care as an employer. Initiatives are regularly rolled out across the organisation, encouraging our people to maintain a healthy and balanced lifestyle and exercise regularly.

We hold regular wellbeing seminars for our people during which we provide practical advice on ways to maintain a healthy work-life balance.

In addition, My Wellbeing is a personal online health and wellness centre, providing interactive resources to help our people to define and achieve their individual wellness goals. My Wellbeing includes online personal health assessments, articles and regular emails aligned to health profiles.

Nearly 5,000 employees have participated in the annual Global Corporate Challenge, a walking initiative held over a 16 week period, with the Group having the largest number of participants from any organisation in Australia. We also provide discounted gym memberships and our online Sports Club community group subsidises employee participation in local sporting events.

A range of mental health initiatives are also available, including our Employee Assistance Program, targeted training programs for our leaders, participation in R U OK? Day, and Mental Health Month. We also have resources to help employees deal with stress. In addition, we provided targeted assistance for teams supporting customers affected by the Queensland and Victorian floods and Cyclone Yasi.

## Reward and recognition

As an organisation, we strongly encourage our people to donate their time to worthwhile community causes and we look to recognise the most outstanding contributions. In December 2010 we introduced the Our Local Hero Awards program and asked our people to nominate a colleague they believed deserved to be recognised. Two winners were selected by a representative from the National Australia Day Council and our Sponsorship team.

As an organisation, we strongly encourage our people to donate their time to worthwhile community causes and we look to recognise the most outstanding contributions.

The winners, Chris Milne and Sally Hetherington, each received \$1,000 to donate to their favourite charity and won a trip to Canberra for themselves and a friend to attend the 2011 Australian of the Year pre-announcement lunch with the finalists and see the recipient announced.

Chris is a Training Consultant in Human Resources. His community work in 2010 included coordinating his local In2Cricket Program, coaching the local Nippers, surf life saving and various fundraising initiatives for cancer research.

On winning the inaugural Our Local Hero Awards Chris commented:

"I get so much personally out of being involved in a variety of community activities and to be recognised by colleagues and peers for that work is a very humbling experience.

The Australian of the Year announcement has become one of the most important national events and to have the opportunity to meet so many inspiring individuals was like being in the presence of giants. It gave me the opportunity to reflect and think about what more I could do in my community.

I donated the \$1,000 prize to the Breast Cancer Institute of Australia as I have had a number of work colleagues, family and friends touched by this insidious disease over the past 12 months. Given the Group's long association with the Breast Cancer Institute of Australia I hope our donation assists in some small way to finding a cure."

Sally works in Retail Administration for Colonial First State. Her work in the community during 2010 included chartering her local Rotaract Club, raising funds for Make-A-Wish and involvement in our Staff Community Fund. Sally said she felt the utmost pride when her manager called a meeting to announce to the team that she was a recipient of the inaugural Our Local Hero Awards.

Sally commented, "My colleagues support me constantly with my fundraising efforts, and always encourage me to keep up my community involvement. To know that the Group now has an award to recognise community involvement among staff makes me incredibly happy.

I strive to promote volunteer work to others and winning the award was a fantastic way for my workmates to learn about what I do outside of work, and to ask me questions on how they can get involved. I donated my \$1,000 to the Green Gecko Project, an organisation in Cambodia where I volunteered for a month in 2010."



Sally Hetherington and Chris Milne



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# Community

In a year marked by natural disasters, we responded quickly to help those communities in greatest need. We also continued building programs and partnerships around the country, helping to support community health and welfare, the arts, environment, sport, financial literacy and opportunity for Indigenous peoples.

In the 12 months to 30 June 2011, we invested well over \$30 million in charitable donations, community grants, community sponsorships and volunteering as well as our unprecedented disaster relief response. In addition we supported low income earners and the not-for-profit sector by providing a wide range of fee-free or discounted financial services, bringing our overall community contribution to over \$200 million.

The impact felt around the country in the wake of the natural disasters once again underlined the significant contribution corporations such as the Commonwealth Bank can make by engaging with local communities. Our Emergency Assistance Package allowed us to deliver help quickly and effectively to affected communities as well as support our retail and business customers – see page 14 for more information on how we supported our customers.

## Natural disaster emergency relief

The floods and Cyclone Yasi had a devastating impact on our customers and the wider community. We understand the important role that community groups play in sustaining and rebuilding local communities, so our response included a

\$5 million Community Group Flood Assistance Grants Program – the only sizeable program tailored for community groups affected by the floods.

Under the program, not-for-profit community groups that had suffered damage or loss to their property and uninsured equipment were invited to apply for grants of up to \$20,000. We received 452 applications from groups in Queensland, Victoria, New South Wales and Western Australia, representing a wide-cross section of community sectors, including health, arts and history, children’s wellbeing, sport and social welfare. We awarded 381 groups with grants totalling \$5,006,497.

We launched a \$5 million Community Flood Assistance Grants Program, donated \$2 million to flood relief, and collected over \$44 million in donations from staff and customers.



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### Youth financial literacy

Helping Australians learn money management skills while they are young plays a part in building a stronger, more sustainable economy in the future. This year marks the 80th anniversary of our School Banking program. The School Banking program provides around 100,000 primary school kids across Australia with the opportunity to bank at school, and develop important financial literacy skills at the same time.

In November 2009 we launched our 'onemillionkids' campaign, an initiative based on our commitment to invest \$40 million to improve the financial literacy of one million children by 2015. The 'onemillionkids' campaign includes our School Banking initiative, the Commonwealth Bank Foundation's StartSmart program and Coinland.

During the 12 months to 30 June 2011 we expanded on some of our existing youth financial literacy programs and introduced a new Mathletics initiative as part of the 'onemillionkids' campaign. For more information see [onemillionkids.com.au](http://onemillionkids.com.au).

### STARTSMART

Our StartSmart program, run by the Commonwealth Bank Foundation, is a series of classroom sessions and workshops designed to help young Australians build better money management skills. The program is for children aged 5 to 12 (StartSmart Primary) and teenagers aged 13 to 17 (StartSmart Secondary), with interactive and engaging classroom sessions led by trained facilitators.

"We have designed our StartSmart program to be interactive, fun and exciting while delivering important educational content. Students pick up important lifelong lessons and values about money during our sessions, using examples they can relate to."  
*Chantelle, StartSmart facilitator*

During 2010–11 the StartSmart program again proved popular in secondary and primary schools across metropolitan and regional areas. More than 200,000 students registered for StartSmart, an increase of more than 80,000 students from the previous year, with over 76,000 participating in StartSmart Secondary and over 123,500 participating in StartSmart Primary.

Helping Australians learn money management skills while they are young plays a part in building a stronger, more sustainable economy in the future.



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## What teachers say about StartSmart

"This is an extremely valuable experience for students... This seminar is the only experience some of them are exposed to in terms of tax, super, savings and investment."  
*Joseph Nolan, John Paul College, New South Wales*

"You had quite an impact! I had quite a few mums come up and talk to me about what [their children] had learnt with you."  
*Chris Ratcliff, Dernancourt School, South Australia*

"The facilitator was great. The children loved it. They were engaged and interested. They learnt important lessons for the future."  
*Hannah, Reheboth Christian Primary School, Western Australia*

"The students enjoyed getting involved in the activities and I've seen a few of them planning out their own potential 'businesses'. As a class, we took a lot out of our session and would like to thank StartSmart."  
*Anna Pokora, Holland Park State School, Queensland*

"The session was extremely well delivered and had the students' attention throughout. Definitely a worthwhile experience for all. The students were very appreciative of the information presented with a touch of humour throughout. Would highly recommend to all schools! Well done!"  
*Margaret Crump, Woonona High School, New South Wales*

## MATHLETICS PARTNERSHIP

We understand the importance of mathematics as a solid foundation for financial literacy. In August 2010, we became the inaugural sponsor of the Australian Maths Challenge as part of a three year partnership with Mathletics. As Australia's leading online maths learning resource for students and teachers, Mathletics teaches children maths literacy in a fun and engaging way. It is used in around 3,000 primary and secondary schools and by 100,000 students every day.

The Commonwealth Bank Australian Maths Challenge is a free online competition open to all school-aged children. The challenge in 2010 took place over two days with nearly 4,000 schools and 250,000 Australian school students taking part. Year Four from St Raphael's Central School in Cowra, New South Wales took out the title of Australian champions and won their own cricket clinic with Australian cricketer Simon Katich. In addition, the top students of the 2010 competition were given the opportunity to participate as ambassadors for World Maths Day in March 2011.

## COINLAND

Coinland is an online world created to teach kids about financial literacy. During the 2010–11 financial year Coinland continued to increase in popularity, with more than 115,000 children logging on to learn the basics of money management with the help of a cast of fun characters including the Dollarmites and Platy.

New additions to the Coinland community during the year included the Coinland Cricket Challenge, where players head to the online School Cricket Oval to test their batting skills against four of Australia's cricketing stars – Mike Hussey, Nathan Hauritz, Philip Hughes and Shaun Tait. The fun game sees players practicing their counting through addition and subtraction exercises. And in the new Community Garden, Coinland residents learn about money and savings interactively by volunteering their time to grow and harvest crops and then deliver these around Coinland to raise money for virtual causes like the Lost Pets Home.

For more information see [coinland.com.au](http://coinland.com.au).

## Indigenous initiatives

We continue to work with our community partners to play our part in creating opportunities and making a difference in the lives of Indigenous Australians. In December 2010 we released our third Reconciliation Action Plan, and have continued to support various Indigenous initiatives and programs over the 2010–11 financial year, including supporting National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, fundraising for the Australian Indigenous Mentoring Experience (AIME), and continuing our Bawaka cultural program in Arnhem Land, attended by around 60 employees including our Chief Executive Officer, Ralph Norris.

We continued to support the Australian Indigenous Minority Supplier Council (AIMSC), of which we are a founding partner, in its work to support Australia's Indigenous enterprise sector and provide a direct business-to-business purchasing link between Australian corporations, Government agencies and Indigenous-owned businesses.

"The Commonwealth Bank was one of the first Australian companies to commit to buying goods and services from Indigenous businesses through its membership of AIMSC. The bank continues to explore ways it can purchase goods and services from Indigenous businesses, and make doing business with Indigenous suppliers 'business as usual'. The Commonwealth Bank demonstrates that it is possible for one of Australia's largest companies to do business with small-to-medium size Indigenous suppliers."

*Natalie Walker, Chief Executive, AIMSC*

## SUPPLY CHAIN DIVERSITY

As part of our commitment to supply chain diversity, we have engaged a number of Indigenous businesses as suppliers over the past few years. In May 2011 we started our newest Indigenous business partnership with Message Stick Communications, an Indigenous Australian business and AIMSC supplier, as our new provider of teleconferencing services.

In addition, we have taken an active lead in developing a 'second tiering' approach to introducing smaller suppliers into large organisations. Second tiering encourages existing and new businesses to use Indigenous organisations in their supply chain. An example is our relationship with AIMSC member Kallico Catering. We have supported Kallico by facilitating a relationship between them and our pre-existing national catering partner. As a result, Kallico is now a member of the larger caterer's national supplier network.

