

True Blue

SPECIAL EDITION

November 1989

STAFF NEWSPAPER

State Bank Victoria

What's in this special edition

This month's special edition of True Blue contains the 1989 Annual Report to Staff.

This is the first year the Annual Report to Staff has been included in our employee publication, resulting in varied and fact-packed information.

The articles are dispersed throughout True Blue to help reduce the volume of paper coming your way — a key point raised by staff in the communication survey, conducted last year.

This year's report covers many staff-related interests, such as training and plans for the future and did you know that SBV is the third largest lender for housing in Australia? Look under the 'Did you know' columns for many other surprising facts about our Bank.

If you would like your own copy of this special edition, let me know on 604 9037.

Carin Lavery
Managing Editor

Ringwood East rings up SBS campaign

Ringwood East Branch has notched up a 140% increase over last year's figures in a recent State Banking System marketing campaign.

An original target of 50 accounts was set by the branch. Staff soon increased this target to 63 accounts, a 50 % rise on last year's figures.

Due to an excellent effort by Branch Marketing Representative Andrew Cameron and all staff members, a total of 101 State Banking System accounts were opened in August, representing a 140 % increase.

John Piccione
Box Hill North Region



Back row, from left, Wayne Marriner Relieving Supervisor, Anthony Daffey, Andrew Cameron, Branch Marketing Representative. Middle row, from left, Vicki Adams, Sue Anderson, Sandra De Hoon. Front row, from left, Karen Harding, Sheridan Harber, Carol McIntyre, Georgia Kelly, Kerry Bell.

INSURANCE FOR BICYCLE VICTORIA MEMBERS

Bicycle Victoria has arranged Third Party insurance for its members taking part in the State Bank Victoria Great Victorian Bike Ride.

The ride, being organised by Bicycle Victoria, starts in

Yarrawonga on December 2 and finishes in Melbourne on December 10.

Charlie Farren, Vice-President of Bicycle Victoria, says much interest is being shown in the ride, the ninth time it has been organised.

THE BANK IS WELL POSITIONED FOR THE FUTURE

"I'd like to thank all staff members for their efforts during the past year. It has certainly been an eventful year and in some ways a difficult one for SBV.

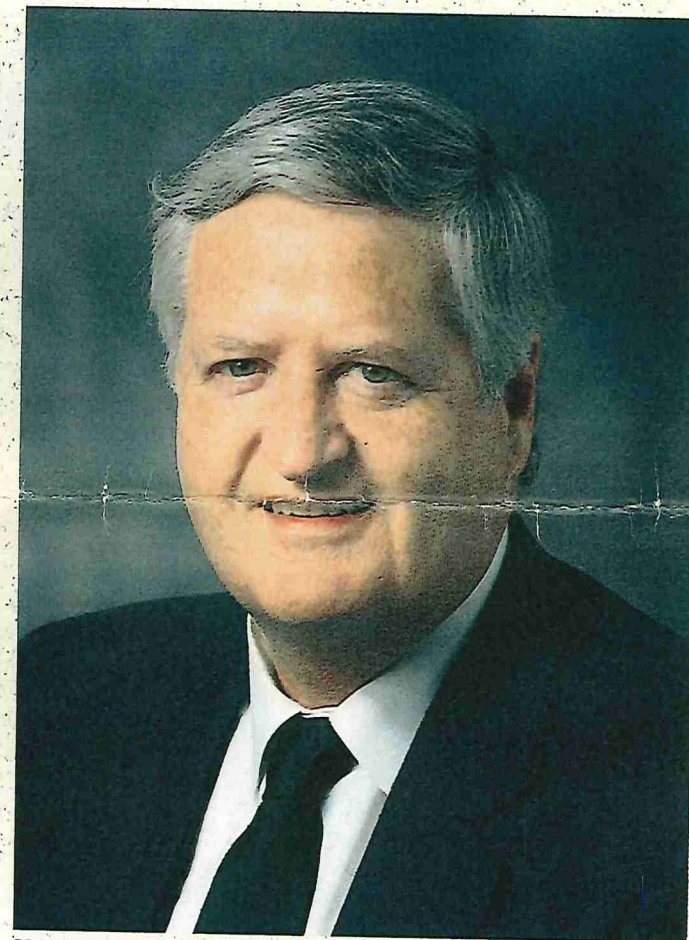
As the Chairman has said in the Bank's Annual Report, "the year was simultaneously most satisfying and most trying".

We lifted our Capital Base to \$1565 million, up 42%, granted a record number of housing loan approvals and recorded a profit before tax of \$165.9 million.

However, it was a year in which interest rates rose progressively, putting pressure on our lending margins. This, combined with the need to provide for loans to the failed Victorian Division of the National Safety Council, kept profit down just below the previous year.

SBV expanded its operations in early 1989 by acquiring Australian Bank Limited. Several months later we faced the challenge of integrating the operations of merchant bank Tricontinental Corporation Limited into our own. While all changes place demands on us to adjust, they also offer valuable opportunities.

Acquisition of Australian Bank has enabled SBV to broaden its corporate client base, especially through our



Chief Executive Officer Mr L.G.C. Moyle.

Sydney branch. Integration of Tricontinental's activities has allowed faster development than would otherwise have been possible in the profitable areas of project finance, trade finance and corporate advice. What was formerly Tricontinental's Brisbane office is

now being expanded as an SBV branch offering a full range of corporate banking services.

The year ahead is a time of consolidation, to build on what we already have. And, having provisioned adequately for bad and doubtful debts we are starting the new year with a clean

slate. The Board and management of the Bank expect the Group to return to normal profitability in the current year.

However, we do not expect that conditions are going to make this task an easy one; 1989/90 will be again a very competitive year. The squeeze on lending margins from high interest rates can be expected to continue for a while yet. We are planning to counter this by funding more of our lending from retail deposits and by earning more fee income from services such as investment management and financial planning.

Of paramount importance, however, will be our joint efforts in increasing productivity, in providing good customer service and in marketing and selling the Bank's products and services. In the year just finished, maintaining experienced staff, particularly in some of our metropolitan branches proved difficult. We are looking hard at providing continued incentives for all staff to build a career in the Bank.

Our challenge is to excel at what we traditionally already do well and build on our expertise in other areas. I am confident we will succeed in doing this."

Blue Moyle

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Produced by Communication Department
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Winter '90 Fashion Collection
Don't miss out!

Orders close Wednesday
22 November.

Late orders cannot be accepted.
Send your order in today.

Enquiries Marketing
604 7853

Priority Number One



Two staff members, Max Hurren and Jo Wastle, talk about what customer service means to them.

Describe how you give good customer service.

In my current position, I deal with customers on a regular basis. Satisfying the client means focussing on the exact nature of their enquiry and finding viable solutions to meet both the customer's and the Bank's needs.

What is an example of bad customer service that you have encountered?

Just last week, I was amazed to see a customer in a large retail store being spoken down to because of language difficulties. The store assistant was rude and aggressive, and I felt embarrassed to see someone being treated so poorly. A small amount of empathy can go a long way.

What do you think people in the Bank should focus on when they are serving customers?

They should determine the customer's needs before they respond and take the time to gather all the relevant information. This is especially the case when customers need to be referred to other areas of the Bank.

