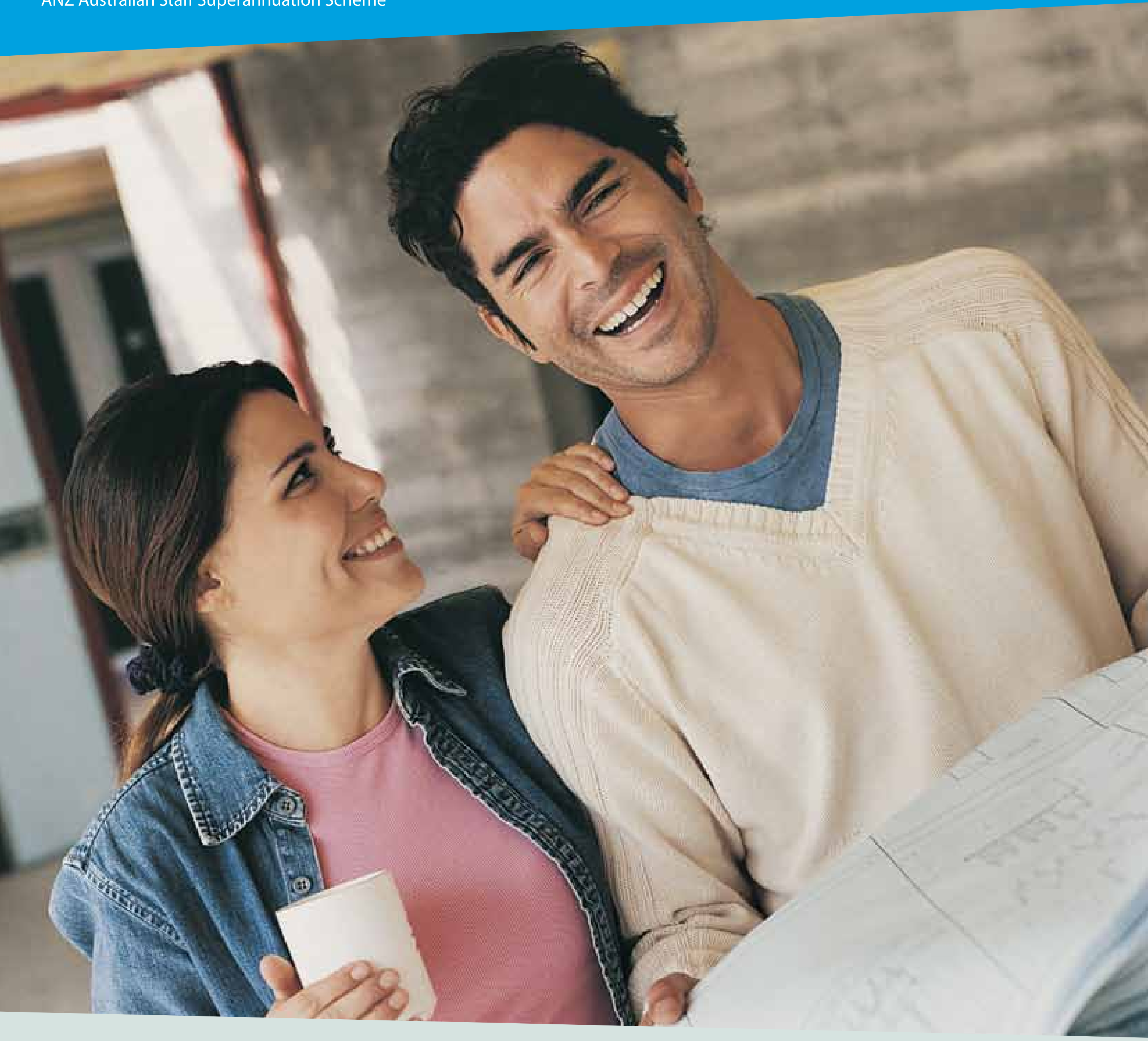
ANZ Australian Staff Superannuation Scheme



Building your future

2010 Annual Report

YEAR ENDED 31 DECEMBER 2010

ANZ

Contents

This 2010 Annual Report is issued by ANZ Staff Superannuation (Australia) Pty Limited ABN 92 006 680 664 AFSL 238268 RSEL L0000543, Trustee of the ANZ Australian Staff Superannuation Scheme ABN 83 810 127 567 RSE R1000863.

In this Annual Report, we refer to the ANZ Australian Staff Superannuation Scheme as either "the Scheme" or "the ANZ Staff Scheme". Any references to ANZ Staff Super are to the administrator of the Scheme, and references to other schemes or schemes in general appear in lower case. The information in this Annual Report is accurate to the best of our knowledge at the date of printing.

This Annual Report is not intended, and should not be construed, to constitute financial advice or take the place of a licensed financial adviser briefed on your individual circumstances. No person should act or not act solely on the information provided. This document doesn't take into account what you currently have or what you want and need for your financial future. It is important for you to consider these matters. Read your Product Disclosure Statement and consider consulting a licensed financial adviser before you make decisions in relation to your superannuation.

Formal legal documents ultimately govern the operation of the Scheme, including the Scheme's Trust Deed and Rules and relevant legislation. Should there be any discrepancies between the information in this Annual Report and the actual provisions in the Trust Deed and Rules, the Trust Deed and Rules will prevail. You may obtain a copy of the Trust Deed and Rules from ANZ Staff Super (see page 35 for contact details).

Published: May 2011

Chairman's message

It is my pleasure to introduce this Annual Report for the ANZ Australian Staff Superannuation Scheme.

Spotlight on super

Since the Superannuation Guarantee was introduced in 1992, Australian super has been evolving. Every year has brought changes that have helped mould super to fit the current and future needs of Australians.

Although 2010 brought few major changes to super, the 'Cooper Review' (released in June 2010) proposed a number of significant changes to the super system. The review is perhaps the most thorough examination of superannuation since its inception.

Some of these proposed changes include:

- A new super product known as 'MySuper' to be offered to cater for employees seeking a low involvement, 'set and forget' approach to managing their super
- Enhancements to back office super administration (known as 'Super Stream')
- Increased power to and involvement of the Australian Prudential Regulatory Authority (APRA) in regulating super funds; and
- Changes to death and disablement and income protection insurances offered by funds.

