

Local SME industry impact

What is the direct local impact of your business?

Examples: Are you a local SME (how many people do you employ, where is your business located, what is the ownership)? How many people do you employ in Tasmania? Would any new SME jobs be created by the proposed contract - how many?

CommBank employs 595 Tasmanians (FTE) with a workforce located at a number of sites across the State including:

Government Banking Team in Hobart

Direct Banking & Lending (Call) Centres in both Hobart and Launceston

Business Centres in Hobart, Launceston, Devonport and Burnie

Specialist Teams in Hobart

Wealth Management Teams state-wide

The Bank's comprehensive branch network

CommBank's network of branches and agencies serving the Government, businesses and individuals, is the largest of any financial institution in Tasmania. We have almost twice as many branches as the next most represented financial institution.

As the largest lender in Tasmania, our activities have a profound effect on the Tasmanian economy, touching everything and everyone from larger commercial clients, Small to Medium Enterprises, Agribusiness (rural) clients, and Tasmanian individuals and households.

CommBank continues to provide essential assistance to the regional economy with our support of local irrigation schemes. We have financed significant development, and much of the equipment has been financed under our own Energy Efficient Equipment Finance. Our product covered a wide range of development equipment including centre pivot irrigators, significant solar systems, and provided an incentive for business owners to upgrade their machinery to more energy efficient models.

Our lending policies are flexible and sensible. They allow us to support growing businesses by recognising the future value of developed land, as well as recognising and extending a value over softer assets such as livestock.

As a result of our approach, the clients we have assisted have seen significant productivity increases, while suppliers and the extended community and economy downstream have enjoyed considerable benefits. Incentives provided under the Energy Efficient loans have made businesses more efficient by making renewable energy more affordable and therefore a smarter choice for businesses. This has further contributed to productivity increases as some areas can now be irrigated due to the use of solar power for pumping rather than consuming electricity at peak power prices.

Every CommBank Branch Manager in Tasmania is a member of their local Chamber of Commerce. This ensures that the Manager and the Bank is engaged in the community, particularly the small business segment.

Goods and services to be utilised in the contract

How much of the goods and services in your submission will be provided by/sourced from local SMEs (this includes goods/services you provide as well as goods/services procured/produced from suppliers/sub-contractors/partners)?

Identify the goods and/or services you expect to purchase in order to complete the contract and provide the requested information in relation to same, where known.

The delivery of banking services proposed in our response will draw on our extensive branch network and our Government Banking Team.

CommBank's activities in Tasmania generate a considerable positive economic impact for the local SME segment of the Tasmanian community, and in particular, for those businesses which interact with CommBank as suppliers and providers of goods and services.

Opportunity for local SME involvement

Will you source components of your offer from other local SME companies/sub-contractors or is there new work to be undertaken locally as a result of you fulfilling the contract or workers travelling to the local area to undertake the work? How much?

Local expenditures by CommBank cover a range of areas including rent, energy costs, cleaning, rates, accommodation, transport, valuations and hospitality.

Details of our expenditure in Tasmania over the past three financial years is as follows:

2015 – 2016	2016 – 2017	2017 – 2018
\$7,023,726	\$6,421,266	\$6,608,423

The above figures for the past two years include in excess of \$2m paid by CommBank to the Tasmanian Government in Payroll Tax.

Detail how you intend to identify and engage with sub-contractors and/or other SMEs in relation to the delivery of the contract including your supply chain i.e. use of existing supply chains, advertising of sub-contracting or supply opportunities, liaison with industry groups, etc.

Responsible procurement

CommBank is determined to build sustainable practices into every aspect of our business and this includes our procurement processes. We do this in a number of ways, for example:

Category Strategy: dedicated section/assessment on Environmental and Social Governance (ESG) risks/opportunities for that category

Sourcing: all market engagements include a sustainability schedule. Tendering organisations need to respond to a number of questions regarding management of ESG within their organisation and supply chain

Medium/high risk categories: we have a heat map across categories and where there is higher risk, increased scrutiny is built into contracts (e.g. certification requirements).

While we support socially responsible suppliers, we also expect the same ethical practices, and professional standards by which we hold our employees to account, to apply to our suppliers. This is set out in our Supplier Code of Conduct, which identifies key social, environmental, and governance criteria.

Across the business we have introduced Responsible Procurement fundamentals training through eLearning for procurement teams and buyers.

Supporting Indigenous SME suppliers

We are a founding member of Supply Nation, a not-for-profit membership body supporting small-to-medium Indigenous suppliers. We work collaboratively with Supply Nation to help build capacity amongst Indigenous businesses by:

- Including Indigenous suppliers on our preferred supplier list, and promoting these to Group employees
- Encouraging our suppliers to support Indigenous Australians by including a 'Commitment to Indigenous Australians' tender schedule in all formal tenders
- Mentoring Indigenous businesses
- Connecting Indigenous suppliers with larger organisations in our supply chain.

Detail the process that you are to undertake to ensure that local SMEs are not to be disadvantaged where competing with other suppliers in the provision of goods or services to be used as part of this contract (i.e. unpacking of procurements into smaller components so that local SMEs can compete more effectively etc.).

CommBank is committed to developing a supplier list which reflects our diverse customer base and offers a wide range of perspectives and capabilities. The suppliers we seek to engage as part of our supplier diversity strategy, include Indigenous-owned businesses, women-owned or led businesses, disability enterprises and social enterprises.

We proactively identify opportunities in our supply chain, through our Supply Nation membership and Reconciliation Action Plan commitments.

CommBank actively strives to increase leadership opportunities for women through the Male Champions of Change initiative and as a signatory to the UN Women's Empowerment Principles. This includes engaging directly with women-owned or led businesses as well as supporting suppliers with strong gender balance policies and demonstrated performance improvement.

