



# The State

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A REVIEW OF 1981/82  
FOR STAFF



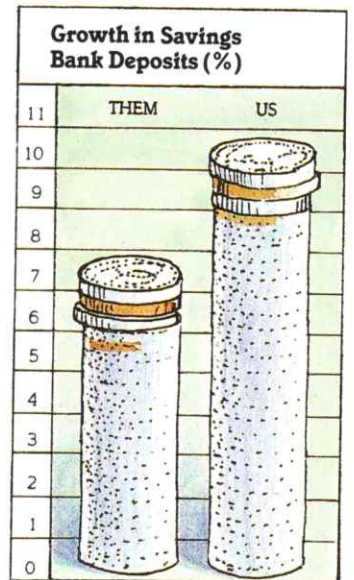


# NEW SERVICES BOOSTED OUR GROWTH

1981/82 was a busy year for us, with more changes to our line-up of services for customers than ever before.

We introduced Investment Accounts, Statecard Savings Accounts, 28-Day Income Accounts and Easy Bank. Changes were made to Deposit Stock terms. All designed to keep us competitive. The result was that our savings bank deposits increased by 10.7%,

which is clearly better than the 7.7% increase notched up by other savings banks in Victoria.



## How one branch built business

Among many branches to adopt successful 'cross-selling' programs during the year was Rosanna.



Rosanna's Robyn Ivey with one of her customers.

Allen Renshaw and his staff of sixteen set themselves two main objectives for 1981/82:

- To gain new funds from opposition institutions;
- To retain any funds which seemed likely to be lost to various competitors.

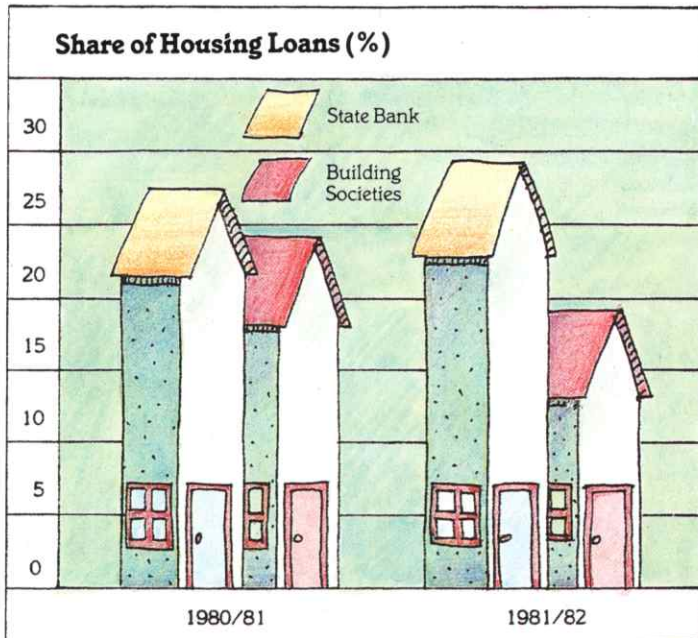
They succeeded during the year in gaining more than \$520,000 from 'Aussie Bonds' investors, more than \$220,000 from other banks and more than \$162,000 from building societies.

Other gains from credit unions, finance companies and semi-government bodies totalled almost \$80,000.

Senior Rosanna accountant Bill Hanna, who is the in-branch marketing officer, commented:

"In most service industries, current customers represent the greatest potential for extra business.

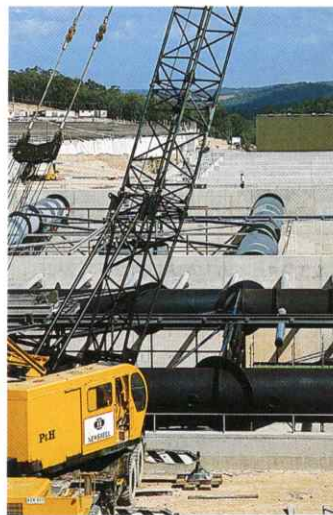
"We looked at the increasing variety of investments and services available and decided to make planned and positive efforts to promote them.



