

Benefits to  
the community

# addup



Since 2003, Westpac has been helping young people around Australia to better manage their money and avoid financial pitfalls through our financial literacy program, Financial First Steps™. In a new initiative, **Keryn Myers**, Westpac's Head of Responsible Lending is now looking at how the workshop might be adapted for disadvantaged groups in the community.



Using the experience we have gained through Financial First Steps™, Westpac is now working with staff at the Mission Australia Centre Surry Hills in Sydney to develop a financial literacy program for disadvantaged groups in the community.

**S**ince 2003, Westpac has been helping young people around Australia to better manage their money and avoid financial pitfalls through our financial literacy program, Financial First Steps™.

Westpac is now working with Mission Australia to gauge how this successful program might be adapted for disadvantaged groups in the community, and further deepen our relationship with a key community partner along the way.

Westpac works with Mission Australia on many levels, from promoting its Winter and Christmas Appeals to our customers, to the creation of innovative employee volunteering projects that have yielded significant value.

Following initial discussions with Mission Australia about the special needs of a group of men who are involved in the Centre's early intervention program, an informal workshop was convened so that we could learn first hand about their experiences.

We were encouraged by the level of initial interest. Around 14 men chose to attend the initial workshop at the Mission Australia Centre Surry Hills.

At the workshop, Keryn Myers and Graham Paterson, Head of Corporate Responsibility and Sustainability, spoke to the participants about spending habits and basic money management skills. The group also explored the issue of

which types of bank accounts are best, what identification is required to open an account, bill payments and how best to put aside savings.

As a result of this initial session, we are developing materials that will be freely available to Mission Australia clients and staff.

This will include brochures and further information on general banking services for Mission Australia staff and clients to have on hand to use whenever the need arises. This approach is used as the workshop format is not always the most appropriate medium, as clients and staff need flexibility to take into account their individual needs and situations.

Following the success of this initial workshop, Mission Australia is keen to make a CD ROM version of Financial First Steps™ available to young people around Australia as well as its own staff. Like the workshop, the CD covers a wide range of topics including budgeting, saving, compound interest, risk and spending.

This initiative has provided Westpac with rich information on the challenges faced by various groups in the community in accessing our banking products and services. It is only with practical experience like this that we can truly provide stronger community services and help our customers build financial prosperity more generally. 

# Social

Westpac has been part of Australian daily life since 1817. We want people to keep wanting us around – and we think we have a positive contribution to make. At the same time, staying close to the communities in which we operate means we benefit from their energy, innovation – and continued goodwill.

## Report Card



### SOCIAL

2004 Objectives	Comments	Results
<ul style="list-style-type: none"> <li>Provide value to our community partners utilising our networks, resources and expertise and engage staff to support their efforts in the community.</li> </ul>	<ul style="list-style-type: none"> <li>Initiated a number of new programs.</li> </ul>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Finalise and publish case study on Westpac's performance against the principles of the Global Compact.</li> </ul>	<ul style="list-style-type: none"> <li>Completed and submitted to the Global Compact.</li> </ul>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Review and report on our human rights performance against 'Just Business' and the OECD Guidelines for Multinational Enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>Initial review undertaken.</li> </ul>	IN PROGRESS
<ul style="list-style-type: none"> <li>Respond to key findings from the review of our Cape York partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Currently implementing a number of initiatives.</li> </ul>	IN PROGRESS
<b>Aspiration target</b>		
<ul style="list-style-type: none"> <li>Maintain total community contributions above 1% of pre-tax profits.</li> </ul>	<ul style="list-style-type: none"> <li>Community contributions at 1.4% of pre-tax profits.</li> </ul>	<input checked="" type="checkbox"/>

## Social Value Links



### Community involvement

We believe investing in the community is not only part of our corporate responsibility, it is necessary for us to maintain a sustainable business. We embed community involvement into our business model and it has become part of our organisational culture.