Following the Government's initial response to the review's recommendations (177 in total) the Government is consulting with a number of key industry advisers on the proposed changes and their implementation. At this stage, many of the recommendations appear likely to be legislated. We will eagerly watch developments as they unfold, and will keep you informed of any resultant changes.

Market performance

The Scheme's investments have performed well for the period, with three of the Scheme's options ending the year as top quartile performers in the 'Rainmaker' database, which compares 1,580 investment options across 129 super funds.

This robust performance is encouraging, particularly in light of some market volatility experienced during the period resulting from Europe's sovereign debt challenges. A number of southern European nations, Greece in particular, appeared to be close to defaulting on debts owed. This looked likely to spark a major ripple in the global banking system, but was salvaged by a crisis fund created by the International Monetary Fund in May 2010. Strong performance in other sectors contributed to the year's overall growth; valuable ground has been recovered following losses incurred as a result of the 2008/09 Global Financial Crisis.

The Trustee continues to closely monitor investment performance and exposure to key asset classes, and will carry on seeking the best returns for members whilst balancing the risks involved. You can read more about the Scheme's investment returns for 2010 on page 10, and see the full list of investment managers on page 20.

Your partnership

As we progress through the new year, I encourage you to be an active partner in developing your super with the Scheme. By tailoring your choices and accessing the services available to you, you are giving your retirement savings the best opportunity to achieve your expectations.

I'd like to take this opportunity to remind you that as a member, you have access to:

- A choice of any combination of four diversified investment options
- A choice of insurance cover for death, disability and salary continuance (for employee members only)
- Competitive account management fees
- Financial planning advice via a facility with certain accredited ANZ Financial Planners where eligible members can have the fee for Scheme-related advice deducted from their account
- Comprehensive online and phone support; and
- Access to account based pensions (including transition and retirement pensions).

It's encouraging to note that many of our members have actively made an investment choice for their Scheme super. Making an active choice – selecting one or a mix of the Scheme's four diversified investment options – allows you to tailor your super investment to your personal circumstances and retirement savings goals.

If you are unsure of the best choice, the Scheme's online Retirement Planner allows you to model the impact of different choices on your projected balance. You may also wish to consider accessing personal financial advice about your super through the arrangement between the Scheme and ANZ Financial Planning.

Together with the Trustee and Scheme management, I look forward to continuing our partnership with you to build your future.

Russell Rechner
Chairman

Scheme snapshot for 2010

Returns

Returns for all investment options for the year ended 31 December 2010 have been positive, reflecting solid performance across all major asset classes over 2010.

Option	1 year	3 year	5 year
Aggressive Growth	4.4%	–4.7% p.a.	1.5% p.a.
Balanced Growth	7.3%	–1.7% p.a.	2.9% p.a.
Cautious	7.6%	2.5% p.a.	4.5% p.a.
Cash	4.5%	4.9% p.a.	5.5% p.a.

ABP and TRAP returns

Account Based Pension (ABP) and Transition to Retirement Account Based Pension (TRAP) members, whose investment income is exempt from tax, had the following returns:

Option	1 year	3 year	5 year
Aggressive Growth	4.7%	–5.3% p.a.	n/a
Balanced Growth	8.4%	–2.0% p.a.	3.1% p.a.
Cautious	9.0%	3.1% p.a.	5.0% p.a.
Cash	4.7%	5.1% p.a.	n/a

Note:
Average returns for the Aggressive Growth and Cash options over 5 years are not available for the ABP Section because the inception dates for these options are November 2006 and March 2007 respectively.

Membership in 2010

Employee members

2010 = 23,016 2009 = 21,725

RBA members

2010 = 9,180 2009 = 8,000

SCA members

2010 = 288 2009 = 289

ABP (including TRAP) members

2010 = 252 2009 = 223

Pensioners

2010 = 203 2009 = 247

- 6% growth in employee membership
- 15% growth in RBA membership
- 13% growth in ABP membership

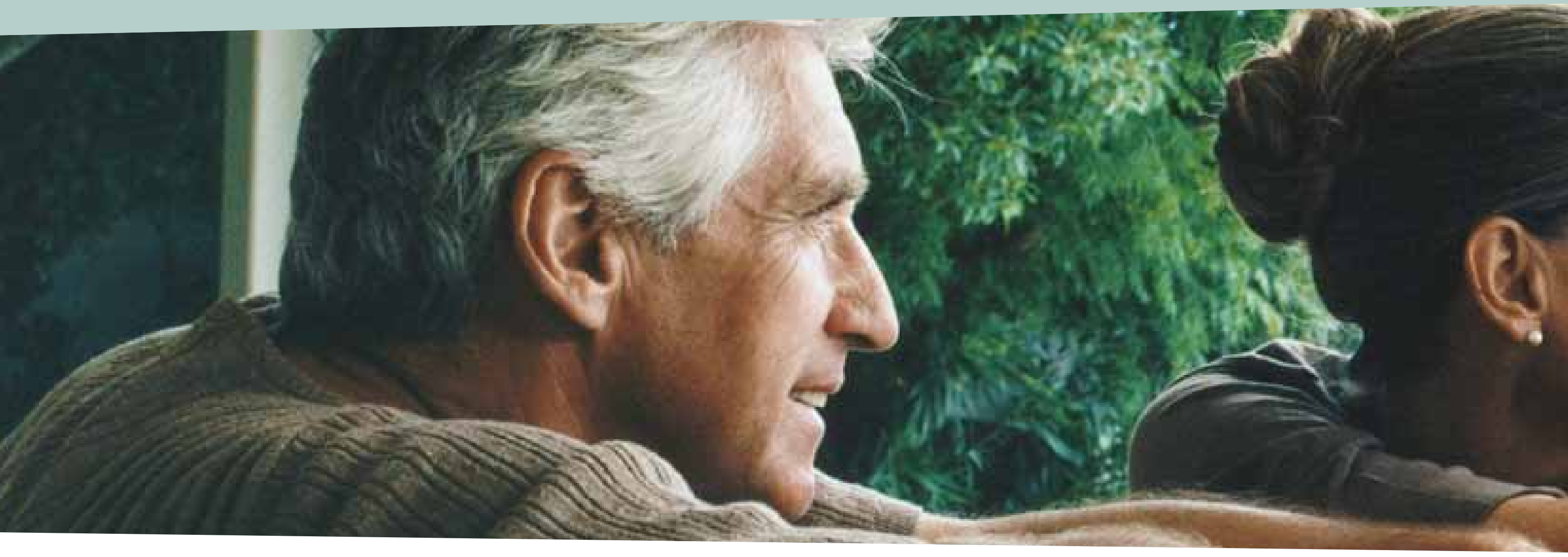
Your Scheme

The range of features and benefits offered by the hundreds of super funds in Australia differ widely. If you're thinking of changing funds, you should consider all of the features and benefits on offer in light of your own personal circumstances and investment needs.