## Our Share of Housing Loans Up

Housing loan approvals totalled \$540 million last year, and that gave us 29.1% of the total amount approved by all lending institutions in Victoria. Our share was

up by 2% from the previous year, but permanent building societies slipped to a share of only 19.4% (down by 5%).



## School Bank Simplified

Our new coupon-book system for school banking has expanded considerably and is now in more than 450 schools. By being a more attractive and convenient method of saving for school children, and by reducing the costs of running school banking, the new system is much more efficient.

## Public Works Loans Increase

Loans to Victorian public authorities for essential services such as water, power, sewerage, roads and community facilities like sports grounds increased by 55% to \$75.5 million.

"This would not have been possible without an interested and enthusiastic attitude on the part of the staff."

Bill Hanna says that a key location for cross-selling activity is the side counter.

Tellers can act as 'spotters' for large deposits and withdrawals, he says.

Local mailings and branch displays can be useful aids in gaining and retaining business.



Staff meeting at Rosanna.

## Weekly Meetings

Rosanna staff holds weekly 20-minute training sessions on marketing and cross-selling, so that all members are fully informed about the Bank's services and how they can be promoted.

Their objective has been to increase the branch's business and improve their promotional opportunities... as well they say they've found a lot of satisfaction in their own personal sense of achievement.

# Staffing, Promotions, Pay



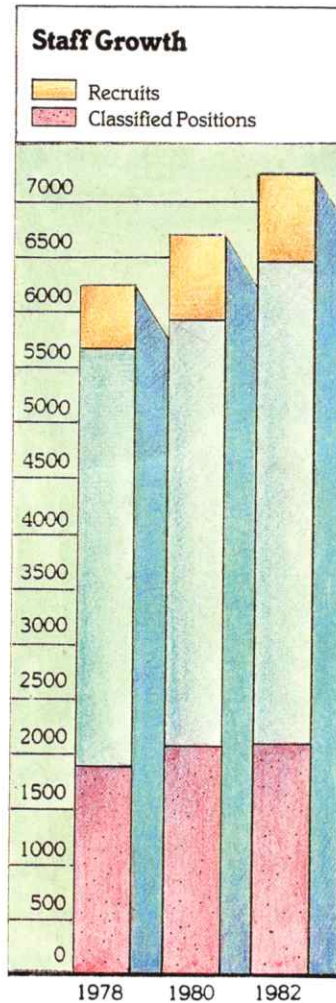
Teller training at Bourke Street.

## ... all grew in 1981/2

While many industries were curbing employment and even retrenching people, our staff grew during the financial year by 252 to reach 7,228. Of this total, 790 were young newcomers, mainly school leavers, compared with 616 recruits in the previous year.

The number of classified positions increased to 2,125, which is more than 30% of our total clerical staff.

During the past ten years, while total staff has grown by 39%, the number of classified officers has risen by 45%.



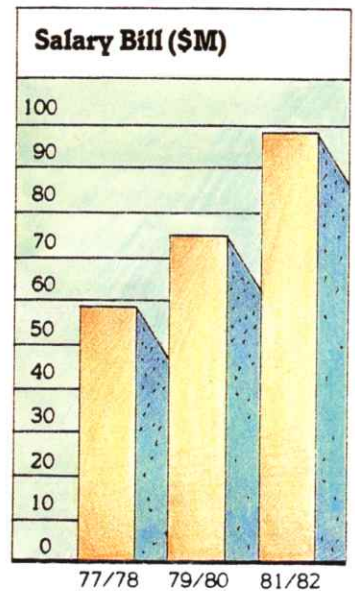
## Prospects for Advancement

Future staff promotions will depend very largely on the Bank's business growth. So we are all, in a sense, able to influence our own career paths.

If we work efficiently to hold and expand our current business, while seeking to attract new customers, the Bank's market share will increase. Then, we will all benefit. On the other hand, if we simply stagnate or lose business by inefficiency, or apathy, the Bank will cease to grow, and so will career opportunities.

## Salaries up 15.9%

The Bank's gross salary bill rose in 1981/82 by \$13.4 million to \$97.6 million. This was an increase of almost 16% on the previous financial year payout.