## AUSTRALIAN INDIGENOUS EDUCATION FOUNDATION MENTOR PROGRAM

The Australian Indigenous Education Foundation (AIEF) is a private-sector-led initiative with a strong partnership between the Australian Government and support from the Australian community. AIEF provides boarding school scholarships for Indigenous children to attend some of the leading schools in Australia, and includes a Post-School Pathways program to help educated and job-ready Indigenous school leavers move into meaningful careers with leading organisations.

Our partnership through the AIEF Mentoring Program involves matching a Commonwealth Bank mentor with an Indigenous student attending one of AIEF's partner schools in Sydney. The aim of the program is to create a structured and trusting relationship between the mentor and student, bringing a young person together with an experienced individual who can share their knowledge and offer guidance, support and encouragement. While the AIEF Mentor program lasts for 12 months, the intention is to create a long-lasting relationship which continues past the school years and focuses on the young person's transition from school to work or further study.



# Profile – Anna Jovanovic, Indigenous Programs Coordinator and AIEF volunteer mentor



“I became an AIEF mentor in 2011, and it’s my first experience of being a mentor. I decided to get involved in the AIEF Mentoring Program because it was an opportunity for me to support and guide a young Indigenous girl. From my personal experience, I remember how tough my high school years were and how I received minimal support

and guidance. After high school it was hard for me to adapt to university life, so I deferred my studies and entered the workforce. It was not until I started my current role, six years later, that I realised I wanted to go back to university to challenge myself and complete my degree and I am now planning my return.

The lack of guidance when I was younger was another reason why I wanted to become a mentor and offer my mentee support, with the hope of instilling in her the confidence and belief in herself that, with hard work, she can achieve whatever she sets her mind to.

As part of the program I am regularly in contact with my mentee – about two to three times a week plus a face-to-face catch-up once a month for about two hours. We talk about family, school, homework and assignments; anything she wants to discuss. My mentee is an extremely talented young woman and a hard worker, and I try to provide a network of support to her that will help in any way possible.

The AIEF Mentoring program is fantastic. It’s extremely important for Indigenous students to receive support while boarding at a school far from home. I know my mentee misses her home, and the support I can offer her through difficult times is very important. My experience of the program so far is that the mentor/mentee relationship is a two-way street. Knowing I am making a difference in my mentee’s life is incredibly satisfying, and for my mentee, the opportunity to have a supportive relationship with someone other than a teacher or principal, where she can speak freely is really valuable.

If you are looking to help, support and guide someone, being a mentor is a great experience. To see the positive impact on someone’s life, and knowing your support has made a difference, is very rewarding.”

“To see the positive impact on someone’s life, and knowing your support has made a difference, is very rewarding.”

## Staff Volunteering

Our people’s connection to the broader community demonstrates a genuine commitment to making a difference. By volunteering their time, our employees connect with local community organisations and work to share their skills with people in need. From one-day projects that involve delivering food to the homeless to ongoing mentoring initiatives with disadvantaged students, we encourage our staff to engage with their local community.

During the 2010–11 financial year our people continued to donate their time to a range of community groups, charities and causes. Many of our people dedicated time to mentor school children in one of the mentoring programs run by our partner, Australian Business and Community Network (ABCN). The 1:2:1 Mentoring program assists Year One school children with maths while the Spark Reading program is focused on improving reading skills in primary-aged school children.

## Staff Community Fund

Our Staff Community Fund is Australia’s longest running employee workplace charity program. In the 2011 financial year, the Staff Community Fund contributed over \$1 million to Australian youth charities. This includes 69 grants of up to \$10,000 each to youth organisations across the nation through the Community Grants program.

We are a proud foundation partner of Midnight Basketball, a social inclusion program for at risk youth, having supported them since 2008. Held on a Friday or Saturday night from 7pm to midnight participants play basketball, are fed a nutritious meal and attend a compulsory lifeskills workshop. We continue our support for Midnight Basketball both financially and through our people volunteering at tournaments.





The Humour Foundation's Clown Doctors program brings fun and laughter to sick kids in every major children's hospital in Australia. The Staff Community Fund is a foundation partner of the Clown Doctors, providing both financial support as well as our support from our people who rally behind the Clown Doctors' major fundraising event, Smile Day. This month-long campaign held in April 2011 saw our people in branches and head office get creative and have some fun with activities including face painting and dressing up, hosting morning teas, promoting the visiting Funbalance and a karaoke night. Our people's and customers' support of the campaign raised more than \$180,000, which will help support around 180 additional Clown Rounds in children's hospitals across Australia.

"We are extremely grateful for the support of the Commonwealth Bank, which has been a partner since 1998. Our relationship with the Commonwealth Bank has enabled us to grow and expand to be in every children's hospital in Australia. The Commonwealth Bank is a true partner to the The Humour Foundation."

*Melinda Farrell, General Manager, The Humour Foundation*

We also provided financial support to Very Special Kids (VSK). Our donation assists VSK provide counselling and support services to families caring for a child diagnosed with a life-threatening illness.

For more information about our Staff Community Fund partners see [midnightbasketball.org.au](http://midnightbasketball.org.au), [clowndoctors.org.au](http://clowndoctors.org.au) and [vsk.org.au](http://vsk.org.au).

### Community partnerships

Through long-term relationships with our key community partners, we continue to support the Australian community. During 2010–11, we enhanced a number of these partnerships and introduced several new initiatives.



### CLEAN UP AUSTRALIA DAY

As the major sponsor of Clean Up Australia Day in 2011, we hosted over 65 cleanup sites nationally on 7 March. As this event occurred soon after the Queensland floods and Cyclone Yasi, it made sense to establish our official Clean Up Australia Day site in Brisbane. On the banks of the Brisbane River, Commonwealth Bank employees joined members of the community to clear flood-related debris. Staff volunteers witnessed first-hand a community working together to rebuild, and experienced a day of camaraderie and support.



As part of Clean Up Australia Day 2011 we introduced a Schools Clean Up Photo Competition, with the prize of a fully installed vegetable patch plus seedlings. Entrants sent in a photo of students participating in Schools Clean Up Day, and we received creative entries from schools across the country. Dominic College in Tasmania was selected as the winner, and in May local branch staff joined students to help plant their new vegetable patch.

### SPORT

We continue to support cricket around Australia, from grandstands to the grassroots, through our ongoing sponsorship of the One Day International Cricket Series and our support for local cricket clubs. In November 2010, our Grants for Grassroots Cricket™ program entered its second year, with over 200 local men's, women's, and children's cricket clubs receiving a \$1,000 cash grant and \$750 worth of equipment. The program created an overwhelming response from all types of cricket clubs across Australia, with the number of grant applications increasing by 43% from the previous year's program.



## Community groups working in partnership with corporate organisations

By Ian Kiernan AO, Chairman, Clean Up Australia

As Chairman of Clean Up Australia I firmly believe that the environment and its protection is an absolute primary issue. For 21 years, Clean Up has been working with communities to identify important local environmental issues, and during this time there has been no shortage of ideas, passion or commitment from our team, volunteers and corporate partners.

I learned very early in my environmental campaigning that solutions are best delivered through individuals and organisations working together to achieve outcomes that encourage skills sharing, tangible outcomes and long term partnerships. Corporate and private funding are our lifeblood, allowing us to develop and expand initiatives to achieve the results that now position our flagship event, Clean Up Australia Day, as the largest community participation activity in the nation.

Well-managed and responsible corporations understand that partnerships which provide meaning, purpose, relationships and interesting challenges are key motivators for their people. And in a market approaching

zero unemployment, employee loyalty increases when people are proud of the partnerships in which their organisations are engaged, have opportunities to share their skills or talents and share in new experiences that have real outcomes. Indeed, our partners' employees directly tell us the programs that most inspire them are those that harness their creativity, channelling their skills and talents into new arenas.

In turn, these partnerships deliver competitive, social and financial benefits as the broader community recognises consistent commitment to shared concerns, projects and initiatives. Honesty is the key – where organisations and community groups share clear agendas and goals with the ability to monitor and celebrate achievements. While funding might be a core component, a true partnership is where organisations and communities commit to working together to identify new ways and means of achieving these goals.

Australians crave information so they can make their own decisions. The knowledge that exists within local

communities regularly drives information on important matters with great zeal and spirit. And while communities also look to authoritative bodies for information, our volunteers tell us they don't want patronising advice – they want real commitment. What they seek from Clean Up is a partnership that brings shared projects and programs to life. They expect us to undertake our own research to ensure that we, and the organisations we choose to partner with, share values and a genuine commitment to undertake a journey of more sustainable business practices.

The key for Clean Up is mutual respect with an understanding that our role is to deliver the programs we undertake the best we can. I am proud that our partnership organisations, including the Commonwealth Bank, respect and appreciate our capabilities and limitations. The teams within our partnership organisations actively work with us to seek new ways to expand our scope, relationships and promotional opportunities. This is partnership in action.



To support cricket clubs affected by the Queensland floods, we launched the Fours and Sixes for Local Pitches initiative, where we donated \$4,000 for every four and \$6,000 for every six hit during the Commonwealth Bank Series match at Brisbane's Gabba in January 2011. This raised \$188,000 to help affected cricket clubs rebuild and get back on the pitch.

## HEALTH

Supporting health initiatives remains a priority and we continue to support our key partnerships with Breast Cancer Institute of Australia (BCIA) and Prostate Cancer Foundation of Australia (PCFA).



During the year, we helped raise more than \$452,000 for BCIA through fundraising and the sale of the Australian Women's Health Diary in our branches. In September 2010 we supported the PCFA's national BBQ for Prostate Cancer awareness campaign during International Prostate Cancer Awareness Month, holding a number of fundraising barbecues at our branches and corporate offices around Australia.

Many of our teams also fundraised to help us raise more than \$200,000 for the PCFA.

## ARTS

We are a long-term supporter of the arts in Australia through our enduring partnerships with Opera Australia, the Australian Chamber Orchestra and Bangarra Dance Theatre. This year we also supported the highly successful exhibition *Annie Leibovitz: A Photographer's Life 1990–2005* at the Museum of Contemporary Art.

In early June 2011 we launched the Commonwealth Bank Arts Lovers community, an online forum for our people to access exclusive offers and promotions available through our arts partners, and connect with employees who are passionate about the arts. The online community helps us to make the arts accessible to more people and demonstrates our commitment to staff engagement in our sponsorships. By 30 June 2011 nearly 500 staff had joined the online group.

For the full range of community programs we support visit [commbank.com.au/about-us](http://commbank.com.au/about-us).

## Colonial First State sponsorship and community activities

This year, Colonial First State (CFS) established the Charity Radio Boost in partnership with Fairfax Radio Network, providing much-needed support for many small charities and foundations. Between October 2010 and May 2011, the Charity Radio Boost provided around \$50,000 in donations to charities chosen by radio listeners in Sydney, Melbourne and Brisbane, including the Steve Waugh Foundation, Life's Little Treasures Foundation, Hawkesbury Community Kitchen, Huntington's Victoria and Angels for the Forgotten.

CFS also sponsored the twentieth Sydney Morning Herald Half Marathon in May 2011, with record numbers participating in a field of over 13,000. The CFS team included over 170 employees, their family and friends, who all fundraised for Breast Cancer Network Australia.