Section A	• For full and part-time employees of ANZ and associated companies in Australia. • Section A offers all the features you would expect of a modern, progressive superannuation scheme.
Section C	• For full and part-time employees of ANZ and associated companies in Australia who joined prior to 4 July 1997, unless they have elected to transfer to Section A. • Closed to new entrants.
Retained Benefit Account (RBA) Section	• For members of Section A, Section C or the SCA Section who would like to continue their membership with the Scheme when they leave employment with ANZ or are no longer eligible to remain in the SCA Section. • Eligible to be your chosen fund with your new employer so you can continue to have contributions paid to your account.
Spouse Contribution Account (SCA) Section	• For eligible spouses of members of the Scheme who are currently or were formerly ANZ employees. • Eligible to be your chosen fund with your employer so you can continue to have contributions paid to your account.
Account Based Pension (ABP) Section (including TRAPs)	The Scheme offers two retirement income options: • Account Based Pensions for members who have reached their preservation age (currently age 55) and retired from the workforce. Account Based Pensions enable members who have retired to convert their lump sum superannuation benefits into a flexible and tax-effective income stream. • Transition to Retirement Account Based Pensions (TRAPs), which give members who have reached their preservation age, but are still employed, an opportunity to take up to 10% of their superannuation each year as a tax-effective income stream as they approach retirement. This gives you flexibility as you move towards retirement to scale back your work hours without necessarily scaling down your income or, in combination with salary sacrifice contributions, to potentially increase your super savings while maintaining your after-tax income. You can draw an income from a TRAP while continuing to work and contribute to your accumulation account in Section A, Section C, the RBA Section or the SCA Section.

Feature	Section A	Section C	RBA	SCA	ABP	TRAP
Opportunity to make voluntary personal contributions to the account (and receive Government co-contributions, if eligible)	✔	✔	✔	✔	✗[3]	✗[3]
Able to accept contributions from other employers	✔	✔	✔	✔	✗[3]	✗[3]
Ability to rollover money from other funds	✔	✔	✔	✔	✔[4]	✔[4]
Investment choice – choose one or a combination of the Scheme's investment options: Aggressive Growth, Balanced Growth, Cautious or Cash	✔	✔	✔	✔	✔	✔
No entry, exit, transfer, withdrawal, rollover, investment switching or contribution fees	✔	✔	✔	✔	✔	✔
Investment management fees	✔[1]	✔[1]	✔[1]	✔[1]	✔[1]	✔[1]
Account management fee (0.7% p.a. of the amount invested, subject to a maximum of $500,000 – no fees apply to the account balance in excess of $500,000)	✗	✗	✔	✔	✗	✗
Account management fee (0.5% p.a. of the amount invested, subject to a maximum of $500,000 – no fees apply to the account balance in excess of $500,000)	✗	✗	✗	✗	✔	✔
Death cover	✔	✔	✔[2]	✔[2]	✗	✔[5]
Total and Permanent Disablement (TPD) cover	✔	✔	✗	✗	✗	✔[5]
Voluntary salary continuance cover	✔	✔	✗	✗	✗	✔[5]
Weekly unit pricing	✔	✔	✔	✔	✔	✔
Access to an interactive website housing your account information in a secure section	✔	✔	✔	✔	✔	✔
A say in the running of the Scheme via Trustee elections	✔	✔	✔	✔	✔	✔
Monthly payments from account	n/a	n/a	n/a	n/a	✔	✔
Lump sum withdrawals from account after reaching preservation age	✔	✔	✔	✔	✔[2]	✗
Ability to have fee for Scheme-related financial advice from accredited ANZ financial advisers deducted from Scheme account	✔	✔	✔	✔	✔	✔

1. Investment management fees range from 0.09% p.a. to 0.48% p.a. of your account balance, depending on your investment option. These fees are deducted before unit prices are declared.
2. Conditions apply. Contact the Scheme for details.
3. Alternative options may be available. Contact the Scheme for details.
4. On commencement of pension only – alternative options may be available. Contact the Scheme for details.
5. Insurance may be able to continue in Section A, Section C, SCA or RBA (if applicable). Contact the Scheme for details.



Investment markets overview

2010 in review

2010 saw the global economy continue to recover. Other than the June 2010 quarter, investment markets were mainly positive over 2010, although restored investor confidence was somewhat tempered by lingering concerns over the strength of the economic recovery, continuing sovereign debt risks and the prospect of further volatility, which have carried over into 2011.

Share markets recovered from early losses at the start of 2010 to finish the March 2010 quarter strongly. Bond markets posted small gains, but lagged the share markets. The Australian dollar continued to appreciate against other major currencies.

The momentum of global economic recovery appeared to have peaked early in the second quarter of 2010 as financial markets were negatively impacted by escalating European sovereign debt risks and slowing growth in China. By mid-year, a weaker outlook for global growth over the rest of the year and into early 2011 prevailed.

However, the third quarter ending 30 September 2010 saw a strong recovery in share markets as a range of global developments saw investors' appetite for risk return.

The final quarter of 2010 saw economic conditions regain momentum and investor confidence grow. This growing confidence in the global economic recovery resulted in share markets and commodities rallying strongly towards the end of 2010. As further evidence emerged to suggest there was little prospect of a "double dip" global recession, investor confidence returned and global share markets rose.

Improved economic conditions saw global and domestic bond yields begin to rise and the Australian dollar continued to appreciate, ultimately moving above parity with the US dollar in December 2010 (a level not seen since July 1982). Global share and property markets performed better than their local Australian counterparts.

Yet, the year still ended with lingering concerns and the prospect of further volatility.

All of the Scheme's investment options achieved positive returns in 2010. However, the performance achieved by key asset classes and increasing strength of the Australian dollar impacted on their investment returns to varying extents based on their strategic asset allocations and hedging ratios.