## The Social Year

Staff off-duty activities and get-togethers were stepped up during 1981/82 under the supervision of Social Secretary Peter Wynd and his assistant Jillian Eddy.

Four skiing weekend trips at Buffalo and Hotham attracted scores of staffers in the winter months. Next year, it is hoped

that a snow trip to New Zealand will be organised.

A series of theatre nights in Melbourne were very well attended by staffers and their friends.

Various sporting and Christmas parties were arranged with assistance from the social office.

### Weekly Newsletter

The weekly newsletter, now known as STAFFLINE, expanded its coverage of sport



Marjaana de Kretser (Research Dept.) and her husband on a ski weekend at Mt. Hotham.

results, social news, bargain offers and classified advertisements inserted by staff.

Squash courts in the basement of State Bank Centre, open daily from 6 am to 9 pm, became increasingly popular, and were used by more than 100 players weekly throughout the year.

Several new staff netball teams were set up by the Social Secretary, who also arranged the purchase of various sports club uniforms.

## Training for Promotion

More than 2,300 officers, from junior clerks to senior managers, improved their efficiency – and therefore their opportunities – by attending Bank training courses during 1981/82. They represented almost one third of our total staff.

Some 1800 unclassified staffers spent a total of 7,500 hours taking courses at Staff Training Centre, City. These 'schools' ranged in duration from three to eight days, and covered: new staff, enquiry counter clerks, tellers, refer clerks, senior officers, and 10-year-service officers studying interpersonal relations.



Machine familiarization for trainee tellers at Branch Mechanization Dept.

## Hundreds of Promotions

During the year, 481 classified positions in branches and departments were advertised. This is 63 more than the previous year.

Of the total available vacancies, 250 were for managerial placements.

## Living-In at Baxter

More than 550 staff officers attended a total of 37 live-in courses and seminars at our Baxter Staff College.

Practically all managers and accountants have attended at least one course at the Staff College since it opened five years ago, and many have returned for further study.

Among new courses to be introduced there during the coming year are those for 'intermediate' accountants ranging from junior A2's to senior A3's, and an Administrative Accountants course for senior departmental A1's.

Recreation: Sporting and recreation facilities at the 21-acre Baxter College property were expanded during the year. The jogging track which travels about 1.6 kilometres around the outskirts of the wooded site has been upgraded, and can now be used in all weather conditions.

The golf practice green has been improved, and a new grass volleyball court has been established.

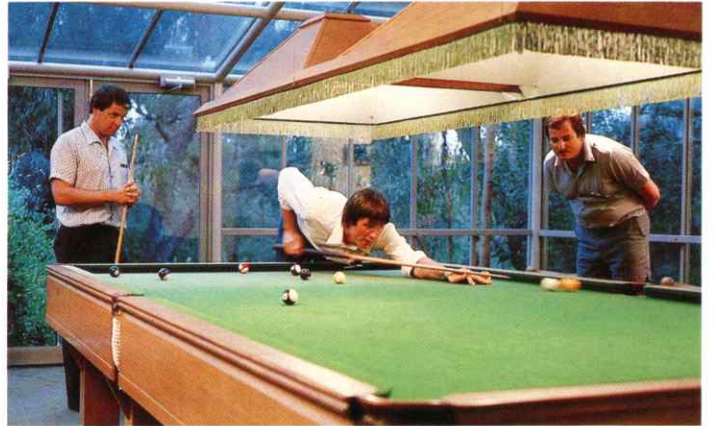
The dam has been re-stocked with fish (Redfin) and is plentifully populated by 'yabbies'.

- A new training handbook, setting out details of all courses available to staff, was compiled during the year, and can now be consulted at any branch or department.



At work at the Staff College.

... and at play.