That's why we've put in place community programs that are focused on achieving long-term positive outcomes for society, as well as for our employees, customers and shareholders. In 2005, our community contributions totalled 1.4% of pre-tax profits. The core components of our community involvement strategy are employee involvement, community partnerships and capacity building. Community contributions totalled \$44 million in 2005.

@ Detailed information on our community programs, partnerships and local outreach activities are reported in our 2005 Community Involvement Report, available under the 'Westpac info' tab at [www.westpac.com.au](http://www.westpac.com.au)

### Employee involvement

We provide our employees with community leave and flexible working conditions to let them undertake volunteer work with not-for-profit organisations of their choice.

Community contributions totalled  
**\$44m**  
 in 2005

Individuals and teams take up this opportunity in many different and innovative ways, from brightening up temporary accommodation for homeless people to restoring natural habitats in local parks.

Employee surveying indicates that two out of three Westpac employees undertook some form of community volunteering last year, while a total of 2,605 community leave days were logged through our leave system. Around one third of our people also use work-related professional skills or mentoring programs to benefit community organisations.

To help raise awareness of volunteering opportunities, a network of around 300 Community Champions across Australia provide information and support to employees in their local areas.

Westpac Matching Gifts is our largest giving program and one of the most comprehensive corporate-giving programs of its kind in Australia. Under this program, we match the donations of our employees, dollar for dollar, to any tax-deductible Australian charity.

Through donations from employees and Westpac Matching Gifts, 382 charities received \$2.6 million within the year. Since the program began in 1999, \$9.3 million has been distributed.

We have also extended a successful local fundraising initiative 'Casual for our Community', whereby employees donate for wearing casual clothes on a nominated day each month. Within the year, 29 charities around Australia received \$28,895 through this program.

We recognise and reward outstanding contributions by employees to the community through our annual CEO's Awards. Individuals and teams receive special awards and the community organisations they work with receive financial support.

In 2005, we extended the scope of these awards to include categories in environment and innovation, both to recognise the efforts of our people in these areas, but also raise awareness internally on how corporate responsibility applies in practice within our business.

### Community partnerships

Our community partnerships program is based on the premise that we can make a bigger impact on society by working closely with several key community groups over the long term, than by providing support on an ad hoc basis.

Many of our community partnerships span decades. We work with The Salvation Army, The Smith Family, Mission Australia, Landcare Australia, Juvenile Diabetes Research Foundation, Australian Mathematics Trust and Indigenous Enterprise Partnerships. Our sponsorship of rescue services in New South Wales, Victoria and Queensland was extended this year to include Tasmania and South Australia.

We use our resources, networks and expertise to strengthen the capabilities of our community partners to address the areas of need they work within.

Our contributions to community partners vary from financial support, in-kind donations and pro bono services, to capacity-building, knowledge transfer and corporate volunteering. We continually seek ways to add value to their organisations and we use our sphere of influence to make mutually beneficial connections with other businesses in our supply chain.

One of the ways we help our community partners is by raising public awareness of their appeals. Most Westpac branches have a community stand which displays posters and fliers for our community partners on a rotational basis during the year, and we accept over-the-counter donations from customers. We also promote our partners via the Westpac website and by distributing donation envelopes in credit card statements throughout the year.

### Capacity building

Our capacity building initiatives provide community groups with access to specialised business and finance tools and training. We aim to help them improve their operational effectiveness and grow their capacity to deliver community services and support.

We provide onsite workshops for community groups led by an international expert, to help them analyse their operations and identify opportunities for process improvements. The Salvation Army and Mission Australia both participated in workshops this year.

We bring together executives of not-for-profit groups at a financial management workshop held by the Macquarie Graduate School of Management. This year, 18 community leaders participated in this workshop, which also provides a forum for discussing the business

challenges of the not-for-profit sector.

Our Beyond Survival financial workshop for small business is also available to selected community organisations, free of charge.

We also provide a range of services for low income and vulnerable members of the community as set out on pages 22 and 23.

### The Asian earthquake and tsunami

The devastating events of December 2004 were shocking to people all around the world. In January 2005, Westpac announced a total commitment package of at least \$1 million to support relief efforts for the communities so terribly affected in our region.