Max Hurren

Title Manager, Customer Service Centre

Department Managed Funds Administration, Treasury

History 40 years service. Started at Brunswick West. Last branch as Manager — Monash University.

What, to you, are the most important elements of customer service?

Meeting the needs of the customers as they see them. Customer service has to be a part of everything we do; superior service comes from staff who know their task and feel their efforts are appreciated by customers and management.



Jo Wastle

Title Supervisor — Enquiry Counter

Branch Waverley Gardens

History Mount Waverley

Branch — 4.5 years. Waverley Gardens Branch — 2 years.

What, to you, are the most important elements of customer service?

I think the most important things are to be polite, to smile, to know your products well, to be prompt, and to listen. It's

also important to use customers' names. I always look at the passbook or card that they present. This helps to make the customer feel welcome. It's important to remember that all things are important, no matter how trivial they seem to us.

Describe how you give good customer service.

I'll give you an example. Recently, we had a couple who took out a personal loan for a new car. They couldn't get into the office during business hours to pick up their cheque, so I drove out to the car yard after work and handed the cheque over.

What is an example of bad customer service that you have encountered?

I hate it when I go to the supermarket, stand in the queue at the checkout for ages, finally get to the end of the line and then the assistant tells me that the checkout is closing.

What do you think people in the Bank should focus on when they are serving customers?

Listening is just so important. Finding out what the customer's needs are and then identifying the product or service that meets those needs. Best is the key.

Did you know in 1988-1989?

- ▼ The Bank is the fifth largest bank in Australia.
- ▼ Housing loan approvals reached record level of \$1,820 million.
- ▼ Commercial and rural loans outstanding and bill facilities increased by 46.9%.
- ▼ Insurance profits were up 22%, to \$12.5 million.
- ▼ 44 more branches were equipped with personal computers for word processing and spreadsheet analysis applications. 142 branches are now equipped with PCs.
- ▼ Funds under Treasury management now total \$2,877 million, up \$425 million.

Staff Statistics 1988-1989

	87/88	88/89
Bursars	15	21
CBDS	0	34
CORP	96	76
Graduates	59	78
Classified	2,667	2,918
Full-time		
— Branch	6,627	6,544
— Head-office	3,352	3,922
Part-time		
— Branch	991	1,335
— Head-office	195	237
Total Staff	11,165	12,038

GERRY IS ON THE BIG SCREEN NOW

If you happen to see a customer service training video called *People People*, you might recognise the face of a State Banker.

Gerry Bolger, of Bourke Street East Branch, was picked to appear in the 20-minute video and is the only banker in it.

Central Business District's Marketing Officer Barbara Howe recommended Gerry for the video to Marketing's Senior Manager Public Relations Adam Trumble.

Gerry, 23, says the video includes people from the Taxation Office, Vic Roads (previously the Road Traffic Authority), hotels, airlines, a plumber and a mechanic. It has been made for businesses to help promote customer service among their staff.



Gerry Bolger, Bourke Street East Branch.

"It was good fun," says Gerry, who joined the Bank six years ago.

"It's not an easy thing to talk in front of a camera but I certainly enjoyed it.

"It was filmed here in the branch. I talked about good and bad customer service and then served a few customers."

ODD SPOT

Which Bank?

Older staff in the Bank will recall the infamous Ray Bonner and the day he relieved at the wrong bank — hence the nickname "Wrong Bank Bonner."

Well, Ormond South Region has a relieving Supervisor who almost equalled Ray's effort.

Fortunately she realised she was in the wrong bank before starting work. Well done, "Wrong Bank Karen Heelan."

Geoff Cameron
Acting Senior Regional Manager
Ormond South Region

Corporate Colours Down-Under

Colin Moncrieff, relieving Accountant attached to Box Hill South Region, partakes in one of Melbourne's more unusual sports — scuba-diving.

His passion for the sport has progressed from the basic open water course to becoming a member of the Professional Association of Diving Instructors (PADI) and he has now reached the level of dive master. Colin has dived all around Australia in the past five years and in this article, he shares with us some of his

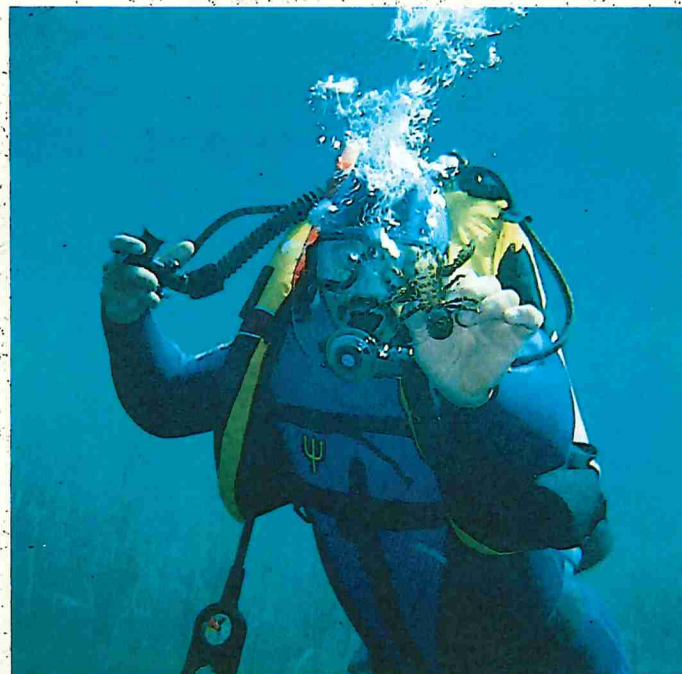
diving experiences and information about the basic scuba-diving course.

The open water course costs around \$300 and takes place over two weekends. The first weekend is spent learning about diving theory and necessary equipment. The students then have a practical session in a swimming pool using the equipment. The second weekend is spent at Portsea diving around the pier and in the bay.

Colin says that you don't have to travel all over Australia to see spectacular sights, as



Box Hill South's Colin Moncrieff diving in his "corporate coloured" wet suit.



Colin in action holding a yabbie he befriended along the way.

Victoria has some of Australia's most interesting diving. Port Phillip Bay is especially interesting, harbouring three World War One submarines and quite a number of shipwrecks.

If a diver is interested in old artefacts, diving off Quarantine Point is sure to please. At the turn of the century, ships had to spend time at Quarantine Point before they sailed through the Bay, consequently bottles and other items were thrown overboard. Only now are they eagerly sought after by divers.

Popes Eye is one of the best areas in the Bay to see a wide variety of fish life. Popes Eye was built as a gun emplacement in the middle of the Bay to protect Victoria from a possible

Russian invasion at the turn of the century.

As it was constructed out of blue stone blocks, Popes Eye is now an artificial reef. Fish life and other marine animals are protected as Popes Eye is part of the Harold Holt Marine Reserve.

Consequently the fish are very tame and every time a diver enters the water, schools of brightly coloured fish swarm the diver waiting to be hand fed. Speaking of things being fed, quite a variety of sharks frequent the Bay. If you see a shark while diving you are very lucky (it's the one you didn't see that will get you!)

If you're interested in finding out more about scuba-diving, call Colin at Box Hill South Region, on 895 8256.

Year in Review

(Excerpts from 1989 Annual Report)

- The Bank has consolidated its position as the leading bank in Victoria with a dominance in the retail sector. Expansion of commercial and corporate banking and related activities is continuing.

