



# notice of meeting

FOR 2006 ANZ ANNUAL GENERAL MEETING

# notice of 2006 annual general meeting

Notice is given that the thirty eighth Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the Sydney Convention and Exhibition Centre, Bayside Auditorium B, Darling Drive, Darling Harbour, Sydney, New South Wales on Friday, 15 December 2006 at 10.00am (Sydney time).

## Ordinary Business

### 1 ANNUAL REPORTS

To consider the Concise Annual Report, Financial Report and the Reports of the Directors and of the Auditors for the year ended 30 September 2006.

### 2 RE-ELECTION OF DIRECTORS

#### (a) To re-elect a director – Mr J.K. Ellis

Mr Ellis retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

#### (b) To re-elect a director – Ms M.A. Jackson, AC

Ms Jackson retires in accordance with the Company's Constitution and, being eligible, offers herself for re-election.

### 3 ADOPTION OF THE REMUNERATION REPORT

To adopt the Remuneration Report for the year ended 30 September 2006.

The vote on this resolution is advisory only.

## Entitlement to attend and vote

The Board has determined that, for the purposes of the Meeting (including voting at the Meeting), members are those persons who are the registered holders of shares at 7.00pm (Sydney time) on Wednesday, 13 December 2006.

## Voting by Proxy

A member who is entitled to attend and cast a vote at the Meeting may appoint a proxy.

A proxy need not be a member. A person can appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting.

A member who is entitled to cast 2 or more votes may appoint up to 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

The following addresses are specified for the purposes of receipt of proxy appointments and any authorities under which proxy appointments are signed (or certified copies of those authorities):

#### Australia

ANZ Share Registry  
GPO Box 242  
Melbourne  
Victoria 3001  
Australia

ANZ Share Registry  
Yarra Falls  
452 Johnston Street  
Abbotsford  
Victoria 3067  
Australia

#### United Kingdom

ANZ Share Registry  
PO Box 82  
The Pavilions  
Bridgwater Road  
Bristol BS99 7NH  
United Kingdom

#### New Zealand

ANZ Share Registry  
Private Bag 92119  
Auckland 1020  
New Zealand

Proxy appointments and any authorities under which they are signed (or certified copies of those authorities) may be sent by fax to facsimile number (61 3) 9473 2555.

Members may also submit their proxy instructions electronically to ANZ's Share Registry by visiting the Company's website [www.anz.com](http://www.anz.com) and clicking on the following links: shareholders (top of page) > Annual General Meeting (left hand side) > Electronic Proxy Form (body of text).

To be effective, a proxy appointment and, if the proxy appointment is signed by the member's attorney, the authority under which the appointment is signed (or a certified copy of the authority) must be received by the Company at least 48 hours before the Meeting.

For more information concerning the appointment of proxies and the addresses to which proxy forms may be sent, please refer to the reverse side of the proxy form.

## Voting by Attorney

A member may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the Meeting.

## Corporate Representatives

A body corporate which is a member, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

By Order of the Board



Tim L'Estrange  
Secretary  
Melbourne  
15 November 2006

## Explanatory Notes

### ITEM 2 RE-ELECTION OF DIRECTORS

Mr Ellis and Ms Jackson retire in accordance with the Company's Constitution. Both of these Directors offer themselves for re-election.

Candidates for re-election as Directors:

#### Mr Ellis

Mr J.K. Ellis  
MA (OXON), FAICD, HON FIE AUST, FAus IMM,  
FTSE, HON DR ENG (CQU)

Company Director

Director since October 1995.

Mr Ellis is a member of the Risk Committee and the Audit Committee. He is Chairman of Pacifica Group Limited, Landcare Australia Limited, the Earth Resources Development Council, Future Directions International Pty Ltd and Golf Australia. He is also Chancellor of Monash University and a Consultant to the Monash Energy Advisory Board.

Mr Ellis is a former Chairman of Broken Hill Proprietary Company Limited, Black Range Minerals Limited, the Australia-Japan Foundation and the National Occupational Health & Safety Commission, and a former Director of GroPep Limited and the Australian Minerals & Energy Environment Foundation.

Lives in Melbourne. Age: 69.