## New programs and initiatives

### LAUNCHING LOCAL HEROES

We have been a major sponsor of the Australian of the Year Awards for over 30 years. This year we took our partnership to a new level with the introduction of the Launching Local Heroes Program. Announced in May 2011, the program is an initiative to help eight inspiring Australians to make an even greater impact in our communities. Our aim is to actively get involved to help turn the potential good of Australia's local heroes into reality, while helping to raise the profile of each Local Heroes' organisation. The eight individuals were all nominated for the Australian of the Year Awards 2011, representing each state and territory.

To support these eight inspiring individuals we established the Launching Local Heroes panel made up of eight Commonwealth Bank executives. Each Local Hero has been matched with a panel member who acts as a mentor, providing guidance and business knowledge to help each Local Hero take their ideas forward and realise their goals.

For more information, visit [commbank.com.au/about-us/in-the-community/community-business-awards/local-heroes/](http://commbank.com.au/about-us/in-the-community/community-business-awards/local-heroes/).

### COMMUNITY SEEDS

**Community Seeds**  
An initiative of the **Commonwealth Bank**

In May 2011, we launched Community Seeds – an online social media campaign aimed at encouraging the public to promote and support one of six charity organisations. We began by asking our employees to vote online for their choice of 12 charities, with the six most popular grassroots community organisations put forward for the public's support.



The program then encouraged all Australians with a Facebook account to visit the Commonwealth Bank Facebook page, choose one of the participating community organisations, and pledge \$5 of the Group's money from a pool of \$150,000. To further encourage public support, we pledged an extra \$20,000 for the organisation that received the most votes.

HeartKids Australia, a community organisation focusing on all aspects of childhood heart disease, was the popular vote and received \$40,100 plus the \$20,000 award, taking the Group's total donation through Community Seeds to \$60,100.

Community Seeds' viral component encouraged people to spread the initiative through their Facebook network. By inviting friends to click through to Community Seeds, participants competed for the Most Influential Campaigner prize of \$5,000 and a donation of \$5,000 for their chosen organisation.

A Start in Life, an organisation which offers education opportunities to underprivileged kids, received a donation of \$28,390, including the \$5,000 Influencer Award.

Other organisations receiving a donation through Community Seeds were Alzheimer's Australia, who received \$23,775, Bowel Cancer Australia with \$21,925, SANE Australia receiving \$20,630 and OzHarvest which received \$20,180.

### **SOCIAL IMPACT SCHOLARSHIP**

We work with the Centre for Social Impact (CSI) and provide a scholarship as part of our commitment to individuals working in the not-for-profit sector. The scholarship is offered to a candidate working in a not-for-profit organisation that has a connection with the Commonwealth Bank Group. The scholarship is available to students enrolled in (but not yet commenced) the Graduate Certificate in Social Impact at one of CSI's partner business schools: the Australian School of Business at University of New South Wales, Melbourne Business School, Swinburne University of Technology or UWA Business School. The \$10,000 scholarship is used to offset the program's tuition fees.

### **FUNDRAISING INSTITUTE AUSTRALIA**

Recognising the importance of good fundraising skills in not-for-profit organisations, in October 2010 we ran a fundraising skills-building workshop in Sydney and Melbourne for a number of our Community Grant recipients, charity partners and selected customers. We partnered with the Fundraising Institute Australia to deliver two workshops in each state, with the aim of helping charity organisations to improve their fundraising techniques. The introductory workshop was tailored for people with less than three years fundraising experience, and the advanced workshop was for more experienced fundraisers. Eighty-one charities registered to attend a workshop, including 25 charities who were 2010 Commonwealth Bank Community Grant recipients.





## Understanding the benefits of a stronger link between corporate organisations and the social impact sector

By Georgina de Beaujeu, National Manager, Strategic Planning and Business Improvement, Australian Red Cross. 2010 Commonwealth Bank of Australia Social Impact Scholarship winner – Graduate Certificate in Social Impact.

The Graduate Certificate in Social Impact has provided me with the knowledge and networks to focus my career and support the ongoing development of the sector.

Coming from a commercial background in management consulting I found myself gravitating towards engagements with a social impact, which resulted in me working with Red Cross. I also began to be inspired by financially sustainable and successful community-based solutions to social and environmental issues that were leveraging market forces.

Such solutions include shared spaces that are transformed into community gardens to bring a culturally diverse community together, use land to grow fresh produce, help reduce food miles, teach children how to prepare nutritious food and also supply produce to restaurants that offer training for vulnerable youths. Or sewing co-operatives that link new migrants together and provide them with an income. Their products are used to decorate low cost, environmentally

sustainable housing. And refurbished computers given to developing nations and installed in training centres provide previously excluded individuals with IT skills as well as the opportunity to engage in a global economy.

As these examples show, the line between for profit and not-for-profit organisations is being reassessed and it is critical to be involved in these discussions now in order to shape the sector's direction. Studying the Graduate Certificate in Social Impact has enabled me to participate in these conversations and promote this shift.

Knowledge of cutting edge approaches frees an organisation from the restraints of current ways of working and introduces new ideas and strategies, which in turn can accelerate change. Awareness and appreciation of the benefits corporate organisations can bring to the social impact sector provides greater opportunities for the not-for-profit sector to realise its core

mission. Corporate organisations shape much of what we do and how we live our lives. This power places them in a unique position to partner with not-for-profit groups where there is alignment, and use their expertise and resources to alleviate social issues. This involvement has the potential to drive change in key areas, such as financial inclusion.

While it is clear that corporate and not-for-profit organisations benefit from working together, there is no single best way for these two sectors to collaborate. What is most important is an appreciation of different perspectives, imperatives and knowledge, coupled with a willingness to keep learning and applying this knowledge. By working together, corporate and not-for-profit organisations will be able to tackle difficult social challenges and mitigate the risk of new issues emerging. Only together can the largest of society's issues be addressed.



# Governance

Good corporate governance is critical to the success and sustainability of our business. Our senior leaders and decision makers lead by example, demonstrating strong ethics, accountability and disclosure.

## Ethics

We continue to grow and embed a strong ethical culture. Our ethics program continued throughout 2010–11, with more of our leaders attending sessions in which hypothetical scenarios with potential ethical dilemmas were discussed and exemplary solutions were created.

A key area of focus for 2011–12 year is continuing to grow and embed a strong ethical culture. This will involve launching the Commonwealth Bank Group Code of Conduct and Professional Practice (Code) and an ethical decision-making framework. The implementation of the Code will be supported through interactive learning and a communication campaign aimed at encouraging our people to be ethically aware of the decisions they make and the opportunities to raise concerns.

## Shareholder accountability

We recognise the importance of communicating with our shareholders and hold ourselves accountable for providing comprehensive, timely and accurate information about

the Group. We also recognise that communication is a two-way process, and the Board is committed to engaging in communication with shareholders to ensure issues and concerns are captured and addressed.

## ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the formal opportunity for dialogue and communication between the Group and its shareholders. The Group's AGM is held in Australia in late October or early November each year. Meetings are rotated between the capital cities to give as many shareholders as possible the opportunity to attend. Shareholders are encouraged to attend the AGMs and to use these opportunities to ask questions either during or prior to the meeting. Our AGMs, along with other key public briefings, are recorded as a webcast and made available on our website.

Shareholders seeking information can also contact the Group directly throughout the year, with contact details provided on our Shareholder Centre – [commbank.com.au/about-us/shareholders](http://commbank.com.au/about-us/shareholders).



## Disclosure

Maintaining the highest level of disclosure to our shareholders ensures they have timely and equal access to information about our business operations and performance. This is essential for investors to be able to make informed decisions about their investment in the Group.

We communicate information to shareholders through interim and final results, annual reports, quarterly updates and shareholder newsletters. Our processes for keeping shareholders informed are set out in detail in our *Guidelines for Communication between the Commonwealth Bank of Australia and Shareholders*, available at our Shareholder Centre – [commbank.com.au/about-us/shareholders](http://commbank.com.au/about-us/shareholders). To read the Annual Report 2011 visit [commbank.com.au/about-us/shareholders/financial-information/annual-reports](http://commbank.com.au/about-us/shareholders/financial-information/annual-reports).

Our Disclosure Committee – comprising the Group's Chief Financial Officer, General Counsel, Chief Risk Officer, Head of Investor Relations and Company Secretary – ensures the ongoing monitoring of any potential issues that may require disclosure to shareholders and the Australian Stock Exchange. We have management processes to ensure all matters that potentially require disclosure are promptly reported to the Disclosure Committee and Group Chief Executive Officer. The Disclosure Committee also provides advice to the Chief Executive Officer on the disclosure obligations of the Group.

## Government and industry engagement

2010 saw an unprecedented number of issues affecting the financial services industry. We actively consult with Government to ensure that Governments are well informed of current financial service activities.

We are working to improve the regulation of financial services for the benefit of customers and shareholders, as well as the broader community.

During 2010–11, we engaged directly with the Government on a range of public policy issues, including:

- The Government's Competition and Sustainable Banking System package.
- Consumer credit reforms, including credit cards, investment lending and reverse mortgages.
- Capital proposals for the financial services industry, including international reforms arising from Basel III and G20 discussions, as well as proposals by the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC).
- Future of Financial Advice (FOFA) reforms.
- Stronger Super reforms.
- Reviews into insurance cover following natural disasters.
- Bank funding.

- Financial Claims Scheme.
- Price signalling.
- Privacy reforms.
- Personal Property Securities.

Representations were also made through the Australian Bankers Association on the US legislation, *Foreign Account Tax Compliance Act*, and the *UK Bribery Act*.

We also participated in various parliamentary inquiries, including:

- Senate Economics Committee's Report into Competition within the Australian Banking Sector.
- Parliamentary Joint Committee on Corporations and Financial Services Access for Small and Medium Business to Finance.
- Senate Finance and Public Administration Committee's Report on Positive Credit Reporting.

As a matter of course, our senior executives regularly meet with a range of stakeholders that include members of parliament and industry regulators such as APRA, ASIC and the Reserve Bank of Australia. We also participate in industry consultations through various associations, including the Australian Bankers Association, the Financial Services Council, the Insurance Council of Australia, the Financial Planning Association, the Australian Financial Markets Association and the Business Council of Australia.

### Sustainable supply chain

Our supply chain plays an important role in our efforts to develop sustainable practices, and we expect the highest ethical and professional standards from our suppliers. Our approach involves managing environmental, social and governance risks and opportunities in our supply chain as we work to deliver long-term shareholder value.

Since July 2010, our Group Procurement team has used the Sustainability Schedule, which is a sustainability assessment, as part of every tender it conducts. The Sustainability Schedule forms a minimum 10% weighted component of every tender evaluated by Group Procurement. Suppliers must show their plans and activities that support our five sustainability foundations.

The Group Procurement team is also developing a Sustainable Supply Chain Management (SSCM) Policy and SSCM Code of Conduct to govern our assessment of supply chain compliance. These will be introduced in December 2011.