- The Bank has operated profitably, efficiently and competitively throughout the period. This year's profit was just less than last year's record level, despite lower interest margins.

- Productivity shows a steady trend of improvement. Contributing factors have included emphasis on training and development programmes, effective expenditure controls, increased investment in technology, growth and changes in the mix of business.

- The Bank has acted decisively to provide for the impact of the NSC exposure. Specific provisions have been increased to cover this unique event.

- Substantial specific and general provisions have been created in Tricontinental to cover identified accounts likely to lead to future bad debts, concentration of risk and expected business conditions. Despite the associated problems, the integration of Tricontinental into the Bank has provided many business opportunities that will arise out of correctly monitored corporate customer base and trade finance activities — an area in which SBV is keen to expand. Other opportunities lie in corporate advisory activi-

ties and project financing. Tricontinental's Brisbane office is being refocused and will operate as an SBV branch, providing a full range of banking services for the corporate sector in Queensland.

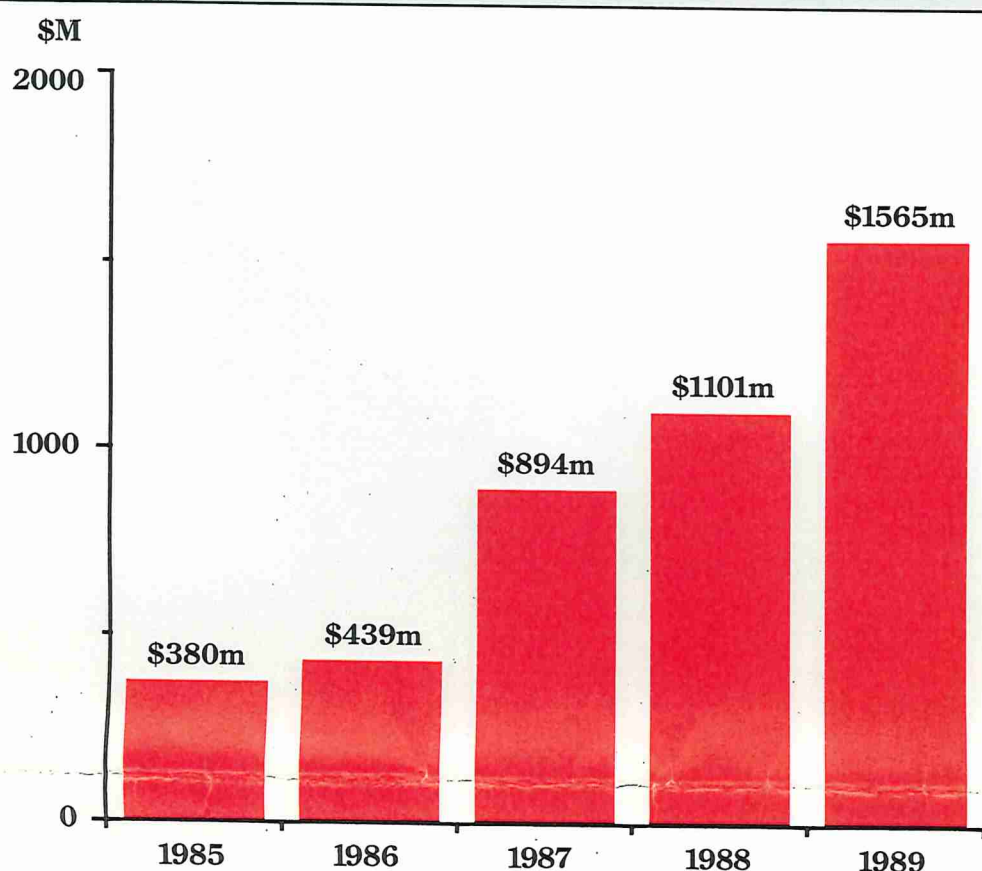
- SBV Group's consolidated loss arose from substantial provisioning for doubtful debts by the Group's merchant banking subsidiary (Tricon-

tinental) whose activities and management were integrated with the Bank for the first time in May 1989. The Bank expects normal Group profitability to be achieved in 1989/90.

- The acquisition of Australian Bank has broadened SBV's corporate customer base, particularly in treasury-related products and services.

An immediate benefit to the Bank has been improved futures trading capabilities through floor membership of the Sydney Futures Exchange, and the introduction of Transferable Investment Certificates (TIC). ABL reported a record operating profit before tax in 1988/89 of \$9.5 million (last year \$2.4 million).

Group Capital Base (Reserve Bank Australia Criteria)



The increase in the Bank's Capital Base will support further growth in the Bank's commercial and retail operations.

Profitability

	Bank (\$m)		SBV Group (\$m)	
	1989	1988	1989	1988
Operating Profit (loss) before tax	165.9	171.6	(197.9)	197.9
Operating profit (loss) after tax	77.8	86.0	(196.6)	100.5
Operating profit (loss) after tax and extraordinary items	77.8	78.8	(194.6)	95.1

The Bank's profit before tax of nearly \$165.9 million was the second highest in the Bank's history, during a difficult year for business.

SBV Credit Ratings — High

SBV's credit ratings reflect the very high financial standing of the Bank and the esteem in which it is viewed in the international financial community.

Credit ratings reflect a bank's ability to repay debt. High ratings, such as those assigned to SBV, indicate a bank can more readily raise capital and funds cost-effectively. SBV's credit ratings are:

Short Term Credit Ratings
Moody's Investors Service
 P1 = Superior capacity for repayment of short term obligations.

Standard and Poor's Corporation

A1+ = The degree of safety regarding timely payment is either overwhelming or very strong.

Long Term Credit Ratings
Australian Ratings Pty Ltd

A4A = Denotes an extremely strong capacity for timely repayment of debt.

Japan Bond Research Institute*

AAA = Reflects the highest possible creditworthiness for a bond issue with the probability of timely payment of interest and repayment of principal extremely high.

Moody's Investors Service*

Aa2 = Judged to be of high quality by all standards.

Standard and Poor's Corporation*

AA = A very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree.

*These are the strongest ratings currently afforded Australian borrowers and equal those granted to the Commonwealth of Australia.

TELLERS' TALES

A regular feature in which we look at life from over, and behind, the counter.



Eleven-month-old Trent has a good look around our Ballarat East Branch. Perhaps he fancies himself as a future State Bank Victoria Chief Executive? Or maybe he thought he would wait for his mum, Tracey Peoples, who works at the branch, to finish work and get his dinner.

Christine McCallum
 South Central Region

Who was the young Teller in the Parkville North Region who couldn't decide whether to say "Good Morning" or "Good Afternoon" when answering the telephone exactly at midday. Instead he answered "Good Midday to you" which not only amused the staff but also the customer.