A trained engineer, Mr Ellis brings to the Board his analytical skills together with his practical understanding of operational issues, investments and acquisitions across a range of sectors including natural resources, manufacturing, biotechnology and education.

**Board Recommendation:** The Board (excluding Mr Ellis because of his interest) endorses the re-election of Mr Ellis as a Director.

#### Ms Jackson, AC

Ms M.A. Jackson, AC  
B Ec, MBA, HON LLD, FAICD, FCA

Company Director

Director since March 1994.

Ms Jackson is Chairman of the People Committee and a member of the Audit Committee. She is Chairman of Qantas Airways Limited and a Director of Billabong International Limited.

Ms Jackson is also Chairman of the Asia Pacific Business Coalition on HIV/AIDS, a Director of the Brain Research Institute, and a member of the Executive Committee Australia-Japan Business Co-operation and the Business Council of Australia Chairman's Panel.

Ms Jackson is a former Deputy Chairman of Southcorp Limited, former Co-Chairman of the Australia NZ Leadership Forum, former Director of John Fairfax Holdings Limited and the Howard Florey Institute of Experimental Physiology and Medicine, and former partner of KPMG Peat Marwick.

Lives in Melbourne. Age 53.

A Chartered Accountant with significant financial expertise, Ms Jackson has broad industrial and commercial experience including her involvement in transportation, mining, the media, manufacturing and insurance. This expertise coupled with her work in health and education contribute to her role on the Board.

**Board Recommendation:** The Board (excluding Ms Jackson because of her interest) endorses the re-election of Ms Jackson as a Director.

### ITEM 3 ADOPTION OF THE REMUNERATION REPORT

As required by the Corporations Act, the Board is presenting the Remuneration Report to the members for consideration

and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between the remuneration policy and the Company's performance;
- a detailed summary of relevant performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for key management personnel (including the Directors of the Company, and the relevant executives who received the highest remuneration for the period ended 30 September 2006).

The Remuneration Report, which is part of the 2006 Concise Annual Report, has been sent to members (except those who have made an election not to receive the Concise Annual Report). Copies of the Remuneration Report are available by contacting ANZ's Share Registry or by visiting the Company's website [www.anz.com](http://www.anz.com) and clicking on the following links: [shareholders \(top of page\)](#) > [Annual General Meeting \(left hand side\)](#) > [Concise Annual Report 2006 Part 2 of 2 – Concise Report \(body of text\)](#).

**Board Recommendation:** The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the performance of the Company and competitive with the external market. On this basis, the Board recommends that members vote in favour of Item 3.

## Undirected Proxies

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

The explanatory notes which accompany this notice of meeting are contained on this page 2, and the description of the items of business to be voted on by members at the Meeting concludes here.

Statement regarding  
Global Outsourcing  
received from  
shareholders pursuant  
to section 249P of  
the Corporations Act  
2001 (Cth)

ANZ has received a Statement (the Statement) from a number of shareholders pursuant to section 249P of the Corporations Act 2001, with the request that the Statement be considered at the 2006 Annual General Meeting. The Statement is contained within this notice of meeting, and concerns the issue of Global Outsourcing, sometimes known as Offshoring.

The Statement was provided to ANZ by the Finance Sector Union (FSU) on behalf of a number of shareholders and we welcome their input into this issue.

In order to advance discussion, the following outlines ANZ's perspective on offshoring and its response to the Statement provided by the FSU.

Already, many of our international financial services competitors operating in Australia have offshore operations support for their Australian businesses.

In order to compete against these larger global competitors, Australian companies need to be able to utilise the full range of competitive tools, including offshoring.

At the same time we understand the concern offshoring causes amongst some Australians. We believe offshoring can be balanced with the interests of our stakeholders including customers, staff and the community.

For example, in 2005 we issued a policy that no Australian customer facing roles would be moved offshore. At the same time, we are increasing employment in Australia, and since 2002 we have added around 3,000 full-time employees.

#### WHAT IS ANZ DOING IN INDIA?

ANZ has owned a technology business in Bangalore, India since 1989.

During the past 17 years, it has established a specialist capability in developing and managing software and technology for many of ANZ's systems. In recent years it has also developed a capability to support ANZ's operations functions.