Offshore, our International Procurement Office (IPO) based in Hong Kong continues to procure goods for our Australian business and these make up 1% of our total procurement spend. The IPO gives us greater visibility and control of goods procured from Asia and has also allowed us to form close partnerships with Asian suppliers. The IPO team is committed to engaging with environmentally certified suppliers, and uses Intertek, one of the world's largest audit and testing companies, to conduct social compliance audits.

### Fraud protection

We have continued to take proactive steps to protect our customers from ATM fraud. One of the biggest threats is ATM skimming, where account details are illegally copied from the magnetic strip on a credit or debit card when used in an ATM.

Our Group Security strategy includes:

- Robust physical security standards.
- Raising customer and consumer awareness through information and education.
- Intelligence gathering and knowledge building of both local and international fraud trends.
- Research, testing and deployment of the latest anti-skimming technology.
- Working with relevant industry groups and law enforcement.
- Analysing transactional data to search for suspicious transactions on customer accounts.

Our security teams have detected and removed around 50 skimming devices since April 2010, and installed more than 2,000 anti-skimming devices on ATMs across Australia.

To guard against debt fraud, we implemented the Real Time Transactions Monitoring (RTTM) system. The RTTM system aims to stop fraud without impacting customers by stopping fraudulent ATM and debit card activities in real-time, while still allowing customers to make legitimate transactions. It detects fraudulent patterns in transaction data and scores each transaction, enabling us to predict and immediately respond to urgent situations. Transactions that have a high score are assessed as high risk and an automatic decline on the transaction is triggered before it is completed. The suspect card is then blocked and the customer contacted. For medium risk scores, we may contact the customer as the transaction is occurring.

To help create awareness of scams and other types of fraud, we supported National Consumer Fraud Week, an initiative of the Australasian Consumer Fraud Taskforce held during March 2011, focusing on scams.



### ATM stand-in issue

A technical problem occurred on 1 March 2011 resulting in our back-end system going off-line and our ATM network going into stand-in mode. On the rare occasions that the system experiences problems, our ATMs are placed in stand-in mode so that our customers can access their money normally and without disruption.

While the large majority of our customers withdrew money in line with their account conditions, a small number chose to abuse the system. While the ATMs were in stand-in mode these customers deliberately withdrew funds up to their daily withdrawal limit regardless of the balance of their account.

We acted immediately following this incident and clearly stated that the transaction records for that day would be reviewed and action taken to recover all funds from customers who had overdrawn their accounts. We identified and contacted those who made numerous transactions during the time of the outage to access funds that were not theirs.

While most customers were diligent in returning the money, a number have refused to do so. As an organisation that values integrity and transparency as central to doing business, being associated with individuals who do not hold up these beliefs is not our preferred way of operating. For those customers who refused to return funds not belonging to them, we made the decision to no longer provide financial services to them. Around 60 of the most serious of cases were also referred to the Police, with supporting CCTV evidence.

Since the incident, the Retail Banking Services team has made changes to the stand-in mode which will dramatically reduce financial losses. Now, when our ATMs are in stand-in, customers are only able to withdraw the lesser of the previous days balance or the daily withdrawal limit.

### Storm Financial impact and recovery

We continue to proactively respond to the impacts of our relationship with Storm Financial Limited (Storm Financial) and incorporated some important lessons into the ongoing sustainability of our business.

Storm Financial was an independent, licensed financial planning group that operated from North Queensland. We were one of a number of financial institutions which lent to Storm Financial's clients to enable those clients to implement Storm's advice.

Storm Financial's model was not able to withstand a severe market downturn, and as a result of the sharemarket fall in late 2008 many of Storm Financial's clients, including people who were also our customers, experienced financial difficulty and losses.

We are committed to putting right any wrongs on our part when providing loans to Storm Financial's clients. We have helped our customers by providing hardship assistance in the early stages after the impact became known. Following a comprehensive review of the nature and extent of our arrangements with Storm Financial, we instigated the Storm Resolution Scheme to address customers' claims quickly, fairly and at no cost.

Under the Scheme, each customer's situation was considered and an offer of assistance individually tailored to reflect their situation. Offers included loan reductions and write-offs, loan restructures, reduced or zero interest rates for the life of the loan and permanent tenancy arrangements. Customers who are not satisfied with an offer have the opportunity to have their claims reviewed by an independent panel. As at 30 June 2011, around 80% of offers had been accepted by customers, 94% of cases had been finalised and the Scheme is nearing completion.

We are incorporating important lessons from the Storm Financial situation into the ongoing sustainability of our business, in accordance with our deeply held values.

A continuous improvement program is underway to strengthen the Group's risk culture, especially with our internal and external risk management measures, the management of third party relationships and our analysis of risk data. This is an important part of the Group's existing culture program that will aim to strengthen our people's awareness of day-to-day risk management, clarify accountabilities for risk management and improve our risk management overall.







Environment



## COMMONWEALTH BANK PLACE

The construction of Commonwealth Bank Place (CBP) was completed during the year, with the first teams moving into the CBP North building in June 2011.

Consisting of commercial A-grade office spaces, the two eight-level buildings – CBP North and CBP South – each have a large atrium with link bridges and stairs, as well as a rooftop terrace with a community garden and covered external area. Together, the buildings contain around 11,500 indoor potted plants.

The buildings feature a range of sustainability principles and sustainable design, including a tri-generation plant to support energy requirements and provide chilled water, and chilled beam air-conditioning to help reduce energy consumption by 50%. Recycled blackwater will make up 100% of the water used in toilets and 90% of cooling tower water. Eighty per cent of waste will be recycled or diverted from landfill. The efficient lighting system controlled by Building Management switches off all lighting outside scheduled operating hours, with the exception of designated security lighting that operate 24 hours.

A digital wall in each building displays live sustainability data, including energy consumption, recycling records, tri-generation output and recycled water levels.

CBP has been awarded a six star Green Star rating for the base building office design and is targeting a six star Green Star Office As Built rating for the base building and a five star Green Star rating for office interiors within the Commonwealth Bank fitout. Both base building and the Commonwealth Bank fitout are also targeting a five star NABERS Energy rating.

As well as innovative features in overall building design and physical office environment, the buildings incorporate Activity Based Working (ABW). ABW enables staff to choose the space best suited to the type of work they are doing at the time, and includes single-person desks, large tables for teams to work together, and private offices for confidential business. Team meeting and work spaces feature LCD collaboration screens and smart boards.

To maximise mobility, connectivity and efficiency, all employees at CBP are equipped with the lightweight Macbook Air laptop which can access a secure wireless network anywhere in the building. Each laptop includes a built-in webcam for video calls.

We will continue consolidating our Sydney CBD properties with a phased move to CBP. By early 2012 around 6,300 of our people will be located in one of the largest corporate precincts in the southern hemisphere.



## LESS PAPER

We introduced a number of strategies to dramatically reduce our paper usage, such as:

- Introducing ABW, which targets business processes and individual behaviours to reduce paper usage. For example, a limited amount of physical storage space has been allocated in the CBP building design, with some teams reducing their storage by more than 50%.
- Encouraging staff to adopt new behaviours and embrace new technologies that use less paper, such as not printing documents for meetings, using Microsoft OneNote instead of a notebook for taking notes, and holding regular file cleanups to encourage good housekeeping.
- Encouraging greater use of scanning technology to enable teams to work with electronic copies of documents rather than hard copy files.
- 'Follow-You' printing, where staff select a printer based on their working location within CBP as opposed to configuring their computer to a specific printer. This enables us to track print usage, reduce paper use and target continuous improvement efforts.

## Environmental reporting

We recognise the importance of transparent reporting of our energy consumption and production, both to drive environment benefits and to keep our shareholders informed.

Since 2008 we have voluntarily reported our carbon emissions to the Carbon Disclosure Project (CDP), an independent organisation that seeks climate-related information from the world's largest companies for investors. Our 2010 submission earned us a place in the Carbon Disclosure Leadership Index (CDLI), achieving second place among all Australian financial institutions reporting to CDP. We were also ranked third in the world for carbon disclosure and commended by CDP as a Global Sector leader.

For our third year of National Greenhouse and Energy Reporting (NGER), we were required to provide a statistical estimate of the level of uncertainty associated with our corporate group Scope 1 emissions (that is, direct emissions such as fuels used by our tool-of-trade fleet). It is necessary to report uncertainty associated with our Scope 1 emissions in order to meet the objective of the NGER Act; in particular to:

- Inform Government policy formulation and the Australian public, and
- Meet Australia's international reporting obligations.

We also reviewed our energy and emissions data management tool and confirmed its accuracy in disclosure.

This year also marked the end of the first five-year reporting cycle (2006–11) for corporations captured under the Energy Efficiency Opportunities Act 2006. During this period we have implemented a number of energy efficiency projects. For example, during 2010–11 we identified over 1,800 individual opportunities to save power, potentially saving 18,527 gigajoules of energy each year.

## Case study – *The Wrap* goes online

As part of our commitment to managing our impact on the environment, we stopped printing our quarterly merchant newsletter, *The Wrap*, and moved it online. The transition occurred in February 2011 and ended the printing of 800,000 copies per year.

Our customers had indicated that they preferred to read the publication online. As businesses increasingly use the internet to research information we are focused on improving our online communication channels to provide our customers with relevant updates on our products.

Andrew Cheesman, General Manager of Merchant Solutions commented, "We work hard to manage our impact on the environment and hope that by identifying smarter solutions and making changes now, we can contribute to a sustainable future and a better environment."

"We work hard to manage our impact on the environment and hope that by identifying smarter solutions and making changes now, we can contribute to a sustainable future and a better environment."



For the second five-year reporting cycle, organisations must assess 90% of total energy use across their portfolio (including electricity and transport energy usage), an increase from the 80% required in the first five-year reporting cycle. We are well positioned to respond to this change as we have already scheduled portfolio assessments to cover the additional energy consumption required over the next reporting cycle.

For more detail see [commbank.com.au/about-us/our-company/sustainability/environment/environmental-reporting](http://commbank.com.au/about-us/our-company/sustainability/environment/environmental-reporting).

### Renewable energy portfolio

We are a senior investor in renewable and clean energy projects currently generating over 17,400 megawatts (MW) in Australia and New Zealand each year.

Over the 12 months to 30 June 2011 we increased our investment by approximately 4,000 MW, with a Group investment of more than 11,000 MW in Australia compared with the previous year's investment of around 7,000 MW.

Our loan facilities to clean/renewable generation companies represent approximately 59% (measured by MW capacity) of total exposures in this sector (Australia and New Zealand combined). This is based on total energy exposure of 29,550 MW in Australia and New Zealand of which clean/renewable exposure makes up 17,474 MW.

In Australia our loan facilities to clean/renewable generation companies represent approximately 55% (measured by MW capacity) of total exposure, (total energy exposure equals 20,213 MW of which clean/renewable exposure equals 11,114

MW) while in New Zealand it is 68% (total energy exposure equals 9,337 MW of which clean/renewable exposure equals 6,360 MW).

### Staff engagement

We participated in Earth Hour during March 2011, an event we have been involved with since its beginning. We supported the initiative by switching off core lighting in our CBD sites, raising awareness of the initiative internally, and asking our people to turn off lights, computers, monitors and any other electrical appliances when leaving the office on Friday 26 March. We also encouraged our people to participate at home.