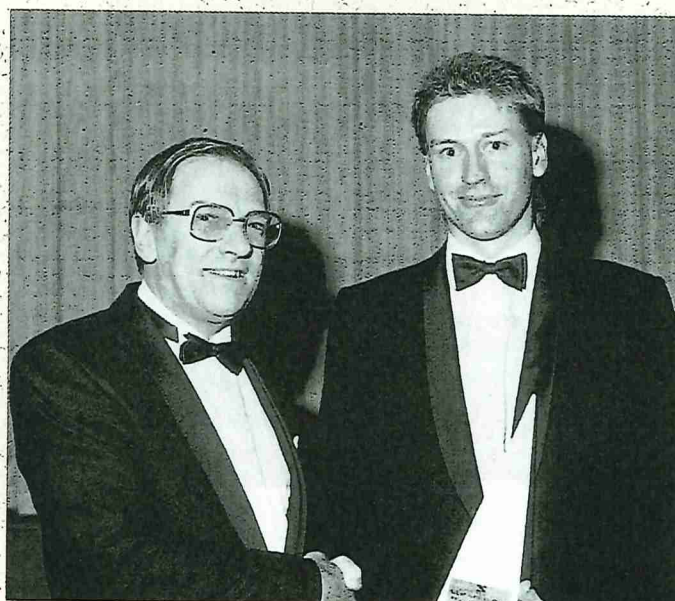
Tracey McGee
 Parkville North Region

Who was our 'other' male Teller in the Broadmeadows area who, while serving a female customer, noticed that she had left without her coin? Then he noticed people running over to his teller's box. As he looked over the edge of the counter, he found his customer laying on the floor. She'd fainted!!

Tracey McGee
 Parkville North Region

Another Personal Loan borrower in arrears replied to a reminder letter as follows: "Sirs, every month I put all my bills into a hat and pay the first one I draw out. If you continue to hound me, you will not participate in next month's draw".

Bank backs Young Achievers



Deputy Chief Executive Max Carr congratulates Douglas Hilton, Victorian Young Achiever of the Year.

State Bank Victoria was involved as a major sponsor of the Young Achiever Awards as part of its programme toward youth.

The awards aim to recog-

nise young people who have significantly contributed in their fields.

The awards contested were arts, sports, community service, technology and science,

career achievement and rural development.

Each of the six categories was sponsored by leading organisations with the Bank providing a \$5000 State Banking System account for each of the category winners.

In addition, the Bank sponsored the Young Achiever of the Year award. The overall winner from the six categories was Douglas Hilton, 25, of Warrandyte.

Douglas, who was awarded the technology and science award, won a trip around Australia for two and a further \$5000 from the Bank.

This year marked the introduction of the Young Achiever Awards to Victoria. They began in West Australia four years ago and are now run in five states.

The awards were presented at the Hilton International, Melbourne.

PLANNING FOR OUR NEXT DOLLAR — ALL OVER THE WORLD

Planning for additional offshore representation is part of the brief of International Department's Research & Planning Section. Headed by Peter Werchon, the team of six, keeps under notice "strategic" offshore opportunities for the Bank. At some stage, the results of all these opportunities will impact on you, and the Bank's performance overall.

In Europe

Future opportunities that may arise from the 1992 European "single market" are being closely monitored with possible additional representation on mainland Europe. London office is already well placed to help corporate customers in their European business operations.

In Asia

Our Hong Kong branch is well placed to consolidate further its position in Hong Kong, which is the gateway to China,

when the former colony reverts to Chinese rule in 1997. Many opportunities exist for the Bank in this important market place.

In Japan

The Bank has the question of representation in Tokyo under constant review. There are some problems with reciprocal banking issues, but early establishment is a strategic priority.

In America

New York office (which also manages SBV Grand Cayman Branch) has established a profitable lending portfolio and is involved in a range of foreign exchange and money market trading activities. We are currently reviewing additional representation in the USA, possibly in Chicago.

In Australia

The Bank's Melbourne International Department is well established as a major player in foreign currency markets,

importing and exporting services, and meeting the international financing needs of our corporate and business customers. Sydney office also conducts a foreign exchange desk providing services to major corporate customers. The recently opened Brisbane office will add to this growing East Coast regional strength.

Existing offshore offices

For the past three/four years, the Bank as part of a major long-term strategic expansion has invested heavily in developing an international presence in key financial centres of the world. Offshore branches are now well-positioned and suitably staffed

to provide wholesale banking services with activities covering lending, money market and foreign exchange trading, trade related services and money clearing services to other units. All offices declared acceptable results, most notably New York which recorded excellent profitability during 1988/89.



Research and Planning section, International Department. From left, Tom Cincotta, Eddy Wigglesworth, Paul Mills, Kathy Willis, Peter Werchon, Senior Manager; Anjana Naidu.

Bankers or daredevils?

A group of brave senior managers recently rolled up to the Staff College at Baxter to pilot a course with a difference.

The first five days of the course revolved around the financial system, the economy, commercial bank management and financial instruments. Several of the Bank's key executives gave stimulating presentations on legal, marketing, personnel and technological issues facing the Bank, and Max Carr discussed the Bank's corporate objectives and policy strategies.

It was a solid week that broadened participants' knowledge of our industry and the role the Bank plays in it, but it certainly didn't prepare them for what was to come.

On the Friday night, the group travelled to the Allfit Training Camp at Bacchus Marsh for a weekend never to be forgotten.

Although guaranteed that the weekend would not be too strenuous, the group of managers found that the going got tough at times, and true to the saying, the tough got going.

Becoming acrobats on the low ropes, trapeze artists on the high ropes, commandoes on the vertical net, raft builders, canoeists and contortionists all added up to a

fantastic and rewarding experience.

The highlight of the weekend was abseiling down a 20-metre cliff. Even those who were uncomfortable with heights made it.

Tony Royden, General Manager and course instructor at Allfit, said the objectives of the course were to improve confidence, teamwork, communication and leadership skills in a practical environment.

"The objectives of the course were well met by the State Bank group — they were better than the other banks we have had through!"

Their teamwork and confidence improved tremendously over the weekend. It was the first time we had taken a group over the new eight metre high ropes course; everyone made it because the group had bonded so well and worked well together."

Back at Baxter, the second week carried on with the teamwork, leadership and management development themes, under the guidance of Dr. John Umansky, Psychologist.

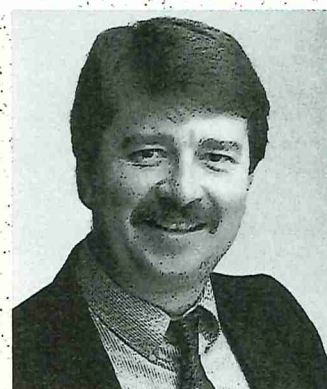
After two full weeks, everyone was tired and looking forward to getting home, but, from all accounts, the rapport built up between the participants and the lessons learned have continued back at work.

*Anonymous
Thrill Seeker*



Daredevil managers just prior to abseiling. From left are: Ken Mills, Debbie Vanderplight, Gil Riscala, Max Brewer, Robert Hood, Garry Whiteside, Jane Nash, Neil Bolt, Alan Beardsley, Bob Bury, Rod Crane, Vic Zappa (front), John Collins (back), Barry Roberts (front), Alan Moule (back), Paul Mulderry, Dr John Umansky.

IN MEMORY



Clive Walters

Clive Walters, well known to many in the Bank, passed away as the result of a stroke on October 14.

Clive, who was 42, had been Managing Editor of 'Our Bank' (predecessor to True Blue) and was responsible for the Bank's Annual Report.

He was born and educated in South Africa where he trained as a journalist. He joined the Bank from Westpac in 1984 after working for a number of Melbourne radio stations and newspapers.

Under Clive's guidance, communication to staff through 'Our Bank' and to the public through the annual reports (which won a number of awards) improved markedly.