The adverse impact of the increasing value of the Australian dollar on international shares had a more marked impact on the Aggressive Growth option than the Balanced Growth option because the Aggressive Growth option has a higher allocation to international equities and lower hedging ratio. At the other end of the spectrum, the Cautious and Cash options benefited more from the improved fixed interest yields and rising cash rates as they have much higher allocations to these asset classes.

The outlook for 2011

Most developed world economies grew modestly in the first quarter of 2011, and developing world economies grew strongly. Encouraging developments to date include:

- **The recovery underway in the US** — Employment growth appears to be (slowly) gaining momentum in the US, whilst the recovery in household incomes and credit availability appears to be prompting a stirring in housing demand. This should help limit further downside in housing prices.
- **European economic recovery** — The difficulties faced by the heavily indebted peripheral EU members has consistently overshadowed more positive signs coming out of Europe in 2010. Germany enters 2011 with business and consumer confidence at record highs, despite pending fiscal consolidation. Elsewhere in Europe, in both the core and parts of the periphery (and including the UK), a large number of economies are also continuing to show signs of modest recovery.
- **Prospect of further growth in China** — Policy tightening is not yet at a sufficiently advanced stage to threaten a material slowing in China's GDP growth, particularly against the backdrop of the recovery in global consumer (and Chinese export) growth.

Despite the encouraging improvements in growth prospects, investment markets remain volatile. This volatility was demonstrated in the aftermath of the devastating earthquake and tsunami in northern Japan.

Investment markets and consequently returns remain susceptible to a wide range of events, including natural disasters, geo-political concerns (such as the political instability in northern Africa and the Middle East), changes in monetary policy, and movements in investor sentiment.

Your investment returns

Your account in the Scheme is invested in one (or more) of the four investment options available. These options are invested in both local and international investment markets in growth or defensive assets, or a mixture of both.

Unit prices

Your account in the Scheme is recorded as a unit holding in one or more of the Scheme's underlying investment options.

There are different types of units depending on the investment option(s) in which your account is invested. The unit price of a particular investment option is the value of its net assets divided by the number of units on issue. The "value of net assets" is the current market value of assets in an investment option, after deducting current liabilities such as accrued investment tax (where applicable) and investment related expenses.

Unit prices are set weekly or more frequently as determined by the Trustee. As asset values fluctuate, unit prices will go up and down. Over time, we would expect unit prices to increase because assets gain in value and investment income is reinvested. However, there will be times when the market value of assets declines causing unit prices to go down. The investment return for each investment option is calculated as the percentage change in unit prices for the year, to provide a measure of investment performance.

Unit prices are available on the Scheme's website under the *Investments* menu– click on *Unit Prices* and select the *Super members* option if you are a Section A, C, RBA or SCA member or *Pension members* option if you are an ABP or TRAP holder.

Measuring investment performance

With the exception of pensioner beneficiaries, the investment earnings for each member depend on the number, prices and types of investment units held, acquired or relinquished during the year.

The investment return for each investment option is calculated as the percentage change in unit prices for the year to provide a measure of investment performance. The investment returns for each option are set out on pages 12 to 15, together with details of the investment returns and distribution rates of previous years. Remember, past investment returns are not necessarily indicative of future performance.

Investment income earned in the Account Based Pension Section is exempt from tax. Therefore, returns for each investment option will generally be higher for ABP and TRAP members than for other members of the Scheme, though this is not always the case. Where applicable, the investment returns and unit price information for the ABP Section and other sections are shown separately.

Investment returns

Aggressive Growth

Net investment return **4.4%**
Sections A, C, RBA & SCA

Net investment return **4.7%**
ABP Section

The Aggressive Growth option has a heavy weighting to growth assets (such as shares and property). While this option achieved a positive investment return for 2010, its return was subdued by the increasing strength of the Australian dollar. When the value of the Australian dollar rises relative to other currencies, international shares become worth less in Australian dollars. For international shares the Aggressive Growth option's profile hedges 30% of this risk which provides some protection against the strengthening Australian dollar.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2010	$1.4723
Price at 31/12/2009	$1.4100
Unit prices – ABP Section	
Price at 31/12/2010	$0.9332
Price at 31/12/2009	$0.8911

Aggressive Growth option returns

Year ended 31 December[1]	Net return	ABP returns[2]	CPI increase[3]
2010	4.4%	4.7%	2.7%
2009	26.6%	23.0%	2.1%
2008	–34.5%	–34.2%	3.7%
2007	7.8%	6.8%	3.0%
2006	15.5%	3.0%*	3.3%
2005	20.3%	n/a	2.8%
2004	18.9%	n/a	2.6%
5-year average	1.5% p.a.	n/a	2.9% p.a.
7-year average	6.4% p.a.	n/a	2.9% p.a.

* For the period from inception in November 2006 to December 2006.

Balanced Growth

Net investment return **7.3%**
Sections A, C, RBA & SCA

Net investment return **8.4%**
ABP Section

The asset mix for the Balanced Growth option includes an allocation in both defensive assets (such as fixed interest securities) and growth assets (such as shares and property). Overall, the Balanced Growth option achieved a positive investment return over 2010 despite the impact of the strengthening Australian dollar. With a lower allocation to international shares and a hedging ratio of 50%, it achieved a higher investment return than the Aggressive Growth option.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2010	$1.6263
Price at 31/12/2009	$1.5161
Unit prices – ABP Section	
Price at 31/12/2010	$1.7196
Price at 31/12/2009	$1.5858

Balanced Growth option returns

Year ended 31 December[1]	Net return	ABP returns	CPI increase[3]
2010	7.3%	8.4%	2.7%
2009	22.0%	18.7%	2.1%
2008	–27.5%	–26.8%	3.7%
2007	7.2%	8.1%	3.0%
2006	13.2%	14.7%	3.3%
2005	14.9%	16.8%	2.8%
2004	14.8%	16.7%	2.6%
5-year average	2.9% p.a.	3.1% p.a.	2.9% p.a.
7-year average	6.2% p.a.	6.9% p.a.	2.9% p.a.