A key component of our support for Clean Up Australia Day involves encouraging staff participation. In March 2011 around 1000 of our people helped clean up at one of our 65 Clean Up sites around Australia.

### Carbon Solutions team

The Carbon Solutions team is responsible for the development and execution of the Group's Carbon Markets Strategy. Our strategy leverages core trading, financing and distribution capabilities to provide a range of tailored financing and hedging solutions to assist our clients in the management of their carbon risks.

A wide range of corporate organisations and investors will face significant risks and opportunities linked to the price of carbon. Our diverse and innovative solutions can be tailored to provide our clients with bespoke solutions, whatever their carbon market objective.

## Case study – Recycling discontinued uniforms

In April 2011 the Retail Sales Support Team in conjunction with Group Procurement set about collecting the return of discontinued and surplus Corporate Collection garments in a recycling initiative where 60,000 garments would be diverted from landfill.

The initiative followed the introduction of a new Commonwealth Bank uniform design, requiring the old design to be recalled and disposed of. 60,000 discontinued Commonwealth Bank shirts and additional surplus uniform garments held in storage were collected from branches. To ensure the clothing did not end up as landfill, it was sent to El Salvador for use by the charity Kids of

the Kerb (KOTK). The garments will be shredded and used to fill punching bags manufactured in El Salvador and donated to local youth centres.

KOTK is focused on creating sustainable training, employment and business opportunities for youth at risk throughout the world. KOTK is especially active in sustainably creating opportunities for young people. This is the second time we have participated in a recycling initiative with KOTK and Waste Diversion Enterprises (WDE), through the uniform supplier Neat 'n Trim Uniforms, to donate the old Corporate Collection to charity and keep it out of landfill.

Scott Henricks, General Manager, Retail Sales Support, commented, "We are not only focused in thinking about how the Group impacts the environment today but are also taking steps to minimise future impact in direct support of our Group-wide sustainability approach.

The recycling project was a collaborative effort across the business with a key focus on the environment and community – two of our sustainability foundations. We were able to leverage our suppliers to achieve success in achieving an environmentally responsible outcome that helped those less fortunate in El Salvador."

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## Case study – Supporting carbon management initiatives

Our Investment Finance team approved a senior debt facility for Carbon Conscious for the establishment of Mallee Eucalypt carbon forest sink plantings. The primary focus of Carbon Conscious is to create large scale carbon estates in the Australian wheat belt in order to produce quality and accredited carbon credits. They do this through planting Mallee Eucalypt trees, a native species adapted to the growing conditions of the region.

Carbon Conscious will establish the carbon forest sink plantings on behalf of clients wishing to add an environmentally beneficial initiative to their carbon management portfolio. This pioneer company is well positioned to capitalise on this developing industry, with green energy offsets seen as a growing market.

The senior debt facility will provide benefits for our organisation including

revenue and balance sheet growth. The deal also positions us as one of the leaders in supporting the growing carbon forest sink plantings industry.

“As one of Australia’s main financial institutions, it was important to us to demonstrate that we are a bank that understands this burgeoning industry and the need to become involved at ground level,” commented Brendan White, Executive General Manager, Regional and Agribusiness Banking.

Importantly the majority of the plantations are on marginal Australian farmland. This results in two significant benefits. Firstly, farmers can generate an income from land that previously has not provided a financially viable yield. Secondly, by integrating trees into the cropping program, the environmental benefits assist in improving overall production.

“By contributing to the fight against climate change and helping Australian farmers fight other environmental problems such as salinity and soil erosion, we continue to strengthen our reputation as a leading environmental corporate citizen,” Brendan added.

CEO of Carbon Conscious Mr Peter Balsarini commented; “We welcome the opportunity to work with the Commonwealth Bank who have shown leadership and forethought in the provision of this funding. To our knowledge this debt arrangement is the first such facility negotiated between a carbon sink developer and a main stream lender and highlights the ability of the Commonwealth Bank’s team to create value through innovative thought and action.”



## Colonial First State

Our wealth management business, Colonial First State (CFS), has maintained its focus on environmental sustainability and achieved a number of successes, including:

- Paperless meetings at Executive Committee level.
- Electronic distribution of senior management team meeting briefing packs.
- Paperless auditing processes.
- Printing all business marketing collateral on 100% recycled FSG compliant paper.

However, while some CFS divisions used less paper, the business did not achieve its sustainability KPIs due to a slight increase in power usage and an overall increase in paper usage across the business. This in turn has given the business a renewed impetus and a number of programs and initiatives will be rolled out in coming months.

The CFS Sustainability Committee encouraged CFS's approximately 2,000 staff nationally to participate in a number of activities, including:

- National Tree Day in August 2010, where more than 300 staff adopted native trees and planted them in their own communities.
- Walk to Work Day on 1 October 2010, with close to 200 staff members participating.
- Friday File Fling, Planet Ark's workplace recycling initiative as part of National Recycling Week, with 120 wheelie bins of paper collected for recycling.
- Earth Hour in March 2011.
- Clean Up Australia Day held at CFS offices with 240 bins of paper and more than 80 boxes of stationery, metals and plastics collected for recycling.

### PLANET ARK

CFS has continued its support of Planet Ark, and as part of the ongoing paper-free statements initiative, donations to Planet Ark have increased to \$600,000. Also, 300,000 customers have opted in to receive statements online.

Additionally, CFS continued to support World Environment News, Planet Ark's daily email newsletter.





# Bankwest

Bankwest is a market leader in Western Australia, and has significantly expanded its East Coast store portfolio during 2010–11.

The Bank of Western Australia (Bankwest) became a wholly owned subsidiary of the Commonwealth Bank Group in December 2008.

Bankwest is active in all market segments – consumer, business and rural. While Bankwest has a dominant presence in Western Australia, its identity on the East Coast has gradually increased with a steady rollout of stores. It serves over one million Australian retail customers through a branch network of 139 stores serviced by 72 Business Banking Centres and 79 Home Loan Specialists.

Bankwest's vision is to be the best value, most innovative and approachable bank in Australia. During the 2010–11 financial year Bankwest maintained focus on its 1-3-6 Strategic Plan, with one vision, three core values – Customer focus, Results driven, One team – and six strategic priorities – Iconic WA and East Coast challenger, Customers satisfaction, Profitable growth, Cost efficiency, Managing risk responsibly, and Our people.

Since joining the Commonwealth Bank Group, Bankwest's people have been heavily focused on improving customer satisfaction through service delivery and product innovation. In September 2010, their efforts were rewarded when Bankwest was named Bank of the Year in the AFR Smart Investor Blue Ribbon Awards. The award recognises

Bankwest's vision to be the best value, most innovative and approachable bank in Australia. Bankwest was also named Savings Institution of the Year and received the Best Balance Transfer Card Award in the Blue Ribbon Awards.

Bankwest has demonstrated its commitment to the sustainability agenda over the 2010–11 financial year by focusing on a number of clear priorities. In particular, Bankwest has reinforced its customer commitment with new products and services and a focus on customer satisfaction. Bankwest's commitment to the community over the past 12 months is reflected in its disaster relief support and new community partnerships, while for its people Bankwest has reinvented a number of internal programs. Good corporate governance continued to be a primary consideration for Bankwest, while the work on Bankwest Place reinforces the organisation's commitment to the environment.

## Customers

At 30 June 2011 Bankwest's score in retail customer satisfaction was 83.6 per cent, as measured by the Roy Morgan Research Main Financial Institution (MFI) Retail Customer Satisfaction survey on a six-month rolling basis. This result is an increase of 4.7 percentage points from the 78.9 recorded in June 2010, and reflects the focus that





bankwest



Bankwest Retail has applied to improving the customer experience. Bankwest ranked fourth against a competitor set of eight including the main and regional banks.

Among its business customers, Bankwest's customer satisfaction score was 6.8 in the total market based on a six-month rolling average as measured by the DBM Business Finance Monitor (the Commonwealth Bank Group's new business financial services monitor). In the \$1 million plus market Bankwest scored 7.3 based on a six-month rolling average.

In March 2011, Bankwest relaunched its website. In June the new site was awarded the Interactive Media Awards Outstanding Achievement Award for the Banking category.

#### **BANKWEST.COM.AU**

In March 2011, Bankwest relaunched its website, **bankwest.com.au**. The new site was awarded the Interactive Media Awards Outstanding Achievement Award for the Banking category in June 2011.

The refreshed website gives customers an easy, streamlined online browsing experience inspired by online shopping sites and not seen elsewhere in the financial services industry. The search tool takes visitors where they want to go in one click by predicting popular search terms and suggesting keyword matches as users type, then suggesting direct links to relevant information.

The elegant site design includes photographs contributed by colleagues and reflects Bankwest's Happy Banking brand.

A free iPhone application, launched along with the new website, enables customers to use the most popular features of personal and business online banking on their smartphones.

#### **INNOVATION**

A number of banking products were launched for a range of customers, including the Fee Saver, Business Low Rate and Business Fixed Rate loans and the Student Edge Debit Card.

Two of Bankwest's existing products were recognised at the Canstar Cannex 2010 Awards:

- Bankwest Business Mastercard Low Rate Card – five-star rating for outstanding value, in the Business Credit Cards category.
- Business Bonus Account – five-star rating for outstanding value, in the Business Deposits category.

## PROJECT ORANGE

Project Orange, aimed at revitalising Bankwest's stores, business centres and neighbourhood banks across Australia, continued throughout the year. Three new retail stores were opened – Mt Ommaney in Queensland, and Charlestown and Top Ryde in New South Wales – as part of Bankwest's East Coast branch expansion. A number of stores were refurbished in Perth and in rural and regional areas, while several additional Western Australian stores were fully re-branded. A new Store has just opened in Ellenbrook, WA.



In February 2011, Bankwest introduced its first interactive Express Store in Western Australia, at Perth's Karrinyup Shopping Centre. The Express Store delivers greater accessibility and convenience to customers, and provides the functionality of a regular bank, including an ATM and internet banking terminals. The Karrinyup Express Store is also open during Thursday nights and Saturday trading hours with experienced staff on hand to assist customers.

## People

Bankwest's people are focused on the company's strategic priorities and working towards achieving the bank's vision of being the best value, most innovative and approachable bank in Australia, with an absolute focus on customer satisfaction.

The Bankwest People and Culture Survey results over the reporting period showed an improved level of staff engagement and cultural alignment of employees. Bankwest recorded a Gallup GrandMean of 4.15, an improvement of 0.03 from the previous period, and maintaining the organisation in the 63rd percentile in the Gallup Worldwide database. While improvement has been made there is some progress required to achieve Bankwest's goal to reach the 75th percentile.

The Bankwest People and Culture Indicator registered a score of 4.13, up from 4.09 in the previous financial year.

Voluntary employee turnover increased from last year, with a voluntary turnover rate of 17.9%. Absenteeism was similar to the previous period, with 6.97 average days per full-time equivalent (FTE) for the 12 months to 30 June 2011, a slight increase of 0.03 on the previous reporting year. Bankwest's lost time injury frequency rate (LTIFR) for the 2010–11 financial year was 1.7 against a target of 1.8.