Clive leaves his widow, Kate and young sons, Thomas and Benjamin.

Sharyn West

A tragic car accident on the Westgate bridge on September 24 took the life of Sharyn West from Camberwell South branch.

Sharyn, 23, joined the Bank in 1986 at Glen Waverley Branch. After time at Shepparton and Wangaratta, Sharyn moved back to Melbourne this year.

A well respected and popular member of the team at Camberwell South, Sharyn will be greatly missed by her State Bank colleagues.

SBV Beats Coke!

SBV achieved overwhelming results in an Australia-wide consumer recall survey conducted earlier this year by Morgan Research.

SBV's advertising took out first place in Victoria, beating the Coca Cola advertisement, which came in second.

Owing to the success of the campaign, SBV's future advertising will continue this theme.

Did you know in 1988- 1989?

- ▼ Market share increased — 34 % of all Victorians claim SBV as their main bank. This is the highest level for many years.
- ▼ Corporate and international assets now represent 30% of the Bank's total assets.
- ▼ First-home buyers account for about 40% of the Bank's total lending.
- ▼ Total retail lending assets increased 21.4% to \$9,900 million.
- ▼ The Bank now has banking relationships with almost all the top 100 corporations in Australia.
- ▼ Bank deposits have reached levels of \$15,758 million, a growth of about 34%.
- ▼ Teller Point was expanded to 263 ATMs, making it the largest network in Victoria, and transactions increased by 40%, to 23 million.

Graeme Dimond

Graeme Dimond, 19, of Ringwood East Branch passed away on October 16 1989.

Graeme, originally from Ballarat, drowned while holidaying in New South Wales.

A quietly spoken person, Graeme had intended to undertake further study to help advance his career with the Bank. Although he only began working for the Bank this year, he had shown dedication to his job and was well regarded by his colleagues. Graeme will be sadly missed.

Over \$21 million invested in training

An estimated \$21 million was invested in training SBV staff last financial year, a strong indication that training staff is a priority for State Bank Victoria.

Over 10,921 participants undertook training at the Bank's Training Centre, Staff College and Regional Centres, and the

number of staff attending courses increases each year.

Training is accessible to all levels of staff (from new recruits to executives) with courses run at nights, weekends, and during the week. As well as formal training courses, the Bank provides self-study programmes and en-

courages attendance at external courses by providing study and exam leave and assistance to cover the costs of books and fees. With training designed to complement promotion and personal development, the Bank's view is that training is an on-going process as you move up through the ranks and

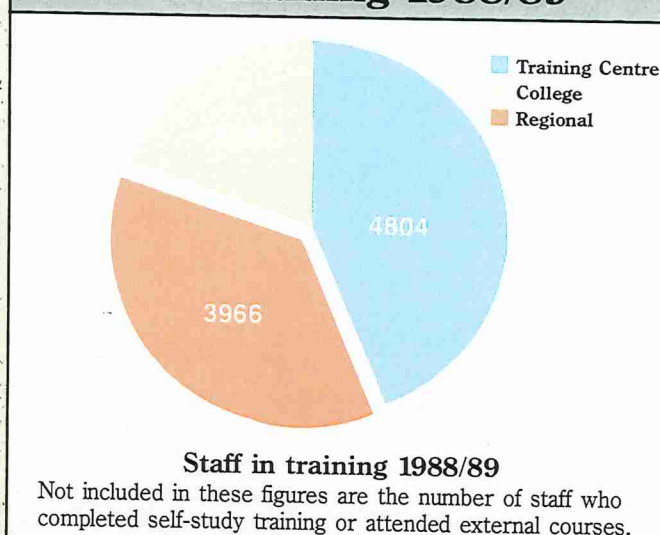
not just something you do when starting your banking career.

The bottom line for all Bank training is that it will enhance individual and organisational performance and, as a consequence, the level of service we provide our customers.

Courses offered 1988/89

- ▼ The increase in the number of courses available to staff this year reflects the decision to shorten the length of some courses, the development of new courses and the greater number of courses being conducted at the regional centres.
- ▼ Since 1987 over 30 self-study modules (including the role of the Branch Development Officer and Letter & Memo Writing Kit) and numerous formal courses (like Personal Lending, Part-time Tellers, Train the Trainer) have been written. The Training Design Centre is currently investigating the use of computer based training to meet the future needs of training in the Bank.

Staff in Training 1988/89



Courses Offered — 1988/89

Course	No. of Courses	No. Attended	
GCOs	5	91	Staff College
Advanced GCOs	9	157	
Accountants	13	222	
Management Development	9	150	
CBDS	1	14	
Rural Manager	2	33	
MPG	2	28	
Business Lending	15	263	
Lending Two	8	134	
Lending Three	6	103	
Retail Lending	7	117	
Financial Analysis	1	16	Training Centre
Future Directions	11	292	
Credit and Lending	5	78	
Commercial Negotiations	8	127	
Induction	42	1448	
Basic Products and Services	26	419	
Tellers — Full Time	36	933	
Tellers — Part Time	35	513	
Savings	36	407	
Statement Refer	39	541	
Supervisor Statement Refer	20	157	
GCO	13	190	Regional Offices
Advanced GCO	5	68	
Train the Trainer	6	31	
Conduct Three	6	42	
Senior Induction	5	56	
Induction	28	55	
Tellers — Full Time	59	219	
Tellers — Part Time	41	175	
Remedial Tellers	8	13	
Products and Services	25	138	
Savings Refer Clerk	121	628	
Statement Refer Clerk	73	373	
Supervisor Refer Clerk	13	69	
Keyboard Skills	2	2	
Personal Lending	80	509	
Business Accounts	16	90	
Staff Conduct	89	509	
STEP (revision)	20	114	

BANK & GROUP EXPLAINED

What do the terms "Bank" and "Group" mean?

"Bank" means the State Bank of Victoria, including all our branches outside Victoria (Sydney, Brisbane, New York, London, and Hong Kong).

"Group" (short for the Consolidated State Bank of Victoria Group) means the "Bank" plus our subsidiaries.

Why does the Bank have subsidiaries?

For legal, taxation and economic reasons, it is sometimes

desirable for the Bank to acquire, or create, companies that provide the types of activities in which it wants to be involved either because they make good business sense (that is, they have the potential to provide a good return on investment) or because they provide complementary activities to its own (so it can extend the services it provides to customers).

The Bank then becomes the holding company, and the Group comprises the Bank and

all companies it controls (subsidiaries). Subsidiaries prepare their own financial statements and operate independently.

A subsidiary can quite often achieve the goals of the holding company more efficiently and cost-effectively. A bank with a large number of subsidiaries under its control usually reflects a strong holding company. As with any business, the holding company can buy or sell its subsidiaries whenever it

makes economic sense to do so.

What are some of the Bank's subsidiaries?

These are companies that are controlled by the Bank. They include:

- Australian Bank Limited (and its subsidiaries), which was acquired during 1988/89.
- Tricontinental Holdings Limited (and its subsidiaries), which remains a separate legal entity.
- SBV Asia Limited, which gave us representation in Hong Kong prior to our Hong Kong Branch receiving full branch status.

FRAUD BUSTERS

The quick-thinking reaction of Braybrook Branch staff helped thwart two recent fraud attempts.