Investment returns

Cautious

Net investment return **7.6%**
Sections A, C, RBA & SCA

Net investment return **9.0%**
ABP Section

Returns for the Cautious option continued to be positive, reflecting its modest weighting to growth assets (such as shares and property) and a heavier weighting to defensive assets (such as fixed interest securities). Fixed interest and cash achieved positive returns reflecting the differing monetary policies in Australia and abroad.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2010	$1.6927
Price at 31/12/2009	$1.5738
Unit prices – ABP Section	
Price at 31/12/2010	$1.7765
Price at 31/12/2009	$1.6301

Cautious option returns

Year ended 31 December[1]	Net return	ABP returns	CPI increase[3]
2010	7.6%	9.0%	2.7%
2009	16.0%	14.1%	2.1%
2008	–13.6%	–11.9%	3.7%
2007	5.9%	6.1%	3.0%
2006	9.0%	9.7%	3.3%
2005	9.7%	10.7%	2.8%
2004	10.9%	12.1%	2.6%
5-year average	4.5% p.a.	5.0% p.a.	2.9% p.a.
7-year average	6.1% p.a.	6.8% p.a.	2.9% p.a.

Cash

Net investment return **4.5%**
Sections A, C, RBA & SCA

Net investment return **4.7%**
ABP Section

The Cash option achieved a positive return for 2010, reflecting the interest rates available on short term cash holdings. The Reserve Bank of Australia raised official interest rates in 2010 and the returns available on term deposits reflected increased capital requirements for banks.

Unit prices – Sections A, C, RBA & SCA	
Price at 31/12/2010	$1.4928
Price at 31/12/2009	$1.4282
Unit prices – ABP Section	
Price at 31/12/2010	$1.2118
Price at 31/12/2009	$1.1573

Cash option returns

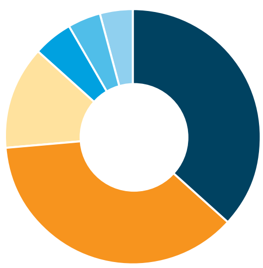
Year ended 31 December[1]	Net return	ABP returns[2]	CPI increase[3]
2010	4.5%	4.7%	2.7%
2009	3.4%	3.5%	2.1%
2008	6.7%	7.0%	3.7%
2007	5.8%	4.5%*	3.0%
2006	7.1%	n/a	3.3%
2005	5.6%	n/a	2.8%
2004	6.0%	n/a	2.6%
5-year average	5.5% p.a.	n/a	2.9% p.a.
7-year average	5.6% p.a.	n/a	2.9% p.a.

* For the period from inception in March 2007 to December 2007.

Notes
1. The 5-year and 7-year averages are for the periods 1 January 2006 to 31 December 2010 and 1 January 2004 to 31 December 2010 respectively.
2. The Account Based Pension (ABP) Section returns are generally higher because tax is not payable on the investment earnings of an account based pension. Returns – where applicable – are shown from 2003, when the section started.
3. The increase in the Consumer Price Index (CPI) is a measure of inflation.

Investment objectives and strategies

	Aggressive Growth	Balanced Growth
Objectives	The investment objectives of the Aggressive Growth option are to: a. maximise returns over the long term whilst accepting a high degree of performance variability; b. exceed inflation (CPI increases), on average, by at least 3.5% p.a. over rolling five and seven year periods; and c. limit the likelihood of a negative annual return to one year in four.	The investment objectives of the Balanced Growth option are to: a. maximise returns over the long term whilst accepting a moderate degree of performance variability; b. exceed inflation (CPI increases), on average, by at least 3% p.a. over rolling five and seven year periods; and c. limit the likelihood of negative annual return to one year in five.
Returns	This option has more growth assets than the Balanced Growth option and consequently has the potential to yield higher returns than the Balanced Growth option in the long term.	This option has the potential to achieve capital growth over the medium to long term. In the long term, these assets also have the potential to produce greater returns than the Cautious option.
Risks	The returns of the Aggressive Growth option are likely to be more volatile from year to year than the Balanced Growth option. Therefore if you are considering the Aggressive Growth option, you should be aware of the higher risks involved.	The returns of the Balanced Growth option are likely to be more volatile from year to year than the Cautious option. Therefore, if you are considering the Balanced Growth option you should be aware that there will be fluctuations in returns from year to year.
Asset mix	The majority of assets in the Aggressive Growth option are invested in shares with small allocations to property and alternative investments. There is typically a split of 41% invested in international shares, 41% invested in Australian shares, 13% alternative assets and 5% property. The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.	Typically around 63% of the Balanced Growth option is invested in shares and property and around 20% is invested in alternative assets. The remainder is normally invested in diversified fixed interest securities and cash. The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.



Growth assets

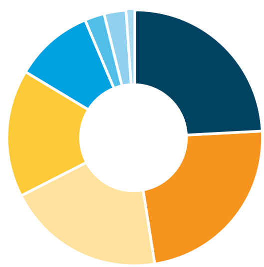
- 36.9% Australian equities – large caps
- 36.9% International equities
- 5% Property
- 4.1% Emerging market equities
- 4.1% Australian equities – small caps

Alternative assets*

- 13% Alternative assets
  - Structured Beta
  - Global private equity
  - Global infrastructure
  - Global credit

* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.

The investment objective is to exceed inflation (CPI), on average, by at least 3.5% p.a. over the long term.



Growth assets

- 24.3% Australian equities – large caps
- 23.4% International equities
- 10% Property
- 2.6% Emerging market equities
- 2.7% Australian equities – small caps

Alternative assets*

- 20% Alternative assets
  - Structured Beta
  - Global private equity
  - Global infrastructure
  - Global credit

Defensive assets

- 16% Fixed interest securities
  - Australian
  - International
  - Inflation linked
- 1.0% Cash

* The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.

The investment objective is to exceed inflation (CPI), on average, by at least 3% p.a. over the long term.