Bankwest provides a flexible work environment so that staff can balance work with other important aspects of their lives. At 30 June 2011, 18.03% of Bankwest staff worked part-time.

Bankwest is focused on increasing the representation of women in management roles and has established a target to achieve 28.5% of women in Level 4 and above positions from a 2009-10 baseline level. As at 30 June 2011 the proportion of women in Level 4 and above positions was above target at 29%.

## WELCOME PROGRAMS

As part of Bankwest's strategy to attract and retain the best talent, in October 2010 a new Welcome Program was rolled out for Bankwest retail employees. The redesigned program ensures new retail staff members and those returning to work from an extended absence are equipped to understand and engage with the vision and values of Bankwest's 1–3–6 Strategic Plan. Key features of the new program include an assigned Welcome Coordinator for the first six months and a redesigned Welcome Pack.

A refreshed Induction Program was also launched within the Bankwest Business team to enhance the experience of new people and existing employees transferring into the team. The program includes a welcome video, online induction modules and new starter forums.

Bankwest's Human Resources team developed the Employee Value Proposition (EVP), called 'Have Fun. Go Far'. The EVP encompasses three pillars – Colleagues, Career/Growth/Future, and Contribution/Impact – and relates directly to Bankwest's 'Our people' Strategic Priority by assisting in improving engagement, retention and attraction.

## LEADERSHIP DEVELOPMENT

The Bankwest Leadership University is the bank's online learning and development system and provides colleagues with resources to develop their leadership skills. During the 12 months to 30 June 2011 Bankwest launched the Bankwest Values and Behaviours 360° program through the Leadership University. The tool provides Bankwest leaders with comprehensive feedback on the behaviours they demonstrate and assists with identifying development areas. The program aims to better align colleague performance and behaviours against the bank's 1-3-6 Strategic Plan.



Bankwest leaders also have access to a panel of external coaches who provide an individualised development journey, as well as Leader to Leader Mentoring where individuals develop a professional, confidential partnership with a colleague who can share practical, experience-based knowledge.

## Community

### DISASTER RELIEF

Natural disasters affected much of the Western Australian coastline as well as inland rural and regional areas across the state.

In November 2010, Bankwest launched its Drought Assistance initiative in response to parts of the central and eastern Western Australian Wheatbelt facing the driest season on record. The initiative included a commitment to fund the 2011 Cropping program for farming clients who had experienced cashflow issues due to drought affected crops.

Following flooding in Carnarvon in December 2010, Bankwest announced the Emergency Financial Hardship Relief package for customers affected by the floods. In addition to providing a team of specialist hardship bankers, the package included:

- Additional loans or changes to home loan repayment arrangements.
- Restructuring loans for business customers with existing loans without applying the usual establishment fees.
- Reviewing credit card instalments for customers of good standing.
- Emergency credit limit increases.
- Waiving prepayment charges for a specified time for affected customers needing to access term deposits.

As well as providing the relief package to customers, Bankwest local staff identified that the Carnarvon SES lost their flood boat and as a result the local staff engaged with the bank to help provide support. Bankwest donated \$25,000 to fund the purchase of a new flood boat and other necessary equipment.

In response to the Queensland floods in January 2011, Bankwest established a Disaster Recovery team to help affected customers and the Emergency Financial Hardship Relief package was activated again. In addition, impacted customers were excluded from all collections activities. Bankwest branches also processed public donations for the Queensland Premier's Flood Relief Appeal.

Bankwest donated \$100,000 to the Lord Mayor's Distress Relief Fund in February 2011 following some of the worst bushfires ever seen in Western Australia, and also accepted donations in all Bankwest stores and online through the Bankwest appeal account. The Disaster Response team were on hand to offer support to customers, and an additional \$20,000 was donated to crisis support service, Lifeline WA, helping the organisation answer an additional 1,000 calls over a 12 month period.

### COMMUNITY ENGAGEMENT

For the second year in a row, Bankwest has committed to their partnership with Redkite and Edmund Rice Camp for Kids helping provide financial assistance through an annual corporate donation as well as staff donations from the Bankwest Workplace Giving program.

Bankwest's community support focuses on providing assistance to a number of children's charities – both financial help and support from Bankwest's people who donate their time to volunteer for various programs.

Bankwest has been the major partner of Redkite for two years. Redkite provides support to children and young people with cancer, and their families. Redkite provides families with services such as hospital and community-based support, financial assistance, educational assistance and bereavement support.



Along with Redkite, Bankwest is also a major partner of Edmund Rice Camp for Kids in Western Australia, which supports at risk or disadvantaged children, and their families, and provides camps and other recreational and developmental activities for children who would not otherwise have such opportunities.

To support its Community Engagement program, Bankwest has developed a Community Giving Champions Committee with the aim to drive ideas and opportunities and inspire Bankwest's people to become involved. The Committee is made up of eight Bankwest Community Giving Champions who help create a closer connection between Bankwest colleagues and the community organisations supported in each state. The Committee members identify local opportunities to support and inform staff, and communicate information about Bankwest's community support programs to new employees including how they can become involved. They also facilitate and support local colleague events.

## VOLUNTEERING

Bankwest's Volunteering Program is coordinated through a number of Western Australian volunteering charities who help to deliver a variety of volunteering experiences. Bankwest employees get involved in a range of volunteering activities, including painting houses, gardening clearouts, stacking shelves at food banks, mentoring youths and cooking for the homeless.

This year, with the help of charity partner United Way WA, Bankwest has partnered with HOPE (Helping Out People Everywhere) to deliver a barbecue lunch once a month for the homeless community. HOPE supports the homeless community in Perth by providing food, clean donated clothing, clean showers, blankets, personal hygiene items and referral services.

In addition, Bankwest also provides a Skilled Volunteering Program and has partnered with not-for-profit organisation goodcompany to provide various opportunities for Bankwest people to share their skills. goodcompany matches skilled volunteer professionals to Australian community groups in all sectors. Examples of skilled volunteering include community organisations looking for support with information technology tasks, business strategy and planning, administration support, graphic design and production.

This support allows community groups to expand or work more effectively and learn new skills from the volunteer. And for the volunteers, skilled volunteering is regarded as a valuable development opportunity.

## PARTNERSHIPS AND SPONSORSHIPS

Bankwest's partnerships aim to strengthen the business' position as a good corporate citizen in the community by supporting initiatives in the areas of education, health and welfare, research, arts, indigenous affairs and community and business awards in both established and emerging markets.

Bankwest's sponsorships aim to build positive relations with the communities in which the bank operates and engages with, in a mutually rewarding way.

During 2010–11, Bankwest forged new partnerships with the Royal Flying Doctor Service as well as several sporting sponsorships.

In May 2011, Bankwest joined forces with the Royal Flying Doctor Service (RFDS) to raise funds for the RFDS in Western Australia and support people located in rural and remote areas.

The community fundraising partnership included an initial donation from Bankwest to the RFDS. The two organisations, which have a long standing association in Western Australia, are working together to help RFDS identify additional fundraising opportunities and initiatives throughout Western Australia.

Bankwest became a major partner with Football West (football's governing body in Western Australia) in February 2011. The two-year deal includes two focus areas – female football and officiating. Bankwest will assist in funding the employment of a Manager, Women's Football, plus other initiatives to strengthen women's football, and will also support the continued recruitment, education and support of young referees in Western Australia.

In April 2011, Bankwest announced another sporting partnership with the West Coast Eagles. Bankwest joined the club as a Premier Partner for the 2011 season, and from November 2011 will become a Major Sponsor of the West Coast Eagles Football Club. As part of this partnership, the Bankwest logo will make its debut on the West Coast Eagles' football guernsey at the beginning of 2012. This new sporting sponsorship marked a milestone for Bankwest as it continues to deepen its involvement in the Western Australian community.

## Governance

As part of Bankwest's focus on good corporate governance, the business launched a number of enhanced risk management capabilities, including the Risk Decision Engine (RiDE). Implemented in November 2010, RiDE is an industry-leading credit decisioning system that enables the business to efficiently revise credit decision models and criteria. RiDE is a significant milestone for Bankwest's Managing Risks Responsibly strategy.

## Environment

A number of environmental initiatives were rolled out over the 12 months to 30 June 2011, such as the implementation of Desktop Power Management (DPM) across Bankwest's computers. The DPM project, begun in May 2011, ensures all desktop computers are automatically placed in sleep mode, a low energy state, during non-operational periods. This means Bankwest is reducing power usage, and CO2 emissions, as well as its operating expenditure.

## BANKWEST PLACE

Development of Bankwest's new corporate headquarters, Bankwest Place (previously known as Raine Square) is continuing. The building, which is targeting a five star Green Star rating for Bankwest's internal fitout from ground floor to level 14 and a four and a half star National Australian Built Environment Rating System (NABERS), will be completed in early 2012.

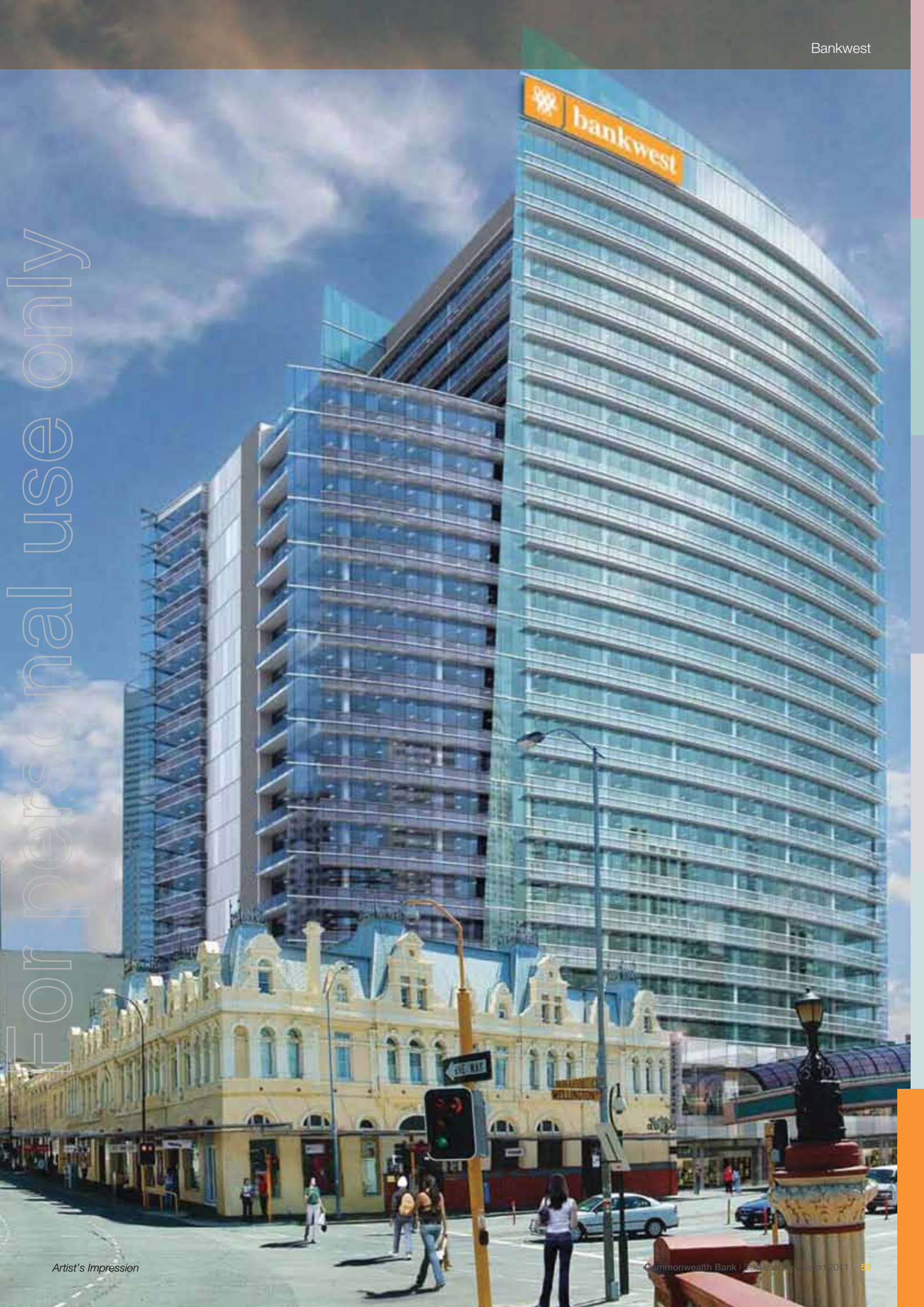
Bankwest Place is targeting a five star Green Star rating for Bankwest's internal fitout from ground floor to level 14.