In the first attempt, a woman presented a cheque to part-time Teller Denise Duncan who queried the signature to Sarah Higham. Both thought it was unlike the signature registered and referred it to Manager Terry Toomey.

As Terry was approaching the woman, she raced out of the branch. It was later discovered that another customer had two cheques stolen from the back of his cheque book

which had been sitting in his office.

Two days later, a pass book and withdrawal were presented to Teller Martin Hamilton who referred the signature to G3 Cathy Scida and then to Terry Toomey.

In this instance, the offender was shown into the manager's office and the police called.

Both customers presented staff with boxes of chocolates for their efforts.

Raelene Danaher
Parkville West Region

THE \$9000 CAKE



Ready to attack the cake are, back row, from left, Michelle Buick, Eddie Anderson, Chris Robson, Linda Roney, Rohan Andrew. Front row, from left, Robyn Crump, Jenny Jackson, Robyn Patrick, Dianne Allen, Jacinta Tripp.

A man attempting to cash a \$9000 stolen cheque found out that he was no match for the staff at Camberwell Junction.

After stealing the cheque and forging the signature, he presented it to Teller, Robyn Patrick, for cashing. A team effort by Robyn and her two Accountants Dianne Allen and Marie Breen put an end to the crook's plan.

The owner of the Cheque Account was so appreciative they sent a special thank you message to the branch by courier. It was a large, rectangular cream sponge cake especially made in the Bank's corporate colours with the wording: "\$9000 thank you."

The only problem was that the food colouring turned their teeth "corporate blue"!

Kathy Constantinou
Box Hill South Region

QUICK ACTION STOPS CRIME

Quick-thinking Teller Robert Burn, Dandenong Branch, recently referred an incorrect signature to Accountant Chris Horton.

The catch was that the pass book being presented was also being reported stolen at the Teller position next to Robert.

Rex Hall
Manager
Dandenong Branch



The Braybrook fraud-busting team. Back row, from left, Ken Balshaw, Relieving Accountant, Martin Hamilton, Terry Toomey, Manager. Middle row, from left, Michelle Rizzo, Denise Duncan, Anna Spooner, My Tang Lee, Sherry Suhr. Front row, Cathy Scida.

Results of the Salary and Grading Structure

The implementation of the new salary and grading structure, based on pay for the job principles, was completed this year.

The structure replaced the traditional age and service salary scales and is supplemented by bonus payments to encourage higher levels of performance.

Here are some of the results.

- 8965 staff received a 1.5% pay increase as an immediate result of the restructuring. Of this staff, 6983 received a pay increase above 1.5%.
- No staff member was financially disadvantaged.
- In addition to performance increments, \$1,300,000 was paid in bonuses to 2250 staff.
- In moving to the new grading structure there were 37

positions appealed (involving a total of 51 staff members). Here's a breakup of how the 37 positions appealed were settled:

—18 Branch Manager positions were appealed. Of these, 13 were settled during discussion, two were upgraded and the remainder not changed.

—Seven non-managerial branch positions were appealed. Of these four were settled during discussion, and the remainder not changed.

—12 head office GCO and regional office positions were appealed. Of these, two were resolved during discussion, seven were upgraded and the remainder not changed.

—Appeals for head office classified positions are not yet finalised.

• Because of clearer job accountabilities, more structured and effective training has been possible.

• The seven classified levels comprise 21 separate wage rates giving you greater opportunity for salary increase and progression.

• Clearly defined jobs and consistent accountabilities will enable more objective and accurate performance appraisals.

• The introduction of higher job gradings (G3 and G4) substantially increased the promotion opportunities for GCOs.

• Through competent performance, increments and bonuses, staff now are eligible to receive salary increases while they are in the same job. In the past, staff had to be promoted to receive salary increases.

John Lorensini

Training Officer, Box Hill North, Regional Office talks about his banking career to date, and the importance of training.

"I joined the Bank on September 15, 1975 at Lismore. Being a small branch, Lismore was an excellent training venue as it gave me exposure to a wide variety of the Bank's products and procedures. After a brief six-month stay at Elizabeth Street branch, I spent three months at London office, where I gained a completely new insight into the international side of banking.



Upon my return I was transferred to Branch Audit Staff and it was in this role that I obtained a great amount of experience due to a constant exposure to the many different facets of branch procedures. In September 1985 I was promoted to Ac-

countant 3 status at Balwyn North. During that time I was in a position to exercise my supervisory skills and apply the knowledge gained whilst on Audit Staff.

Being the first Regional Training Officer appointed to Box Hill North, it has enabled

me to experience the vast changes occurring within regional training. These changes have been highlighted by the transition from "one-to-one" training in branch to more structured formal training at the Regional Centre. Due to the availability of additional courses a higher percentage of staff have had the opportunity to participate, thus increasing branch staff's awareness of the importance of bank products, services and procedures. Selection for staff attending training courses is based on any of the following criteria:

- specialised training needs for specific branch positions
- performance appraisal
- request from Branch Development Officer/Branch Manager."

Box Hill North Regional Training

Course	No. of Courses		No. of Trainees	
	87/88	88/89	87/88	88/89
Savings Refer	10	10	50	47
Statement Refer	4	5	18	22
Business Accounts	16	3	77	14
Personal Lending	1	12	5	61
Staff Conduct 1	1	6	6	35
Total	32	36	156	179

Launch of new insurance products

A most significant impact of the new State Bank Act (passed in June 1988) is in retail operations where the Bank powers have been extended. For instance, SBV can now offer a wider range of insurance services and is planning to launch mortgage protection and credit card debt insurance in 1990.

The new Act also gives the Bank powers similar to those of our trading bank competitors.

Staff help identify their training needs

90 branches were visited and over 1100 staff interviewed in a major review of the Bank's training needs.

The review, initiated in 1987, identified 443 tasks carried out by branch staff which were then grouped into the four ongoing programmes that make up the Bank's training curriculum —

- lending
- management and personal development
- customer service/induction
- products.

Training courses were designed and developed on the findings of this review. To ensure training needs continue to be met, Training Design Centre maintains close liaison with regions, branches and head office departments.

John is a Little Ripper



John Piccione
Box Hill North Region

John Piccione, of Box Hill North Regional Centre, is the winner of this month's Little Ripper award.

John receives the award for his significant contributions to True Blue over the last five months.

Howzat! Ray's book out soon after a 20-year innings

Cricket fans must be the world's most dedicated sports followers.

Who else would spend five hot days, often during their annual holidays, watching two teams bat and bowl and bat and bowl again to see the result end as a draw and then eagerly await the next five-day encounter?

How dedicated, then, would a cricket fan be to put 20 years' work into a cricket book with a limited print run and expect to make no money from it?

Ray Webster, Manager of our Bentleigh East, Centre Road Branch, is the one with the answer. Volume 1 of his book, Australian First-Class Cricket, is due out at the end of this year or early next year.

"As first-class cricket is acknowledged to have begun in 1850 and the work is to cover all games played, it is to be covered in three volumes," says Ray. "I have completed research on the first volume, 1850-1942. It is being privately printed in a limited edition of 1000 to 1500 copies initially. If demand warrants it, a second printing will be arranged."

"Research has been painstaking due to the absence of any comparable previous work. I have been involved in this, mainly from contemporary newspapers, for more than 20 years as a hobby."