All of our supplier relationships must provide value to us and be based on merit. We encourage our suppliers to mirror this commitment to supplier diversity in their own supply chains.

Broader economic opportunities

Are there any other impacts that your business and/or this specific supply will provide to the local/regional economy?

Examples: Your supply may lead to: new skills being developed locally; trainees/apprentices being appointed; cross transfer skills to a local SME partner/sub-contractor; your company (if you are not a local SME) setting up an office/employing local staff; scale for you to take your products/services interstate/overseas; local community sponsorship etc.

Our proposal includes a commitment to partner with Tasmanian Government to share our innovation and design thinking methodologies. To assist all Tasmanian businesses learn and grow as a result of this proposed partnership, subject to being awarded this contract, CommBank will make a range of programs available to both the Government and local Tasmanian businesses (of any size), funded at our cost.

These events will be conducted in year one of the banking contract and then reviewed based on government and industry feedback (with a view to a continued partnership over the longer term) and are outlined in detail in Appendix F. We would envisage working closely with both government (i.e. Department of State Growth) and industry in the identification and engagement with suitable local businesses that would benefit from this program.

We will conduct a series of events and programs designed to bring benefit to both Tasmanian Government and the Tasmanian business community, with a strong focus on the SME segment (local businesses with employees of up to 200 FTE).

These events and programs will be hosted by CommBank's Innovation Labs and will include a number of events that are funded by CommBank. Please see Appendix F – Innovation Proposal for further details.

Local Community Sponsorship

Our local Community Sponsorship includes:

Staff Volunteering

Our large, diverse organisation has a range of skills that we can donate to help charity, community groups and social enterprises achieve their goals.

Our staff have the opportunity to volunteer their expertise through skilled volunteering and secondment programs.

We are a member company of Jawun, a leading non-profit organisation that brings together corporate Australian and Indigenous social enterprises. Through Jawun, our staff complete secondments to help build skills in Indigenous Australian enterprises.

We work closely with the Australian Business and Community Network and the Australian Indigenous Education Foundation with their primary school and high school student mentoring programs. We offer support ranging from contributing to literacy in primary schools to helping high school students make career choices.

CommBank regularly arranges team days for our people to work together to support a list of various charitable groups and non-profit organisations. These volunteer activities range from producing meals for those in need through Cooking for a Cause with OzHarvest, vegetation projects with Conversation Volunteers Australia or working with clients of the Cerebral Palsy Alliance.

For example, recently Tasmanian staff raised over \$36,000 with the Tasmanian Can4Cancer campaign. Can4Cancer is another CommBank Foundation community initiative with Tour de Cure that raises vital funds to support researchers working towards curing and preventing cancer. Across the nation in 2018, Can4Cancer raised over \$2 million for breast, prostate and childhood cancer research projects.

Disaster and Crisis Support

At times of significant weather events throughout the year, we activate our Emergency Assistance Package for customers and businesses affected by bushfires, floods and storms.

As an example of such a response, we recognised the desperate needs of the communities of the Tasman Peninsular at the time of the 2013 Tasmanian bushfires by:

- Establishing a temporary branch facility at the Dunalley Hotel to enable the provision of cash to community member and firefighters (under escort of Police and Tasmania Fire Service vehicles due to safety concerns).
- Arranging for our Sorell Branch to remain open on Sunday so as to meet the increased demand from residents from affected areas.
- Arranging for the ready encashment of Tasmanian Government cheques, without the usual requirements, so as to enable residents to obtain a supply of emergency relief cash.

Growing Cricket for Girls Fund

To develop new girls' competitions and teams and grow established competitions, Cricket Australia in partnership with CommBank established this ground-breaking funding to directly support local cricket associations, cricket clubs, school sporting associations and secondary schools across the country.

Local Grass Root Cricket Club Sponsorships

As a part of our support for grassroots cricket we offered local clubs the chance to apply for one of our two-year sponsorship grants.

Successful clubs receive a helping hand of \$2,000 per year, brand new cricket equipment and CommBank gear such as marquees for game days.

CommBank Foundation

Our employee giving program has been contributing to the wellbeing of Australian communities since 1917.

Now over one hundred years old, it is one of the largest and longest running programs of its kind in Australia, and represents a central part of our corporate social responsibility plan. CommBank matches contributions made by employees dollar for dollar and all administrative costs are met by the Bank. This ensures one hundred per cent of the funds raised by our people go directly to youth focussed organisations.

In Tasmania, the positive impact of the CommBank Foundation has been profound. Examples of recent instances of community support include:

Community Grants are made each year to a number of worthy and worthwhile community organisations such as, Hobart City Mission, St Giles Foundation, Fight Cancer Foundation, Australian Red Cross, Ronald McDonald House, Launceston City Mission and Surf Life Saving Tasmania, to name just a few.

In 2018, we awarded grants amounting to \$130,000. Since 2007, 130 community organisations have received \$990,268 in community grants.

For many years the staff of CommBank have been involved in Operation Plumb Pudding which has seen food hampers distributed to needy families in Tasmania at Christmas.

Commonwealth Bank Teaching Awards

Formed in partnership with Schools Plus, the Commonwealth Bank Teaching Awards recognise and reward inspiring teachers and principals – particularly those working in challenging and socially diverse communities.

Each of the Awards comprises:

12 month Fellowship	\$10,000 professional development for the teacher	\$5,000 overseas education visit	\$30,000 high-impact project at the teacher's school
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In 2018, Awards in Tasmania were presented to Steve Harrison (Huonville High School) and Matthew Eyles (Hobart College).