Our package included an upfront donation of \$250,000 to the Oxfam Australia Asian Tsunami Appeal. We also collected donations for the appeal through branches and online, with over \$9 million collected through our network.

We waived all fees associated with donating to the tsunami appeals, including merchant service fees, to ensure aid agencies were not out of pocket. Under our existing Community Solutions banking package, no bank fees are charged on accounts held by community organisations raising funds for the tsunami appeal.

We enabled our existing Westpac Altitude credit card customers to use their accrued Altitude reward points earned on Altitude Mastercard, American Express and Visa cards to donate to the Oxfam Australia's Asian Tsunami Appeal.

Through our Matching Gifts program, our employees donated \$355,000, which we matched for a combined total of \$710,000.

Further funding of project and redevelopment initiatives, yet to be allocated, will take the total Westpac commitment to \$1 million.

### Financial literacy

The biggest area where we can help build capacity in the broader Australian community is financial literacy. This is coordinated through our Financial Literacy Working Group, and applies across our community involvement activities, Indigenous partnerships and programs, and through our mainstream business activities.

Our Financial First Steps™ program is our main initiative, and aims to help build basic money management skills for both our employees and the wider community. Developed by our Head of Responsible Lending, this free workshop covers a wide range of topics, including budgeting, saving, compound interest, risk and spending. It uses real-life scenarios of people in different financial situations and examines the pros and cons of different courses of action.

Within the reporting period 85 workshops were conducted bringing the total number of Financial First Steps™ workshops we have conducted to 1,135. We trained an additional 99 people as facilitators during the year, and now have 700 people accredited to run the workshop.

Financial First Steps™ is highly flexible and has been adapted for employees, school students, Indigenous communities, apprentices, and for local community workshops. We continue to explore the many different ways we can adapt and apply the course content.

In 2005, we have adapted the course to an electronic format to allow us to increase its impact. The prototype has been completed and we are looking to launch the final format in 2006.

### Human rights

Our commitment to key human rights instruments is set out within 'Our Principles for Doing Business'. We see our main responsibilities with regard to human rights to lie in a number of critical areas such as employee rights, the right to access finance for vulnerable and disadvantaged members of the community, Indigenous rights, effective corporate

Since the Matching  
Gifts program  
began in 1999,  
**\$9.3m**  
has been  
distributed

governance and the risk of human rights violations within our supply chain.

Throughout the year, we have reviewed our performance against a number of human rights frameworks, such as the OECD Guidelines for Multinational Enterprises. An independent review of our management of human rights was developed as a case study for the United Nations Global Compact. This has been submitted to the Global Compact and will be available on the Global Compact website shortly.

Our policies and management systems address human rights considerations in a number of areas, including unlawful discrimination, equal opportunity and diversity, working conditions, freedom of association, equitable access to banking services, financial literacy and Indigenous rights.

We also review supplier performance via our sustainable supply chain management system and in our mainstream risk approach to lending and investment through specific initiatives like the Equator Principles.

### Indigenous assistance

Our Indigenous assistance program aims to address the educational, financial and employment disadvantage of Indigenous Australians and their specific banking and financial needs. Our involvement is overseen by our internal Westpac Indigenous Working Group.