	Cautious	Cash
Objectives	The investment objectives of the Cautious option are to: a. achieve returns which exceed those available on cash investments over the long term whilst achieving reasonable stability in returns from year to year; b. exceed inflation (CPI increases), on average, by at least 2% p.a. over rolling five and seven year periods; and c. limit the likelihood of a negative annual return to one year in nine.	The investment objectives of the Cash option are to: a. achieve money market rates of return; b. maintain capital stability over short time periods; and c. achieve a positive rate of return in all one-year periods.
Returns	This option should provide lower returns than the Aggressive Growth and Balanced Growth options over the long term, but with reduced volatility of returns from year to year.	This option is a conservative investment option that only invests in short-term money market securities and fixed interest securities with short durations. It should provide lower returns than the other options over the long term and would not normally be selected as a long-term investment strategy for superannuation.
Risks	The Cautious option is designed to reduce the chance of experiencing a negative return in any one year and to protect the capital value of your investment over a 12-month period.	The Cash option is designed for investors who seek to remove market risk in the short term for a specific reason and are prepared to forgo expected capital growth or higher returns.
Asset mix	Typically around 60% of the Cautious option is invested in diversified fixed interest securities and cash, with the remainder in shares, property and alternative assets. The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.	All assets in this option are invested in short-term money market securities and fixed interest securities with short durations. The pie chart is indicative of the investment mix for this option. Actual percentages may vary from time to time.

Growth assets
- 11.2% Australian equities – large caps
- 10.8% International equities
- 10% Property

Alternative assets*
- 8% Alternative assets
  - Structured Beta
  - Global private equity
  - Global infrastructure
  - Global credit

Defensive assets
- 40% Fixed interest securities
  - Australian
  - International
  - Inflation linked
- 20% Cash

** The Trustee will actively review the structure of the alternative assets and will adjust the structure on a strategic basis. Accordingly from time to time, allocations to alternative assets will not be fully invested and the uninvested allocations will be held in one or more of the non-alternative asset classes.

The investment objective is to exceed inflation (CPI), on average, by at least 2% p.a. over the long term.

Defensive assets
- 100% Cash*

* Including short term money market and fixed interest securities.

The investment objective is to achieve money market rates of return.

Investing the Scheme's assets

Asset allocation

Your assets may be structured quite differently from those illustrated, especially if you have chosen the Aggressive Growth, Cautious or Cash options.

	As at 31 December 2010		As at 31 December 2009	
	$m	%	$m	%
Australian shares	611.0	25.5%	592.6	27.5%
Australian shares – small caps	92.1	3.9%	73.8	3.4%
International shares*	706.1	29.5%	690.6	32.0%
Commodity futures	–	–	29.0	1.3%
Structured Beta	126.4	5.3%	80.7	3.7%
Global infrastructure	51.3	2.1%	38.2	1.8%
Australian property	162.8	6.8%	111.4	5.2%
International property	57.3	2.4%	49.4	2.3%
Australian fixed interest	112.3	4.7%	95.7	4.4%
International fixed interest	195.3	8.2%	171.3	8.0%
Global credit	50.3	2.1%	37.1	1.8%
Cash	227.9	9.5%	185.0	8.6%
Total	**2,392.9**	**100.0%**	**2,154.8**	**100.0%**

*Including International Private Equity

Use of derivatives

The Trustee does not directly invest in any derivatives (such as futures and options) other than the foreign exchange contracts used for hedging.

Investment managers may use derivatives in managing portfolios for the Trustee and in managing pooled investment vehicles in which the Trustee invests. Limits on the extent of derivative use are specified in the investment management agreements between the Trustee and the various investment managers.

Investment managers

The Scheme's assets held by each investment manager as at 31 December 2010 and 2009 are shown in the table below. Invested assets at the end of 2010 were $2,393 million compared to $2,155 million at the end of 2009.

	As at 31 December 2010		As at 31 December 2009	
	$m	%	$m	%
Australian Shares				
Macquarie Investment Management Ltd – core manager	455.2	19.0%	446.3	20.7%
Kinetic Investment Partners – satellite manager	92.1	3.9%	73.8	3.4%
Orbis Investment Management (Australia) – satellite manager	86.3	3.6%	79.3	3.7%
Independent Asset Management – satellite manager	69.5	2.9%	67.0	3.1%
International Shares				
Blackrock Investment Management (formerly Barclays Global Investors) – core manager	426.4	17.8%	424.3	19.7%
Russell Investment Management Limited – satellite manager	71.3	3.0%	57.7	2.7%
Altrinsic Global Advisors – satellite manager	60.6	2.5%	61.3	2.8%
Trilogy Global Advisors – satellite manager	60.9	2.6%	62.1	2.9%
Australian Direct Property				
AMP Capital Investors	162.8	6.8%	111.4	5.2%
Global Listed Property				
Russell Investment Management Limited	57.3	2.4%	49.4	2.3%
Australian Fixed Income				
Blackrock Investment Management	112.3	4.7%	95.7	4.4%
International Fixed Income				
Pimco Australia	195.3	8.2%	171.3	8.0%
Commodity Futures				
Blackrock Investment Management	–	0.0%	29.0	1.3%
Structured Beta				
Bell Asset Management Limited	126.4	5.3%	80.7	3.7%

	As at 31 December 2010		As at 31 December 2009	
	$m	%	$m	%
Private Equity				
Industry Funds Management	16.8	0.7%	18.3	0.8%
Morgan Stanley	24.7	1.0%	21.2	1.0%
Pantheon Ventures Limited	45.5	1.9%	45.7	2.1%
Global Infrastructure				
EQT	2.8	0.1%	2.1	0.1%
Morgan Stanley	20.0	0.8%	12.0	0.6%
Macquarie Specialised Asset Management	26.8	1.1%	24.1	1.1%
Palisade	1.7	0.1%	–	0.0%
Global Credit				
Colonial First State	50.3	2.1%	37.1	1.8%
Cash				
ANZ (cash deposits)	227.9	9.5%	185.0	8.6%
Total	**2,392.9**	**100%**	**2,154.8**	**100%**

Hedging policy

A portion of the investments in the Aggressive Growth, Balanced Growth and Cautious options is invested in international assets such as shares, fixed interest and property securities. The exposure to currency risk in these options can be managed by hedging, i.e. locking in future exchange rates using derivatives.

For international shares, the Trustee's policy is to have a partial currency hedge. This provides some protection against decreases in the value of foreign currencies in which the shares are held, but also allows some of the benefits of increases in these foreign currency values to flow through to investment returns.

For international fixed interest and listed international property securities, the Trustee's policy is to have a full currency hedge so that investment returns relate solely to the performance of this asset class.

The Trustee's hedging policy is reviewed from time to time. Members will be advised of any future changes.