Around 3,000 Bankwest colleagues will be relocated from five current locations and will occupy 14 floors of office space. These people will become the first Bankwest employees to work in an Activity Based Working (ABW) space. Within the new ABW office environment, employees are provided with innovative workspaces and technology tools to support mobile, flexible and collaborative working. Environmental initiatives focused on paper independence will also be introduced at Bankwest Place.

In November 2010 Bankwest signed up as the first and anchor tenant at Fujitsu's new data centre in Perth. Not only will this provide Bankwest with a technology platform to deliver banking services to customers across Australia, the data centre is expected to consume 30% less energy than standard facilities and save up to 80% in water use in its cooling system.



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# Metrics and Definitions

Commonwealth Bank of Australia – All metrics capture data from Australian domestic operations only (excluding Bankwest) unless otherwise stated.

## CUSTOMERS

### Roy Morgan Research MFI retail customer satisfaction (6-month to June rolling average)

Year	Percentage	Ranking	Definition
2011	75.2%	(ranked 4th)	The proportion of each financial institution's MFI retail customers surveyed by Roy Morgan Research that are either 'Very Satisfied' or 'Fairly Satisfied' with their overall relationship with that financial institution on a scale of 1 to 5 where 1 is 'Very Dissatisfied' and 5 is 'Very Satisfied'. The metric is reported as a 6 month rolling average to June, based on the Australian population aged 14 and over. The ranking refers to the Group's position relative to the other three main Australian banks (Westpac, NAB, ANZ). The competitor set changed in 2010-11 to exclude St George. Rank adjustments have been applied historically. KPMG have not provided assurance over 2008-2010 rankings.
2010	75.6%	(ranked 2nd)	
2009	73.0%	(ranked 3rd)	
2008	70.1%	(ranked equal 3rd)	

### DBM Business Finance Monitor MFI Customer Satisfaction

Year	Percentage	Ranking	Definition
2011	7.1	(ranked equal 2nd)	The average satisfaction of each financial institution's MFI business customers surveyed by DBM Business Financial Services monitor. Respondents rate their overall relationship with that institution on a scale from 0 to 10 where 0 is 'Extremely Dissatisfied' and 10 is 'Extremely Satisfied'. The metric is reported as a 6 month rolling average as at 30 June. The ranking refers to the Group's position relative to the other three major Australian banks (Westpac, NAB, ANZ). The Group began reporting Business customer satisfaction using the new industry currency, DBM Business Financial Services Monitor in August 2010. DBM have provided data from June 2010, which has not been assured by KPMG.
2010	7.0	(ranked equal 1st)	
2009	-	-	
2008	-	-	

### Wealth Insights Platform Survey

Year	Percentage	Ranking	Definition
2011	84.7%	(ranked 1st)	The proportion of financial advisers giving the Colonial FirstChoice platform an overall satisfaction score of 7-10, on a scale of 1-10 where 1 is 'Poor' and 10 is 'Excellent', in the Wealth Insights Platform Service Level survey. Ranking captures the relative position of Colonial FirstChoice compared with bank peer master trusts measured in the survey, based on the percentage of advisers giving 7-10 for overall satisfaction. Until 2010 this survey was known as the Wealth Insights MasterTrust/Wrap survey. There have been no changes in methodology.
2010	86.5%	(ranked 1st)	
2009	84.1%	(ranked 1st)	
2008	88.2%	(ranked 1st)	

### Overall provision of good service

Year	Percentage	Ranking	Definition
2011	79.5%	(ranked 1st)	Among customers answering "Overall provides good service" of their main bank (% answering 5, 6 or 7 on a 7 point scale). Ranks based on Commonwealth Bank's position relative to the major four Australian banks, six-month rolling averages. Source: Roy Morgan Research.
2010	78.6%	(ranked 2nd)	
2009	77.4%	(ranked 3rd)	
2008	72.0%	(ranked 4th)	

### Number of StartSmart presentations and students booked

The number of StartSmart classroom sessions and workshops delivered, and the number of students booked to attend these sessions.

Year	Students booked	StartSmart Secondary workshops delivered	StartSmart Secondary classroom sessions delivered	StartSmart Primary workshops delivered	StartSmart Primary classroom sessions delivered
2011	200,081	259	1,839	1,176	3,425
2010	119,669	243	1,536	-	1,889
2009	51,426	223	1,541	-	-
2008	47,918	147	1,190	-	-

## PEOPLE

### Lost Time Injury Frequency Rate (LTIFR)

Year	LTIFR	Definition
2011	2.3	LTIFR is the reported number of occurrences of lost time arising from injury or disease that have resulted in an accepted workers compensation claim, for each million hours worked by domestic employees, for the year ending 30 June. The metric captures claims relating to domestic employees only (permanent, casual and those contractors paid directly by the Group). Data is complete as at 31 August, however it may be updated in future reports due to late reporting of incidents that occurred during the year, or the subsequent acceptance or rejection of claims made in the year. To reflect this, the 2010 figure (previously reported as 2.5) has been adjusted. KPMG has not provided assurance over the adjusted figure.
2010	2.9	
2009	2.4	
2008	3.1	

Commonwealth Bank of Australia – All metrics capture data from Australian domestic operations only (excluding Bankwest) unless otherwise stated.

## PEOPLE

### Gallup Survey GrandMean

2011	4.30	73rd percentile	The Gallup Survey GrandMean measures the average response, on a 5-point scale (where 5 is the most positive response), summarising the average (mean) responses to the Gallup Q12 statements, given by employees in the People and Culture survey. The result captures the responses of domestic and international CBA employees excluding those of Bankwest, ASB Bank and other overseas banking subsidiaries. KPMG did not provide assurance over the percentile in 2010.
2010	4.32	76th percentile	
2009	4.37		
2008	4.28		

### People and Culture Indicator (PCI)

2011	4.30	The PCI measures the average response on a 5-point scale (where 5 is the most positive response), by summarising the average (mean) responses to 25 People and Culture Survey statements comprising the Gallup Q12 statements and 13 additional statements selected by the Group, all of which measure our progress towards our cultural aspiration of trust and team spirit. The surveyed population is the same as for the Gallup GrandMean. The PCI was first measured in 2009.
2010	4.31	
2009	4.36	
2008	-	

### Absenteeism (Average days per FTE)

2011	6.0	Absenteeism is the annualised figure as at 31 May each year. Absenteeism refers to the average number of sick leave days (and, for CommSec employees, carers' leave days) per full-time equivalent (FTE), reported by domestic, permanent employees. FTE captures domestic, permanent employees (full-time, part-time, job share or on extended leave).
2010	5.9	
2009	5.9	
2008	6.5	

### Employee Turnover (voluntary)

2011	12.65%	Employee turnover refers to all voluntary exits of domestic, permanent employees as a percentage of the average domestic, permanent headcount (full-time, part-time, job share or on extended leave).
2010	12.73%	
2009	11.37%	
2008	18.45%	

### Number of graduates commencing in a graduate position

2011	161	The number of graduates who accepted and commenced in a graduate position with the Group. Graduate positions commence in February each year.
2010	134	
2009	135	
2008	114	

### Female participation in Executive Manager and above roles

2011	28.2%	Percentage of roles at the level of Executive Manager and above that are filled by women, in relation to the total permanent headcount, as at 30 June. Headcount captures permanent headcount (full-time, part-time, job share, on extended leave) and contractors (fixed term arrangements) paid via PeopleSoft HR. KPMG has not provided assurance over the 2009 and 2010 figures.
2010	26.3%	
2009	26.1%	
2008	-	

### Percentage of women in management roles

2011	43.6%	Percentage of roles at the level of Manager and above (including Branch Managers) that are filled by women, in relation to the total permanent headcount as at 30 June. Headcount captures permanent headcount (full-time, part-time, job share, on extended leave), and contractors (fixed term arrangements) paid via PeopleSoft HR. KPMG has not provided assurance over the 2009 and 2010 figures.
2010	43.2%	
2009	43.1%	
2008	-	



**Commonwealth Bank of Australia – All metrics capture data from Australian domestic operations only (excluding Bankwest) unless otherwise stated.**

**PEOPLE**

Staff working part-time or job-sharing

2011	22.4%	The number of employees who are employed on a part-time or job share basis, as a percentage of domestic, permanent employees (full-time, part-time, job share or on extended leave) and those contractors paid directly by the Group, as at 30 June.
2010	22.7%	
2009	22.9%	
2008	20.8%	

Ethnic Diversity

The ethnicity of respondents who chose to nominate their ethnicity in the 2010 People and Culture Survey. The percentages are as a proportion of the 92.8% of survey respondents who chose to nominate their ethnicity. The surveyed population is the same as for the Gallup GrandMean.

	Australian	South East Asian	European	Other	British	New Zealand	South or Central Asian	North East Asian	Nth African or Middle Eastern	South African	Americas
2011	66.3%	8.1%	6.5%	4.6%	4.5%	2.8%	2.0%	1.9%	1.4%	1.0%	0.9%
2010	68%	7.6%	6.4%	4.7%	4.3%	2.7%	1.6%	1.6%	1.2%	1.1%	0.8%
2009	65.2%	7.9%	7.3%	5.0%	5.0%	2.8%	2.0%	1.6%	1.4%	1.0%	0.8%
2008	-	-	-	-	-	-	-	-	-	-	-

Age Diversity

The breakdown of domestic, permanent employees (full-time, part-time, job share or on extended leave) and those contractors paid directly by the Group, by their age as at 30 June of that year.