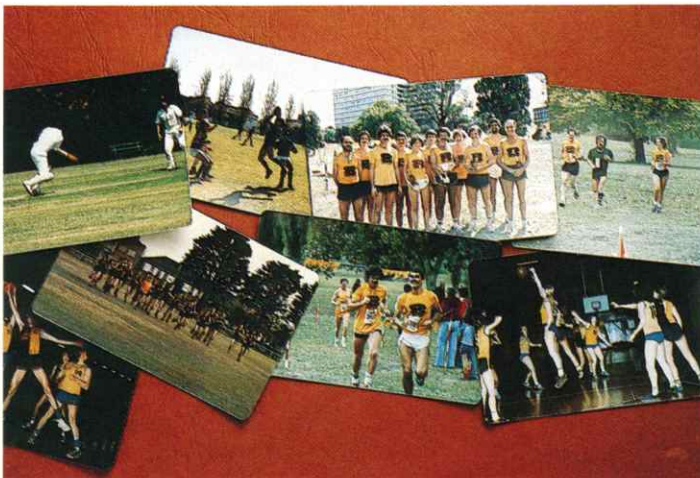
## Fees, Books, for 116 officers: Staff Study Assistance

The bank in 1981/82 was paying the full fees, plus book allowances of 47 officers engaged in fulltime or part-time degree courses at universities, colleges of advanced education and institutes of technology, in subject areas of Commerce, Economics, Business Accounting, Banking and Science.

An additional 69 officers were receiving full fees and book purchasing assistance for their

Certificate of Business Studies courses in Accounting and Banking.

While 116 officers are improving their knowledge and abilities to help them meet the challenges of the future, there are many more who could be undertaking tertiary courses and thereby qualifying for the increasing number of specialist classified positions created by the Bank's widening operations.



## Discounts Offered

The fastest growing discount service for staff was photo processing (discount now 43% on normal chemist prices). More than 150 orders were handled weekly.

Hundreds of officers bought saucepan sets, street directories, leisure suits, handbags, Christmas confectionery packs and, audio and video cassettes at bargain prices.

## Other Bank Links

By joining the Combined Banks' Social Committee and Purchasing Service, we have paved the way for a new and wider range of discount purchases and combined social functions for staff. Details will be circulated through STAFFLINE in coming months.



## New Branches and Premises

Facilities for both customers and staff were improved by building new branches and rebuilding or extending others.

In addition we built, bought or renovated a number of staff residences in country areas.

Total Expenditure for the year was \$7.2 million.

Three new branches were opened, at Newcomb (Geelong), Ringwood West and Shepparton East. Five branches were rebuilt: Middle Brighton, Leongatha, Horsham, Eaglehawk and RMIT. Major extensions and renovations were completed at: Brunswick East, Titles Office, Glen Iris Upper, 37 Queen Street, Doncaster East (Tunstall Square), Balaclava, Kew North, Prahran Market, Carlton North, Hadfield, Tallangatta, Bairnsdale, Glenhuntly and Swan Hill.



Shepparton East's new branch.

# New branch systems help staff and customers

Both staff and customers benefited from the new single-queue system introduced at 80 branches during the financial year . . . and there are now more than 100 branches using the system

Main reasons for the popularity and spread of single queuing were shown by surveys to be:

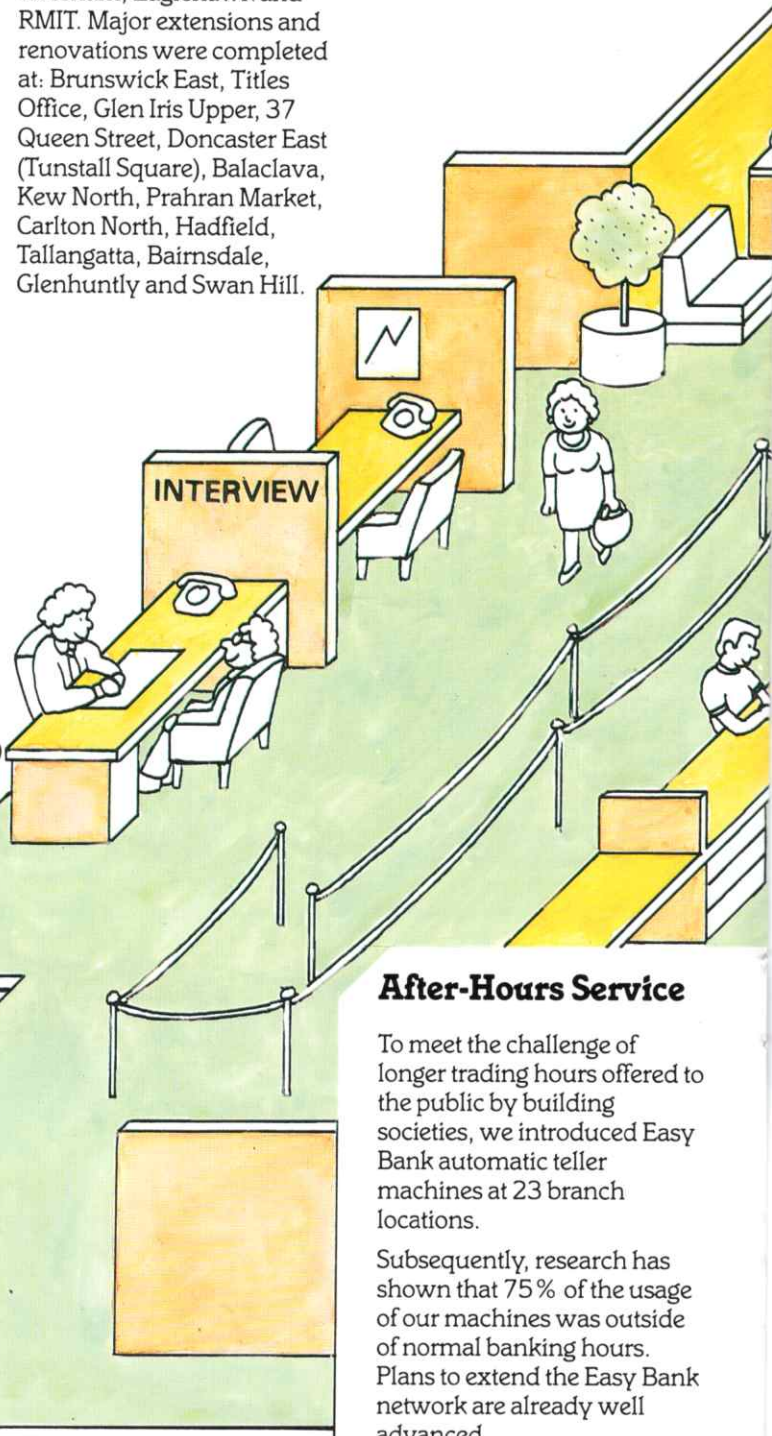
- For staff:
  - Takes pressure off tellers, allowing them to work to a 'queue' of one, with a brief break between transactions – and easier closings.
- For customers:
  - Ensures first-come-first-served treatment . . . Eliminates 'which queue?' guesswork. Permits privacy at the window.

## New Branch Layouts

New banking chamber designs have been tested at several branch locations in recent months.

Their purpose is to make it easier for customers to deal with us. By creating more "customer-contact" points, including sit-down interview areas, we help to make the State Bank a more attractive and convenient bank for people to deal with.

The division of a typical branch into three main areas: tellers, cheque processing, and general enquiries has resulted in greater efficiency and better service to the public.



## Security Safeguards

In 1981-82 there were 14 bandit raids on our branches, out of a total of 50 for all Victorian banks. This means we had 28% of the robberies – in direct proportion to our share of all Bank branches (541 out of 1,950, or 28%).

The Bank spent \$1.8 million on branch security safeguards during the year – mainly the deterrent-type, such as bullet resistant glass and pop-up counter screens.

Higher expenditure is planned for 1982/83.

## After-Hours Service

To meet the challenge of longer trading hours offered to the public by building societies, we introduced Easy Bank automatic teller machines at 23 branch locations.

Subsequently, research has shown that 75% of the usage of our machines was outside of normal banking hours. Plans to extend the Easy Bank network are already well advanced.