Fees and charges

<table>
<tr><th></th><th></th><th colspan="4">Investment management fee[3]</th><th></th><th></th><th></th></tr>
<tr><th>Membership category</th><th>Account management fees[1,2]</th><th>Aggressive Growth option</th><th>Balanced Growth option</th><th>Cautious option</th><th>Cash option</th><th>Insured cover for death and disablement[4]</th><th>Salary continuance insurance[4]</th><th>Government taxes[5]</th></tr>
<tr><td>Section A</td><td>No fees</td><td rowspan="6">0.48% or $4.80 per $1,000 invested</td><td rowspan="6">0.48% or $4.80 per $1,000 invested</td><td rowspan="6">0.27% or $2.70 per $1,000 invested</td><td rowspan="6">0.09% or $0.90 per $1,000 invested</td><td>Cost varies depending on your age and the level of cover</td><td>Cost varies depending on your age and monthly benefit</td><td rowspan="6">The Government's contribution and super surcharge taxes[6] are deducted from your account (if applicable) and paid to the Australian Taxation Office (ATO)</td></tr>
<tr><td>Section C</td><td>No fees</td><td>Cost for death cover varies depending on your age and the level of cover
No TPD cover available</td><td>No cover available</td></tr>
<tr><td>Retained Benefit Account (RBA)</td><td>0.70% p.a. of first $500,000 invested, nil thereafter</td><td>Cost for death cover varies depending on your age and the level of cover</td><td>No cover available</td></tr>
<tr><td>Spouse Contribution Account (SCA)</td><td>0.70% p.a. of first $500,000 invested, nil thereafter</td><td>No cover available</td><td>No cover available</td></tr>
<tr><td>Account Based Pension (ABP)</td><td>0.50% p.a. of first $500,000 invested, nil thereafter</td><td>No cover available</td><td>No cover available</td></tr>
<tr><td>Transition to Retirement Account Based Pension (TRAP)</td><td>0.50% p.a. of first $500,000 invested, nil thereafter</td><td></td><td></td></tr>
</table>

Notes

1. Account management fees are only charged on the first $500,000 of assets in any account in the RBA, SCA and ABP Sections.
2. Calculated on a pro rata basis, deducted weekly by redeeming some of your units.
3. The investment management fees shown were applicable for the year ended 31 December 2010.
4. Cost of cover is deducted from your account.
5. These taxes apply to all superannuation funds.
6. Members charged excess contributions tax and/or superannuation surcharge tax receive notification from the ATO. Your annual benefit statement will show these deductions, if applicable.

Financial statements

The following information is taken from the audited accounts for the year ended 31 December 2009 and 2010. Copies of the full audited accounts and the auditor's report are available to members on request from ANZ Staff Super. See page 35 for the Scheme's contact details.

Statement of financial position

Statement of financial position at 31 December	2010 $000	2009 $000
Assets		
Unlisted unit trusts	2,003,528	1,828,882
Listed Australian equities	161,537	140,802
Forward foreign exchange	10,091	–
Cash and cash equivalents	217,777	187,084
Receivables	7,868	1,454
Deferred tax asset	14,124	23,741
Total assets	2,414,925	2,181,963
Less liabilities		
Payables	3,289	2,915
Income tax payable	18,173	16,584
Forward foreign exchange	–	1,895
Total liabilities	21,462	21,394
Net assets available to pay benefits	**2,393,463**	**2,160,569**
Represented by liability for accrued benefits	**2,393,463**	**2,160,569**

Operating statement

Operating statement for the year ended 31 December	2010 $000	2009 $000
Net assets available to pay benefits at beginning of the period	2,160,569	1,781,790
Plus		
Net investment revenue	166,247	303,184
Contributions revenue		
Employer	196,814	191,174
Members	12,080	16,611
Transfer from other funds	38,963	30,949
Other	2,179	1,736
Total revenue	**416,283**	**543,654**
Less		
Benefits paid or payable	125,463	116,692
Operating expenses	11,995	11,610
Income tax expense	45,931	36,573
Total benefits, expenses and tax	**183,389**	**164,875**
Net assets available to pay benefits at end of the period	**2,393,463**	**2,160,569**

Reserves and accounts

Five types of reserves or accounts are held within the Scheme for efficient financial management. They are:

1. The Scheme Operating Reserve (SOR). This is part of the financial management of the Scheme, and may be used in certain circumstances to address unit pricing issues or claims against the Scheme.
2. The Death and Disablement Reserve (DDR) which operates as a reserve to which premiums for death and Total and Permanent Disablement cover are paid and from which any excess of death and Total and Permanent Disablement benefits over members' account balances is paid.
3. The Employer Funding Reserve (EFR) is also part of the financial management of the Scheme.
4. The Unallocated Transfer Reserve (UTR) relates to monies transferred from other ANZ staff superannuation schemes which were not allocated to transferring members.
5. The Pension Section Account (PSA) relates to assets transferred from the ANZGROUP (Australia) Staff Pension Scheme to finance the benefits paid to pensioner beneficiaries.

Reserve balances at 31 December

Year	SOR $m	DDR $m	EFR $m	UTR $m	PSA $m
2010	13.0	32.7	10.9	0	17.8
2009	12.2	27.9	9.4	0	20.0
2008	10.0	24.6	7.5	0	20.7
2007	13.9	29.6	10.5	0	33.0
2006	13.1	25.6	9.7	0	35.2

* Following the actuarial review in 2005, the balance of the UTR was transferred to the PSA.

These reserves and accounts do not affect the pricing of units or the investment earnings on members' accounts.

Your Trustee

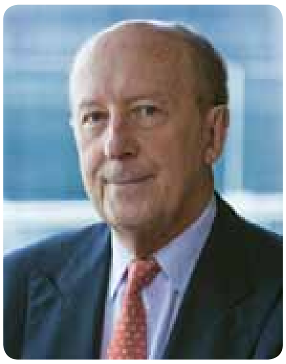
The Trustee for your Scheme is ANZ Staff Superannuation (Australia) Pty Limited, which is responsible for the operation and management of the Scheme.

The Board of the Trustee has eight Directors, four elected by members and four appointed by ANZ.

The Board has an excellent mix of skills and experience to oversee the operations and management of your Scheme and represent member interests.