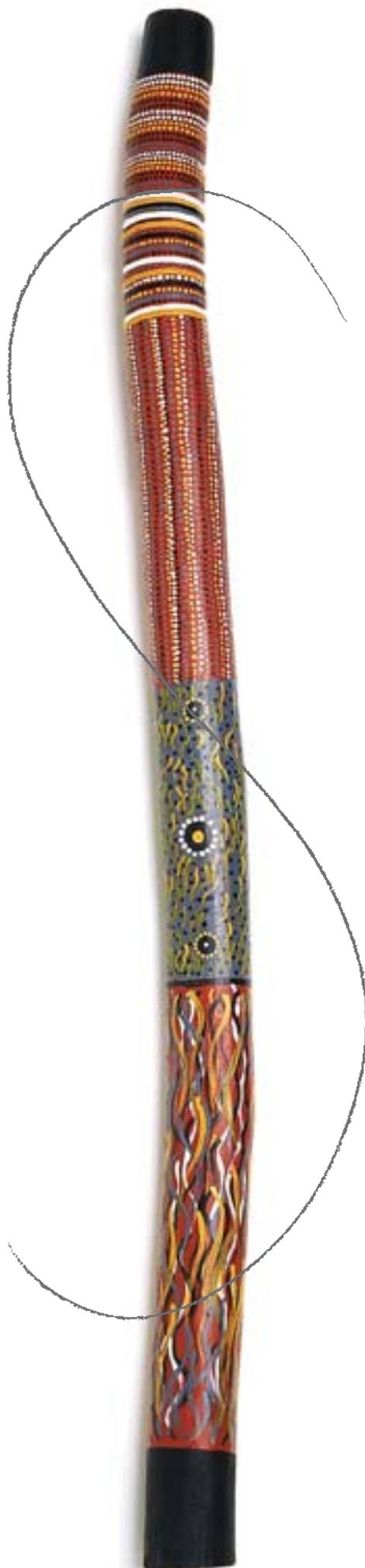
Our main commitment comes through our involvement with Indigenous Enterprise Partnerships in Cape York and through the Indigenous Capital Assistance Scheme, as detailed below. However, we are also involved in a wide-ranging variety of initiatives to support and promote Indigenous economic and social development.

In August 2005, the Australian Securities and Investments Commission (ASIC) granted Westpac a specific exemption under the Financial Services Reform Act to assist with the provision of banking services in remote Indigenous communities.

We were the first financial institution to initiate discussions with ASIC to gain a specific exemption under the Financial Services Reform Act, to ensure we can effectively support remote Indigenous communities accessing financial services and fully comply with the Act.

The exemption was granted under the Corporations Act 2001 and is 'Westpac specific'. It will assist authorised community representatives from remote Indigenous communities providing specific financial services to their community members such as opening bank accounts and identifying the financial account or product that most suits their needs.

Thirty-one remote Indigenous communities throughout the Northern Territory benefited from the decision and Cape York and other remote communities in Queensland will also be able to take advantage of the exemption.



Our initial commitment to the Indigenous communities of Cape York was to provide

**150**  
employees over a three-year period

Another important issue being addressed by ASIC is the practice of 'book-up' particularly in remote Indigenous communities. This involves merchants holding on to a customer's card and pin number and withdrawing money owed directly from the customer's account. In response, we have modified our Merchant Operating Guides and Terms and Conditions to actively discourage merchants from undertaking this practice.

#### Indigenous Enterprise Partnerships

Our main commitment to Indigenous assistance is our partnership with Indigenous Enterprise Partnerships, aimed at

developing financial literacy and economic self-sufficiency through our three primary programs, the Family Income Management (FIM) Scheme, Business Hubs and the Computer Culture Project.

The Family Income Management program now operates within five communities – Aurukun, Coen, Mossman Gorge, Weipa and Hopevale (with Weipa and Hopevale recent extensions in 2005).

During 2005 we have begun working with the FIM Working Group to introduce a new 'banking model' to underpin FIM. This will be supported through locally based FIM Resource Workers and Facilitators, the special exemption agreed with ASIC and through the support of Cairns area branches, which have each adopted a community to work with and mentor.

The Business Hub program in partnership with Balkanu Cape York Development Corporation has also involved over 80 secondees to date in communities right across Cape York. In addition, there are currently three full time fellowship employees working within Balkanu. As at the end of September over 60 business enterprises were being supported by Balkanu.

We have continued to support the Computer Culture project through Cape York Partnerships, with a mix of fellowships and secondments. Computer Culture is a tremendous project conjoining children with families in education.

Our initial commitment to the Indigenous communities of Cape York was to provide 150 employees over a three-year period, to work in the Cape region for one-month periods. As at 30 September 2005, we have supported 143 one-month secondees, 10 two-week David Williams Fellowships, four four-month secondees, 11 one-year fellowships and a full time Project Manager since November 2001.