	<25 years	25 – 34 years	35 – 44 years	45 – 54 years	55 – 64 years	65+ years
2011	(11.7%)	(36.1%)	(29.2%)	(16.9%)	(5.8%)	(0.3%)
2010	(12.7%)	(35.9%)	(28.6%)	(16.9%)	(5.7%)	(0.2%)
2009	(13.3%)	(35.2%)	(28.7%)	(16.9%)	(5.4%)	(0.2%)
2008	-	-	-	-	-	-

**ENVIRONMENT**

Property and fleet carbon emissions (tonnes CO2-e)

2011	170,668 5.19 per FTE	Emissions relate to the consumption of electricity, gas and fuel (gasoline and diesel) by domestic retail and commercial properties, the business use of domestic tool-of-trade vehicle fleet, dedicated bus services, business use of private vehicles and domestic ATMs. Due to the electricity billing cycle, 8% of the 2010-11 electricity data was estimated to meet publication deadlines.
2010	176,806 5.5 per FTE	
2009	172,752 5.7 per FTE	
2008	173,397 5.6 per FTE	

Travel carbon emissions (flights, hire cars and taxis) (tonnes CO2-e)

2011	38,856 1.18 per FTE	Emissions relate to employee business travel in aircraft and hire cars and taxi travel. Only flights taken by Australian-based employees, and booked through the Group's 'Cliqbook' booking system; and hire cars booked through 'Cliqbook' and used in Australia are included in the scope.
2010	21,903 0.7 per FTE	
2009	18,065 0.6 per FTE	
2008	-	

**Bankwest – All metrics capture data from Australian domestic operations only**

**BANKWEST**

Roy Morgan Research MFI retail customer satisfaction (6-month to June rolling average)

2011	83.6% (ranked 4th)	The proportion of each financial institution's MFI retail customers surveyed by Roy Morgan Research that are either 'Very Satisfied' or 'Fairly Satisfied' with their relationship with that financial institution on a scale of 1 to 5 where 1 is 'Very Dissatisfied' and 5 is 'Very Satisfied'. The metric is reported as a 6 month rolling average, based on the Australian population aged 14 and over. The ranking refers to Bankwest's position relative to CBA, NAB, ANZ, Westpac, St George Bank, Bank of Queensland, Suncorp and Bendigo Bank. Bankwest competitor set changed in October 2010 to include the regional banks, and the 2010 ranking has been adjusted historically. KPMG has not provided assurance over the adjusted figure or the 2008 and 2009 figures.
2010	78.9% (ranked 5th)	
2009	76.2%	
2008	73.5%	

DBM Business Financial Services Monitor Main Financial Institution (MFI) Customer Satisfaction

2011	6.8 (ranked 6th)	The average satisfaction of each financial institution's MFI business customers surveyed by DBM Business Financial Services monitor. Respondent's rate their overall relationship with that institution on a scale from 0 to 10 where 0 is 'Very Dissatisfied' and 10 is 'Very Satisfied'. The metric is reported as a 6 month rolling average as at 30 June. The ranking refers to Bankwest's position relative to the regional Australian banks including St George, Bank of Queensland, Suncorp, Bendigo Bank and Adelaide Bank.
The Bank began reporting Business customer satisfaction using the new industry currency, DBM Business Financial Services Monitor in August 2010.		

## Bankwest – All metrics capture data from Australian domestic operations only

## Lost Time Injury Frequency Rate (LTIFR)

2011	1.7	LTIFR is the reported number of occurrences of lost time arising from injury or disease that have resulted in an accepted workers compensation claim for each million hours worked for the year ending 30 June. The number of hours worked is calculated using a working week of 40 hours per FTE and multiplied by 46 weeks. The metric captures claims relating to Bankwest employees only (permanent, casual and those contractors paid directly by Bankwest). Data is complete as at 30 September, however it may be updated in future reports due to post-publication reporting of incidents that occurred during the year, or the subsequent acceptance or rejection of claims made in the year.
2010	1.4	

## Gallup Survey GrandMean

2011	4.15	63rd percentile	The Gallup Survey GrandMean measures the average responses, on a 5-point scale (where 5 is the most positive response), summarising the average (mean) responses to the Gallup Q12 statements, given by employees in the People and Culture survey. The result captures the responses of all employees of Bankwest (full-time, part-time, casuals, job-share and contractors). Excludes employees on extended leave without pay (career break and parental leave). KPMG has not provided assurance over the figure in 2009 or the percentiles in 2009 and 2010.
2010	4.12	63rd percentile	
2009	3.73	35th percentile	

## People and Culture Indicator (PCI)

2011	4.13	The PCI measures the average response on a 5-point scale (where 5 is the most positive response), by summarising the average (mean) responses to 25 People and Culture Survey Statements comprising the Gallup Q12 statements and 13 additional statements selected by the Group, all of which measure our progress towards our cultural aspiration of trust and team spirit. The surveyed population is the same as for the Gallup GrandMean. The PCI was first measured in 2009. KPMG has not provided assurance over the 2009 and 2010 figures.
2010	4.09	
2009	3.71	

## Absenteeism (Average days per FTE)

2011	6.97	Absenteeism is the rolling 12 month figure as at 30 June each year. Absenteeism refers to the average number of sick leave days per full-time equivalent (FTE), reported by permanent employees (full-time, part-time, job share). This metric excludes employees on unpaid extended leave.
2010	6.94	

## Employee Turnover (voluntary)

2011	17.9%	Employee turnover refers to all voluntary exits of Bankwest employees as a percentage of the average permanent headcount (full-time, part-time, job-share). Metric excludes employees on unpaid extended leave.
2010	16.1%	

## Staff working part-time

2011	18.03%	The number of employees who are employed on a part-time basis as a percentage of permanent employees (part-time and full-time, excluding casuals, contractors and those on extended leave) as at 30 June.
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## Proportion of women in Level 4 and above positions

2011	29%	The number of roles held by female colleagues at level 4 (senior professional) and above as a percentage of permanent employees (part-time and full-time, excluding casuals, contractors and those on extended leave) as at 30 June.
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## Age diversity

Breakdown of permanent employees (excludes casuals, contractors and those on extended leave) by their age as at 30 June of that year.

	<25 years	25 – 34 years	35 – 44 years	45 – 54 years	55 – 64 years	65+ years
2011	(11.4%)	(35.8%)	(27.8%)	(18.1%)	(6.7%)	(0.3%)
2010	(12.7%)	(35.9%)	(28.6%)	(16.9%)	(5.7%)	(0.2%)
2009	(13.3%)	(35.2%)	(28.7%)	(16.9%)	(5.4%)	(0.2%)
2008	–	–	–	–	–	–

Property and fleet carbon emissions (tonnes CO<sub>2</sub>-e)

Emissions relate to the consumption of electricity, gas and fuel (gasoline and diesel) by domestic retail and commercial properties, the business use of domestic top-of-trade vehicle fleet and domestic ATMs. Due to the electricity billing cycle, 12% of the 2010-11 electricity data was estimated to meet publication deadlines.

2011	29,103	6.05 per FTE
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Travel carbon emissions (flights and hire cars) (tonnes CO<sub>2</sub>-e)

Emissions relate to employee business travel in aircraft and hire cars. Only flights taken by Australian-based employees, and booked through the 'Cliqbook' booking system; and hire cars booked through 'Cliqbook' and used in Australia, are included in the scope.

2011	8,285	1.72 per FTE
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# Independent Limited Assurance Report to the Commonwealth Bank of Australia

## *Our limited assurance conclusion*

Based on the procedures performed, as described below, nothing has come to our attention to indicate that the Metrics as set out in the Metrics and Definition Section of the CBA Sustainability Report 2011 for the year ended 30 June 2011, have not been prepared and presented, in all material respects, in accordance with the Definitions established by management.

We have been engaged by the Commonwealth Bank of Australia (CBA) to provide limited assurance over the Sustainability Metrics (the Metrics) for the year ended 30 June 2011 as presented in the Metrics and Definition section on pages 54 to 57 of the CBA Sustainability Report 2011 (the Report).

## *Management responsibility*

The management of CBA are responsible for the preparation and presentation of the Metrics in accordance with the Definitions as described in the Metrics and Definitions Section. This responsibility includes establishing and maintaining internal control over systems which are used to prepare Metrics that are free from material misstatement whether due to fraud or error. There are no mandatory requirements for the preparation, publication or review of sustainability performance metrics. As such CBA applies its own internal reporting guidelines and definitions for sustainability reporting (the Definitions) which can be found in the Metrics and Definition section of this report.

## *Our Responsibility*

Our responsibility is to carry out an independent limited assurance engagement and to express a conclusion based on the work performed over the Metrics for the year ended 30 June 2011.

Information in respect of the years ended 30 June 2007 and 30 June 2008 has not been included within the scope of our engagement. We have not performed any procedures with respect to this information and accordingly have expressed no conclusion on it. Except as noted within the Definitions, we were previously engaged to review the metrics for the years ended 30 June 2009 and 30

June 2010 as disclosed in the Sustainability Reports for 2009 and 2010 respectively. Our independent limited assurance reports in relation to these metrics can be found in the Sustainability Reports for 2009 and 2010. The internal control structure which management has established, and from which the Metrics have been derived, has not been reviewed and no opinion is expressed as to its effectiveness.

Our limited assurance engagement was conducted in accordance with the Standard on Assurance Engagements ASAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and other relevant assurance standards issued by the Auditing and Assurance Standards Board.

ASAE 3000 requires that we comply with applicable ethical requirements, including independence, and plan and perform the engagement to obtain limited assurance about whether the Metrics are free from material misstatement.

A limited assurance engagement consists of making enquiries of persons responsible for the management, monitoring and preparation of the Metrics, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of relevant staff responsible for preparing the Metrics;
- Inquiries about the design of the internal controls and systems used to collect and process the Metrics;

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- Where applicable, inquiries of third parties responsible for the preparation of data that is included in the Metrics;
- Inquiries about the design of the systems used by third parties to collect and process the Metrics;
- Comparing the Metrics to relevant underlying sources; and
- Reading the Metrics presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of CBA.

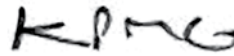
The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

We performed procedures in order to obtain all the information and explanations that we considered necessary to provide sufficient evidence for us to state whether anything has come to our attention that would indicate that the Metrics have not been prepared and presented, in all material respects, in accordance with the Definitions established by management.

Our limited assurance report is prepared solely for the use of CBA in accordance with the terms of our engagement. We disclaim any assumption of responsibility for any reliance on this review report to any person other than CBA or for any other purpose other than that for which it is prepared.

### ***Independence***

In conducting our limited assurance engagement, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.



KPMG

Sydney, 20 October 2011

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# Our Community Partners

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The Group is proud to be an active participant of leading global sustainability programs.



CARBON DISCLOSURE PROJECT





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## Talk to us

We welcome all feedback and are interested in hearing your thoughts about our report and what you'd like to see us report on in future.

Email your feedback to:

**[sustainability@cba.com.au](mailto:sustainability@cba.com.au)**

You can also write to us:

**Corporate Sustainability  
Commonwealth Bank  
Level 12, Tower 1  
201 Sussex St, Sydney NSW 2000**

More information about our Sustainability program is available at:

**[commbank.com.au/sustainability](http://commbank.com.au/sustainability)**