Ray reckons that on average, for three to four hours on Sunday for at least

40 weeks a year, he has ploughed through newspapers at La Trobe library getting and checking results of cricket games. He has been working with Perth Journalist Alan Miller to produce it.

"It's only in the past 12 to 18 months that I have made a concerted effort to put it all together as a result of the opportunity to publish in a permanent form," he says.

Ray says there has not been a comparable reference book published on Australian cricket although there are similar works for other major cricket-playing countries such as England, New Zealand and South Africa.

"I admit it's not going to

have universal appeal," he says. "Only the real enthusiasts and reference sources such as libraries are likely to want to purchase it. There is one page per game. Each match will have the complete score and peripheral detail together with a summary of play and matters of interest."

"I've always been keen on cricket and it seemed like a good idea. But I'll believe it when I see it in print."

Ray says that when the book appears he may retire to the pavilion and take a well-earned tea break, but not for too long — he has plans for a book about individual cricketers.



Did you know in 1988-1989?

▼ The Bank is the biggest lender for housing in Victoria and, the third largest housing lender in Australia, even though its lending for housing is virtually confined to Victoria.

▼ The Bank has an estimated 32% share of major credit cards issued in Victoria, and is the leading supplier of Visa cards in the state. Its share of the Visa card market is nearly 60% of cards issued, and supports about 46% of Visa merchant outlets.

▼ State Bank SuperSafe ADF has continued to grow and is still the second largest ADF fund in Australia.

▼ The branch on-line computer system was upgraded at more than 300 branches.

Over the past years there have been many changes to the ways in which branch staff process some transactions and prepare documents. Here's a list of some of those changes — changes designed to make life easier for over 7,000 branch staff and to improve customer service.

- Agency payments, like SEC and MMBW, have been automated

Tellers now key agency payment information as they receive payments from cus-

tomers. The time-consuming tasks of batching, listing and balancing are no longer required. Manual rebate calculations and searching for rebate tables are no longer required. The system now calculates rebates.

- Access to card information is simple

Obtaining authority for cash advances and accessing account balances via terminals saves time and money. These

innovations have resulted in fewer phone calls by branch staff.

- Link between on-line and ATM systems completed

Transactions through either system are now reflected in the other system immediately. This has reduced the number of enquiries and accounts overdrawn.

- Tracing transactions has been made easier

Being able to view the last seven transactions on Statement Accounts means enquiries can be handled without having to wait until statements are available and less searching through ledgers. Simply call the information up on screen and you're home.

- A Term Deposit customer decides to change the conditions? A few key strokes and it's done

Customers are entitled to

change their minds. In the past, this meant prepayment and then reinvestment. Not any more. Changes to term and rate can now be input to existing holdings. We are continually trying to improve our term deposit system.

- Safe Deposit Fees looked after by periodicity

The tedious task of keying debits to customers' accounts for Safe Deposit fees has been removed by periodicity.

- Help on international transactions

The International Help Desk provides a focal point for answers to international transaction enquiries. From October 1988 to September 1989, 19,000 calls were received. During this period the number of daily calls has reduced by almost 20%. Here's a list of the most common enquiries:

Issue of drafts — currency available, preparation advice Repurchase/replace draft Exchange rate quotations Inward/outward telex and enquiries

WORKING INTEREST

Wandin North clocks up its first decade in style

Wandin North Branch celebrated its 10th birthday on September 12.

Customers, staff and former staff including the branch's first Manager, Ralph Speedie and third Manager, Barry Spink, attended birthday celebrations at the branch office.

Other guests included Box Hill North Senior Regional Manager Kevin Glenister and Regional Manager Frank Melican.

Branch Manager Bob Alder, who has been at Wandin North since 1987, says: "It was an excellent night. Everyone certainly enjoyed themselves. The staff here, as always, worked hard for the celebrations".

The Bank had an agency in Wandin North in 1922 and established the branch in 1979.



Wandin North staff make a wish as their 10th birthday cake is cut by from left, Ralph Speedie, First Manager, John Mould, Architect, Bob Alder, Current Manager.

John Piccione, Box Hill North Region

Career Bankers On Their Way Up!

All nine participants in the fourth Career Bankers' Development Scheme (CBDS) successfully completed the initial training phase of the programme at the end of September.

The aim of this training phase is to give participants the specialised lending knowledge and skills necessary to become commercial lenders.

The training phase of the CBDS programme runs for 14 weeks and consists of on-the-job training and formal training.



A very successful looking group after they were presented with their training certificate from John Williams, General Manager, Personnel. From left, Enzo Di Niro, John Williams, Richard Millership, Michael Urban, Michael Jeffs, Fiona Chong, Mark Evans, Hans Sasse, Mark Galvin, Charles Derham.

Pop Video

An enterprising staff member at Burwood East Branch, Andrew McMahon, added plenty of atmosphere to a recent customer service training session he was organising.

As a video was to be used, Andrew set up the TV and video in the office of Manager Murray Chisholm, arranged his fellow workmates to sit in rows of chairs, then hit the lights.

As the staff sat back, there appeared to be only one thing missing — popcorn! But no, they were all mistaken — Andrew had thought of that too. He strolled in with buckets of popcorn for everyone!



Kathy Constantinou
Box Hill South Region

Service awards



Julianne Allen and Peter Jolly, both of Glen Waverley Branch, recently celebrated 10 years' service with SBV. Celebrating, from left, are Ken Castanelli, Manager; Julianne Allen, Peter Jolly and Geoff Cameron, Acting Senior Regional Manager.

Leonie Murphy, Ormond South Region

Don't cage me in!



South Central's Senior Regional Manager Barry Smart certainly can't be accused of not cutting costs, where possible. His "office" has become a cage with few mod cons — not even a chair or telephone.

The truth is that when the caged area was built at the back of the regional office for rubbish to be kept, the sign for Senior Regional Manager remained on the wall.

Christine McCallum, South Central Region

Well Remembered

I would like to advise your readers, especially those retired, of the death of my father Lindsay MacLean on August 10 at Heidelberg Repatriation Hospital.

Dad, who was almost 96, had been retired for 31 years, having joined the Bank at Hordsham in 1914.

He worked in the Elizabeth Street Branch in the '20s where, among other things, he was active on the State Savings Bank magazine.

Dad served in Cohuna, Woodend, Healesville, Wodonga, Kyabram, Seymour, Elizabeth Street, Mentone, Glenhuntingly, Ivanhoe, Hamilton and Brunswick.

He made many friends and his funeral was attended by old friends he had worked with in 1918, 1932, 1954 and later. He must have been one of the oldest retirees known to the Bank. I think there would still be a few who would remember him.

Born in 1893, his life spanned almost half the period since the first white settlement of Australia. A lot of change in that time!

He was a proud member of the Bank staff and then an annuitant who maintained great interest in his old employer. We miss him.

Neil MacLean
Kew

Our New Achiever

After six years part-time study, Con Di Pietro, Frankston Region's Relieving Manager, proudly displays his well-earned Associate Diploma of Accounting for the True Blue camera.



Jeff Hyde
Frankston Region

Not bad at all, Michael!

Our colleagues at Ballarat Sturt Street Branch got together for a bad taste night recently.

Held at the Union Hotel, the bad taste night was organised by Deanne Gent. The only person to arrive dressed as himself was Manager Michael Ryan. Maybe it was bad taste not to dress in bad taste?!