Your Trustee Directors at 31 December 2010

ANZ representative directors:



Russell Rechner
Former Director,
Major Projects,
ANZ Metrobanking

Susie Babani
Group Managing Director,
Human Resources

Wayne Stevenson
Group General Manager,
Group Strategy

Sue Carter
Consultant – Corporate
Governance and Board
Effectiveness

Member representative directors:

Tracey Sturgeon
Director, Lending Services

Geoffrey King
Senior Superannuation
Relationship Manager,
OnePath Australia

Jo McKinstray
Senior Manager, Assurance

Peter Davis
Head of Public Sector,
Financial Institutions
and Public Sector

Board meeting attendance for 2010

Trustee Director	Possible number of Board meetings*	Number of Board meetings attended**
Susie Babani	7	5
Sue Carter	7	6
Peter Davis	7	7
Geoffrey King	7	7
Jo McKinstray	7	7
Russell Rechner	7	7
Wayne Stevenson	7	6
Tracey Sturgeon	7	7

* Directors also attend committee meetings as required.
** Where a Director is unable to attend a Board meeting, his or her alternate Director usually attends the meeting.

Corporate governance

The Trustee is committed to maintaining the highest standards of corporate governance practice and ethical conduct in undertaking its responsibilities to manage the Scheme on behalf of its members.

The Trustee uses the collective skills and experience of its Directors to efficiently and soundly manage and monitor the operations and performance of the Scheme. The Trustee has a Governance and Audit Committee to assist the Board in identifying and addressing issues to maintain a best practice corporate governance framework for the Scheme and to ensure compliance with the Scheme's Trust Deed and Rules and all relevant legislation.

Key governance issues considered by the Trustee include:

- corporate structures, processes, policies and conduct;
- prudential measures such as security, fraud prevention, insurance and business continuity;
- monitoring of service providers including investment managers;
- risk management;
- legislative and regulatory compliance; and
- communication with members and other stakeholders.

Group Superannuation's role

ANZ Group Superannuation is responsible for managing the Scheme's relationship with its service providers.

ANZ Group Superannuation also supports the Trustee by overseeing member communication and education, compliance and governance, investment services and statutory requirements.

Administration

Certain administration and member services have been outsourced to Mercer Australia. The Trustee also engages professional firms and consultants to provide expert advice.

Trust Deed Changes

There were no changes to the Trust Deed in 2010.

Indemnity insurance

The Trustee has indemnity insurance to cover the Scheme and Directors in case of a loss due to a claim against the Trustee. The insurance is designed to cover a financial loss incurred as a result of an honest mistake that may occur in operating the Scheme.

It does not cover the Directors for fines or penalties that may be imposed by law, or for claims resulting from intentional or reckless neglect or dishonest conduct.

Other information

Inquiries

You can call ANZ Staff Super with any inquiry about your account or the Scheme on **1800 000 086**. You can also access your account information via the Scheme's website at **www.anzstaffsuper.com**.

Most member inquiries can be easily answered by ANZ Staff Super service representatives over the phone. In some cases, you may be asked to put your inquiry in writing and provide contact details for a reply. Inquiries will generally be answered within a few days.

As a Scheme member, you can access:

- Product Disclosure Statements (PDSs);
- the Scheme's Trust Deed and Rules;
- full copies of the Scheme's audited accounts and the auditor's report;
- extracts from the most recent actuary's report;
- copies of annual returns lodged, and compliance;
- notices from APRA and ASIC;
- rules for the appointment and removal of member representative Directors;
- the Privacy Policy Statement;
- the Statement of Investment Objectives and Policy;
- the Risk Management Plan; and
- copies of recent annual reports, newsletters and brochures.

Complaints

If you have an issue or concern regarding the Scheme, you can outline your concerns in writing to the Trustee and the matter will be investigated in accordance with the Scheme's inquiries and complaints handling procedure.

ANZ Staff Super
GPO Box 4303
Melbourne VIC 3001

The Trustee will advise you in writing of its decision.

If your complaint is not resolved to your satisfaction by the Scheme's internal procedures within 90 days, you can contact the Superannuation Complaints Tribunal (SCT) an independent body set up by the Federal Government to resolve certain types of complaints against superannuation fund trustees.

When the SCT accepts a complaint it will try to resolve the matter through inquiry and conciliation. If this is unsuccessful, the complaint is formally referred to the SCT for a determination that is binding.

You can contact the SCT by phoning 1300 780 808 for the cost of a local call, or email info@sct.gov.au or by visiting its website at **www.sct.gov.au**.

The Scheme's Eligible Rollover Fund

When your membership of Section A, Section C or the SCA Section ceases, you will need to decide what to do with your benefit.

If your benefit is less than $7,500 and you do not provide payment instructions within 30 days, your benefit will automatically be transferred to the Scheme's Eligible Rollover Fund (ERF) selected by the Trustee.

AMP Eligible Rollover Fund
Locked Bag 5400
Parramatta NSW 1741
Phone: 1300 653 456

You will no longer be a member of the Scheme if your benefits are transferred to the ERF.

Any insurance cover you may have had with the Scheme will also cease. The ERF does not offer insurance in the event of death or disablement.

You will need to contact the ERF directly to access your benefits.

If your benefit is transferred to the ERF, the Scheme will provide it with your current contact details so the ERF can send you its current Product Disclosure Statement outlining the operational details of the ERF.

If your benefit is $7,500 or more it will be transferred to the RBA.

The Scheme's service providers

The Trust Deed permits the Trustee to appoint independent specialists to assist with the management and operation of the Scheme. The Trustee has appointed the following professional firms to provide services to the Scheme:

Member Services	Mercer Australia
Actuary	Russell Employee Benefits
Investment Adviser	Towers Watson
Legal Adviser	Freehills
Master Custodian	JP Morgan
Eligible Rollover Fund	AMP Eligible Rollover Fund
Auditor	KPMG

Contact details

Write to

GPO Box 4303
Melbourne VIC 3001
Or email anzstaffsuper@superfacts.com

Phone

1800 000 086
or +61 3 8687 1829 from overseas

Fax

03 9245 5827

Website

www.anzstaffsuper.com

Superannuation Complaints Tribunal

1300 780 808

Australian Tax Office

Superannuation Help Line 13 10 20

Issued by ANZ Staff Superannuation (Australia) Pty Limited ABN 92 006 680 664 AFSL 238268 as Trustee for the ANZ Australian Staff Superannuation Scheme ABN 83 810 127 567