Today, ANZ employs about 1,400 people in Bangalore most of whom are in information technology development roles (about 1,100 people).

This reflects Bangalore's development as a global technology centre with many of the world's largest companies including IBM and Microsoft, basing key parts of their technology and operations support functions there.

ANZ is approaching the development of our facility in Bangalore differently to some other Australian companies.

- **ANZ operated and controlled.** We operate the facility ourselves. Functions are undertaken by ANZ staff, in ANZ premises, operating under ANZ's rules and procedures.

- **Call centres to remain in Australia.** ANZ understands Australian customers want to be able to talk to staff in Australia about their banking and financial services needs. All customer contact roles including call centre roles will remain in Australia. Our Australian Customer Call Centre has been independently recognised as the best call centre in Australia for three years in a row.

- **Customer records remain in Australia.** Central records for our Australian customers are located in Australia and will remain located in Australia. They are subject to Australian law and privacy standards and where there is a need to access data by ANZ staff in other countries, that access accords with ANZ's global information security and privacy policies.

- **High standards for privacy and security.** Staff in Bangalore operate under the same ANZ policies and controls that we have in place in Australia, including high standards of privacy and confidentiality. ANZ invests in comprehensive information security systems, staff training and compliance monitoring. We have a specific promise in our Customer Charter to keep customer information private and secure.

- **Increasing opportunities at ANZ.** Where we do transfer roles to Bangalore, our focus is on redeployment and internal mobility to ensure we retain as many people as possible in roles within ANZ in Australia.

For example, many of the 300 staff affected by last year's decision to base information technology roles in Bangalore have found other roles within ANZ.

- **Increasing Australian jobs.** Over the last four years we have added about 3,000 extra staff in Australia and in 2006 we have employed almost 700 additional Australian staff. We are investing in new branches, expanding our ATM network, and increasing the number of people in our branches.

- **Supporting our staff.** ANZ has made commitments to its staff to help those affected by change. This includes retraining staff who wish to continue their careers at ANZ and giving them priority for vacant roles within the Bank; and career counselling and support services to help others identify opportunities outside ANZ.

#### ENGAGING WITH THE FSU

- ANZ has engaged constructively with the FSU on issues affecting its members through regular briefings, information sharing and dialogue at all levels. ANZ has created a forum in which FSU representatives meet regularly with ANZ to deal with project implementation issues and broader initiatives.

#### OTHER CONCERNS RAISED IN THE STATEMENT

##### Australian Workforce Skills

ANZ recognises our people are our most important asset. The quality of our people is ANZ's main source of competitive advantage over our peers, and we will continue to invest in their development.

For example:

- ANZ strongly encourages staff to pursue further education and learning. In 2006 we invested more than \$50 million in the education of our people. In Australia, our investment in education grew 23% to \$41 million.

- More than 19,300 self-paced study courses, 22,800 facilitated courses and 245,000 e-learning courses were completed by our staff last year.

- ANZ is investing heavily in learning facilities. In 2007 we plan to launch the ANZ Learning and Innovation Centre in Melbourne. This facility will be a world-class centre for learning and innovation which will see more than 100 people receive learning programs each day.

We invite you to read the Statement on the next page.

## Statement pursuant to Section 249P of the Corporations Act 2001 received from the Finance Sector Union

### SHAREHOLDERS CONCERNED ABOUT RISKS TO REPUTATION ARISING OUT OF GLOBAL OUTSOURCING

We are concerned about the impact of Global Outsourcing strategies of companies in the Australian finance industry, that could result in Australian based jobs and customer databases being sent offshore.

As shareholders in ANZ, we are concerned that such strategies can affect a company's reputation particularly with respect to:

- employees losing their jobs;
- the future of employment and skills in the finance industry; and
- the security and privacy of consumers' sensitive financial data.

The potential nature and scale of global outsourcing is massive. In 2005 the OECD predicted that over 70% of all Australian finance sector jobs could be performed offshore<sup>1</sup> – this would equate to over 200,000 jobs. This would greatly exceed the number of full time banking jobs lost during the 1990's as a consequence of restructuring and the closure over 2,200 retail branches.