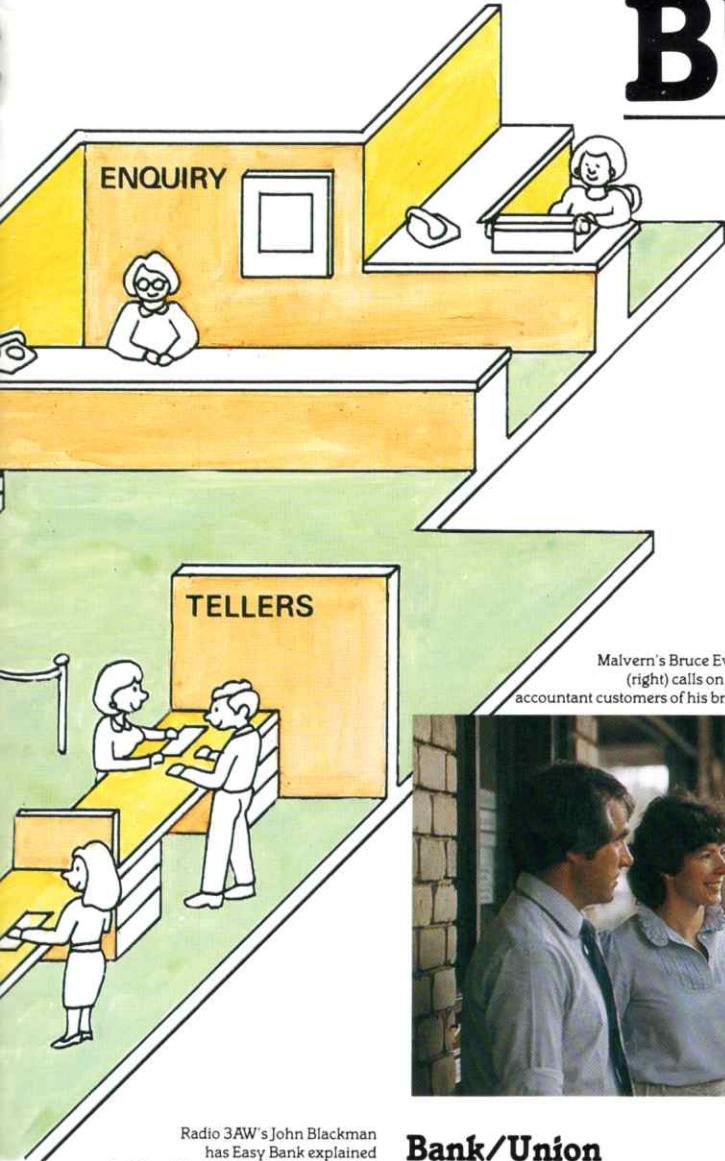


New premises at Leongatha



# BUSINESS BANKING

## VITAL TO OUR BANKING BUSINESS



Malvern's Bruce Evans, (right) calls on local accountant customers of his branch

To continue as the major bank for Victorians we must develop as a full service bank – by extending our “trading bank” side, serving the business sector.

We have a record in dealing with the personal needs of Victorians which is second to none. While retaining this reputation, we are aiming for a similar position in the business world.

1981/82 was the first full year when we had a complete range of trading services on offer, from overdrafts to international trade finance.

During the year:

- the number of overdrafts to businesses increased by 50%;
- a new form of lending – development loans – was introduced;
- international facilities expanded;
- lending department was re-organised to deal with increasing corporate businesses.

We used overdrafts, fully drawn advances, bills of exchange, letters of credit and many other specialist financing methods.

These advances were used by all kinds of firms, to purchase stock, finance imports, buy equipment and obtain materials.

We also lent to finance companies, merchant banks and mortgage investment companies. The projects we financed included, amongst others, home units and motels, office buildings, a retirement village and a shopping centre.



Radio 3AW's John Blackman has Easy Bank explained by Helen Moutzouris (Prahra Market).

### Bank/Union Meetings

More than 200 issues involving staff working conditions were raised in Bank-Union contacts during 1981/82. There were ten round-table discussions during the year on major matters such as salaries and working hours. Other issues discussed ranged from staff medical claims to branch garden maintenance and air-conditioning problems; each of them the concern of small or large groups of staff.