Back row from left, Ron Bradley, Julie Toohey, Wayne Smith, Nicole Christopher, Kevin Hunter, Sharon Waller, Tanya Healy, Cameron Davies, Chris Sharp, Jenny Morcombe, Sally Pascoe, Bob Millichamp. Front row, from left, Tracey Wickham, Deanne Gent, Angela Walsh, Accountant Michael Ryan, Manager Michael Ryan, Robin Cruickshank, Leanne Kuypers, Katrina Curtis, David Curtis.

Christine McCallum, South Central Region

And he's racing.... thanks to State Bank Victoria

If you're a drag car racing fan, and happen to see a car on the track with State Bank Dallas and TT written on it, you might be interested to know the reason.

Brian Holmes, a local drag racing enthusiast, approached State Bank Victoria's Dallas Branch for a loan.

Tom Tozer, then Accountant at Dallas, was so impressed with Brian's earnest attitude

that he gave him a go by processing the loan for him.

Dallas Manager Bruce Wallace says: "Brian was so pleased with the Bank, after having been let down by some other banks, that he voluntarily had the words State Bank Dallas especially painted on the front of his car, followed by the letters TT, for Tom Tozer, and proudly brought the car

around to show Tom."

Tom, now at North Fitzroy St Georges Road, says that at

last check, Brian still had not won a race — but he hasn't given up trying.



Brian Holmes proudly shows off his car to Tom Tozer, previous Accountant at Dallas.

THEIR SAY

Bank customers record their thanks to Branch staff.

These four letters congratulate staff for recognising customers' many and differing needs.

Mr Brian Brand,
Manager,
Brandon Park Branch
State Bank of Victoria

This letter is in praise of one of your officers, Katie Gladstone.

My account with the State Bank started immediately after closing one with your competitor because of the poor level of service. Generally, your bank offers a more efficient and friendly service.

Two weeks ago, I was at your branch for the third occasion over a bond draft. The earlier two attempts were futile, until I was served by Katie Gladstone. She made every endeavour to assist me and was most sympathetic towards the frustration that I had encountered.

At through, she persisted and was always smiling. In a matter of ten minutes I was a very pleased customer.

Yours sincerely
Christall Soo

The Manager
Prahran Market

Recently, I entered the Bank to withdraw and deposit some money in my savings account. The queue was all the way to the door and I thought I would be in for a long wait. However, the counter was quickly manned by another two tellers and the queue was reduced very quickly.

I would like to thank the staff for their efficiency and thoughtfulness for their quick response.

I had earlier been in the National Bank and the Westpac in Chapel Street which did not respond to the Friday lunchtime crowd.

I had to waste half my lunchbreak waiting in long queues. You can rest assured that my accounts at these banks will be closed.

Richard de Gabriele
St Albans

Mr Les Hensford
Manager
Dingy Branch

Dear Les,

Given the manner in which you have treated my account with your branch over the past 12 months, I felt that it would be remiss of me not to write and record my appreciation for the assistance that you have personally provided.

As an ex-banker myself I feel that the personal and constructive approach that you adopt towards your customers and their needs is something that the industry in general is sadly lacking.

Yours sincerely
Ken G. Gibbs
London

The Manager
Healesville

Dear Sir, I would like to bring to your attention the thoughtful and sensitive response I received from one of your staff members last week.

I went to your branch to notify them of the death of my father. I was attended by Roseanne Kirkwood who went out of her way to assist me, and to make a potentially upsetting task easier to complete.

I returned to your branch with my mother, and Roseanne attended us quickly, again impressing me with her sensitivity and efficiency.

As a teller at State Bank Centre Branch, I have spoken to customers in similar circumstances, so I do understand how difficult it can be to know how to deal with people. Please pass my appreciation and thanks to Roseanne.

Yours faithfully

Kaye Kelly
Kaye Kelly

SBV Bowls Up 35 Years!

The State Bank Bowls Club has bowled up 35 years of success, and has kept the same degree of enthusiasm and comradeship as in 1954 when the club was formed.

Members can play two different types of competition. The club plays five pennant games throughout the summer against other banks. Our club has won the Pennant Cup for the past three years.

The club also plays seven social games with teams made up from both present staff and retired officers who play against different host clubs around Victoria.

The end of the season culminates with a special game named "All Bank Night" where club members compete against each other under lights.

New members, experienced

and inexperienced, are always welcome.

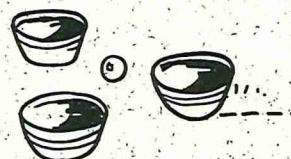
For more information about the club, call Ross Palmer, Club Secretary, at Prince Henry's Hospital Branch on 614 2022.

Bruce Wallace
Dallas Branch

BOWLS:

The aim of the game is to get your bowl closest to the Jack by rolling it over an area of grass.

Although not necessary, some prior knowledge of the game may be considered beneficial...



PRODUCT SPOTLIGHT

New products, services & departments in 1988/89

- **State Banking Business System** — supports the business market. Based on SBS. Interest calculated daily, credited monthly. Overdraft facility. Electronic banking access.
- **Private Banking Department** — provides comprehensive banking and financial services to "high net worth individuals". Staffed by highly experienced bankers, qualified Accountants, Sharebrokers, Investment Managers, and property and taxation experts.
- **Affinity Cards** — a Visa classic card linked to an organisation. Organisation is prominently identified on the card. Launched with ACTU, Melbourne and Essendon Football Clubs.
- **SBV Office Point** — allows customers to access their Statement Account through a personal computer or dedicated videotex terminal from their home or office.
- **Transferable Investment Certificate (TIC)** — a Treasury-based product in which amounts of \$100,000 and more can be invested for one day to two years. Often yielding higher returns than the underlying bearer securities and can be redeemed at any time.
- **StateGuard Friendly Society Investor's Option Bond** — allows life-insurance investors to split their investment between the Capital Based and Managed Investment portfolios.
- **Commercial Lending Units** — established in all metropolitan regions and in Geelong. Geared to the needs of the business community. Have significantly improved response time to loan inquiries.
- **Restructure of Head Office** — Retail Banking and Treasury restructured to focus more closely on better servicing customer needs. Retail Banking formed two "line" departments, Personal Banking and Business Banking. Treasury in Managed Funds Administration introduced a Customer Service Centre.

Come On! Help Cheer On Merv...

Be 1 of 3 people to win a double ticket to a one-day international cricket match — in the members' stand!

How?

All you need to do is answer the following three questions which are based on articles in this edition.

Questions

1. What was the total number of staff in 1988/1989?
2. How many staff undertook training at the Bank's training centre, staff college and regional centres?
3. What are the four on-going programmes that make up the Bank's training curriculum?

Write your name, SR number, branch/department/region and the answers on the back of an envelope, then send it to Communication Department by Friday 1 December.

And the winners are!

The winners of the Product Spotlight competition in October's True Blue are:

Matthew McGregor — Malvern East Station
Dale Grant — Wycheproof
Caterina Messina — Essendon
Sharon Farrall — Central
Tracey Ballans — Morwell
Damien Elsworth — Information Systems
Elizabeth Kirsch — Preston East
Julie Watts — Essendon North
Joanne Ciavarella — Merlynston
Nicki Zehntner — Heidelberg Region

They each win a double movie pass to a film of their choice.