We recognise that ANZ has worked extremely hard over recent years to improve its relationship with customers and has invested in the retail branch network to recover the deterioration associated with that period of branch closures and cost cutting.

It is critical that the Board of ANZ consider all the potential risks that could arise out of Global Outsourcing and avoid any potential future damage to its brand, reputation and relationships with staff, communities and consumers.

### STAFF CONCERNS

ANZ staff, as key stakeholders in the company, are concerned about the impact of Global Outsourcing that results in jobs, skills and future opportunities going offshore. This could have serious impacts on the morale of staff.

### CONSUMER CONCERNS

We are mindful of research recently conducted by McNair Ingenuity<sup>2</sup> that clearly demonstrates that Australian consumers are concerned about Global Outsourcing and that it could influence their decisions about their banking relationships. The results of that survey were as follows:

- 96% agree that Australian companies have a responsibility to invest in Australian jobs and skills;
- 82% agree that they would consider changing to a different bank, if they knew that their bank was sacking Australian workers and sending their jobs offshore;
- 85% support the call for the Federal Government to require banks to inform customers if they are storing personal information overseas;
- 91% agree that their personal information should not be stored offshore without written permission;
- 85% were concerned for the security of their personal data if it moves offshore.

There is an array of customer identity, privacy and data security issues that emerge when sensitive data is processed or stored offshore beyond the reach of domestic legislative protection.

### INTO THE FUTURE

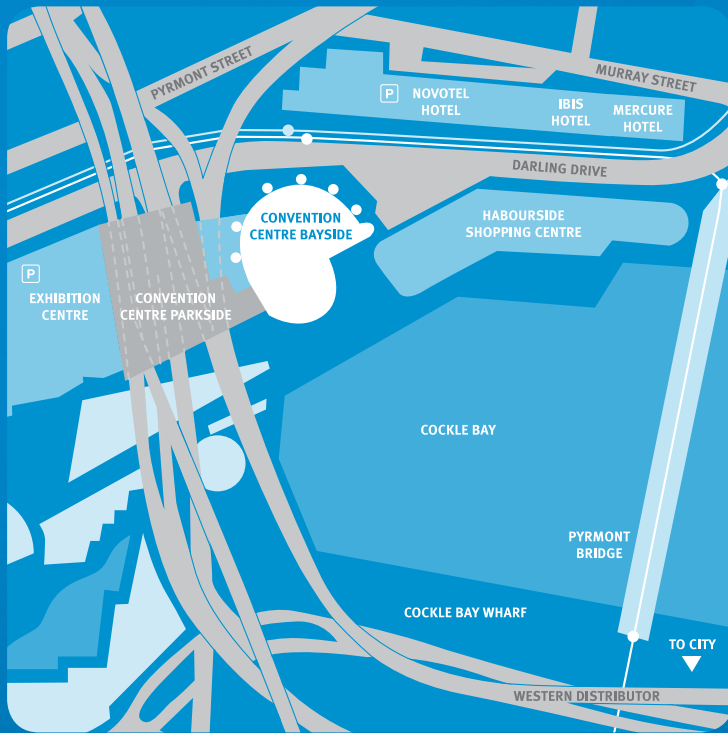
As shareholders, we appreciate that this is an extremely complex issue and requires careful strategic consideration by the Board of ANZ.

This requires thorough scrutiny by the Board of any future strategy that could result in a significant transfer of banking functions and the elimination of a number of Australian based jobs. Such an outcome may not be in the long term interests of the company and its shareholders.

Accordingly, in the interests of mitigating any risks to the reputation of the Bank, we encourage the Board to engage with key stakeholders, including staff and their representatives, consumers and other relevant members of the community on Global Outsourcing issues.

1 OECD, 2005. *Potential Offshoring of ICT-Intensive using occupations*

2 McNair Ingenuity, May 2006. *Attitudes to Offshore Labour*



**AGM LOCATION** Sydney Convention and Exhibition Centre, Bayside Auditorium B, Darling Drive, Darling Harbour, Sydney, New South Wales



Australia and New Zealand Banking Group Limited  
[www.anz.com](http://www.anz.com) ABN 11 005 357 522