We have since recommitted to our partnership with Indigenous Enterprise Partners for a further three years. This commitment will allow us to work with our partners to build on the learning and trust of the first three years and build on what we have achieved to date.

As reported last year, toward the end of our initial three-year term we commissioned our assurance provider, Banarra, to review our Cape York program against the AA1000 Assurance Standard. We have since responded to a number of the key findings.

We have conducted a risk assessment of the program as it operates on the ground and subsequently implemented compulsory 4WD driver training in response to one of the key issues identified. We have also instituted an annual onsite review with our partners to agree priorities for the next year. Throughout the year, we have also supported more visits to the Cape by senior executives as well as a Westpac Director.

In 2006, we are looking to complete an onsite OHS review, further strengthen re-entry processes for employees on return from their secondment and involve more senior executives in the program.

@ More information on the Cape York Indigenous Enterprise Partnership is available at [www.westpac.com.au](http://www.westpac.com.au) under the 'Westpac info' tab.



### Indigenous Capital Assistance Scheme (ICAS)

We are nearing completion of two years in delivery of the Indigenous Capital Assistance Scheme (ICAS), an Australian Government initiative under the Indigenous Employment Policy, as administered by the Federal Department of Employment and Workplace Relations.

The scheme aims to support eligible Indigenous businesses with finance from \$50,000 to \$500,000 and subsidised interest for the first three years. In addition, eligible businesses are entitled to free business advisory services and the reimbursement of fees for Professional Services purchased from accredited and registered accountants, lawyers, tax advisers and training supplied by a Registered Training Organisation.

Our national network of specialist Business Bankers who have completed accreditation as ICAS champions have received over 100 enquiries for finance this year.

A key component of the program is the provision of business mentor services through another ICAS partner, Indigenous Community Volunteers

(ICV). ICV assists Indigenous businesses by providing access to business planning, management and technical advice. We encourage our employees to volunteer as mentors with ICV through a mentor site on our Intranet which has information about ICV and how to apply.

### Financial literacy for Indigenous Australians

Many of the problems with financial literacy and education present in the wider community are particularly acute in Indigenous communities. In response, we have developed an Indigenous version of our Financial First Steps™ program. This has been undertaken with the assistance of the community of Coen, utilising components of the original workshop and linking it with stories more relevant to Indigenous communities.

As a key component of the ASIC specific relief, we have also used the 'Banking Story' developed by Westpac, which aims to overcome language barriers by providing illustrations of key aspects of opening and operating a bank account. We have supported this with our 'Let's Talk about your banking choices' program.

### Communication and advocacy

Westpac is a member of the national committee for the 'UN International Year of Micro-Credit' with its particular focus on Indigenous Micro Enterprise Development.

Throughout the year, we have participated in a number of forums to share our experience, help build capacity and improve understanding of the issues. These have included the National Reconciliation Planning Workshop in Canberra, the International Conference on Engaging Communities in Brisbane, Council of Australian

Governments (COAG) APY Lands Taskforce and the Centre for Corporate Public Affairs Tele-symposium series.

Perhaps the one we are most proud of is the Trans-Tasman Indigenous forum conducted in February 2005, in Auckland, New Zealand. As an initiative of the Indigenous Working Group, we hosted a series of meetings between Indigenous Australian leaders and Maori leaders to share knowledge, skills and experience. This enabled community leaders to openly discuss the issues. Feedback from all participants has indicated that this was a very worthwhile experience and one which we will look to replicate in Australia in the future. 

Our accredited  
Indigenous Capital  
Assistance Scheme  
champions have  
received over  
**100**  
enquiries for  
finance this year

## SOCIAL

### To do – 2006

#### Objectives

- Enhance our product and service offering for the not-for-profit community sector.
- Continue to provide value to our community partners utilising our networks, resources and expertise.
- Launch electronic version of Financial First Steps™.
- Host the second Trans-Tasman Indigenous forum in Australia.
- Maintain total community contributions above 1% of pre-tax profits.