State Bank assists Milledge Bros in the import of motorcycles and equipment

Although we provide services for large corporations we are particularly keen to meet the needs of the smaller and medium-sized businesses, which we believe are worthy of more attention.

# The Financial Year

Deposit growth in 1981/82 was satisfying, with the total increase in account balances being \$521,874,493. This was a 12.25% increase over last year.

In the savings bank accounts, such as Passbook, Investment and Statecard accounts the increase was well above other banks. This is a sign that the efforts of staff in making customers aware of our new services have been very worthwhile.

In addition to competition from other banks, building societies and credit unions we had to cope with the new cash management trusts which were chasing funds, and the Federal Government's Aussie Bonds.

## How We Balanced ... in 1981/82

Assets or what we owned or had due to us			Liabilities or what we owed to others		
	\$M	%		\$M	%
Loans, advances and discounted bills:	3,154	53.5	Customers' deposits:	4,875	82.6
Public Authorities' loans:	883	15.0	Holder of Bills of Exchange accepted by the Bank:	212	3.6
Commonwealth Government inscribed stock:	448	7.6	Due to other banks:	209	3.5
Other (Bills receivable and other assets):	351	6.0	Reserves:	184	3.1
Short-term Commonwealth investments:	328	5.5	Holder of unrepresented cheques:	179	3.0
Bills of Exchange accepted by Bank:	212	3.6	Staff Provident Fund:	142	2.4
Due from other banks:	203	3.4	Others:	76	1.3
Deposits with other banks and short-term money market:	105	1.8	Long service leave provisions:	23	0.4
Bank premises and equipment:	166	2.8			
Cash:	50	0.8			
	5,900			5,900	

\* Figures rounded to nearest dollars and percentage points.

## What Happened to Our Earnings?

The Bank's total income for the year was \$591,359,013. Out of that we paid \$368.3 million in interest to depositors. That left \$223.1 million.

...each dollar of that was spent like this





# Funds and Profit show healthy growth

For 1981/82 the Bank's profit was \$53.0 million, of which half was paid to the State Government, and \$26.5 was retained by the Bank.

**Question:** Is this considered to be a big profit?

**Answer:** It's certainly a lot of money – but it's not a large profit for a business as big as ours, handling thousands of millions of dollars a year.

**Q.** Well, how is profit related to the size of a firm or an institution like ours?

**A.** One way is to look at the return on "working funds" (or, "average assets").

In our case, our year's profit plus the transfer to reserves for emergencies, represents only 1.1%

IN OTHER WORDS JUST OVER ONE CENT PER DOLLAR OF ASSETS AT WORK.

**Q.** Why should we aim to make a profit at all? We have no shareholders, and we were set up to provide banking facilities for the Victorian community?

**A.** There are three main reasons why we should always operate on a profitable basis:

1. To hold the confidence and custom of our present depositors, and to impress potential new customers with our security and efficiency. We must always demonstrate that we are at least as stable and efficient as our competitors ... that we are truly NO RISK.

2. We must hold substantial reserve funds (built from profits) to cover us against possible emergencies – like failed loans or a cash-flow breakdown in loan repayments. We do not have shareholders to call on for extra funds if we should ever need them.

Our accumulated reserves of \$183 million are not so large when you see that they are less than 3% of our total liabilities. We owe our depositors alone more than \$4,800 million.

3. Because, unlike a company, we have no shareholders, we have to earn all of the funds needed to pay for premises, equipment and other capital expenditure. We cannot use our depositors' funds for these purposes – they must be financed out of reserves, accumulated from retained profits.



Salaries, payroll tax, workers' compensation, staff benefits and Provident Fund contribution

Operating expenses, including maintenance, stationery, rents, power etc.



54 cents

14 cents

5 cents

3 cents

12 cents

12 cents



Premises and equipment (including repairs and depreciation)

To State Government

Reserve for contingencies



Profit Retained for Future Development

# STATE BANK



## We're the biggest, but ...

Since 1842 we have grown up with Victoria and our name is a household word, one that is favourably known for providing safety and convenience in the financial affairs of the people of this state.

In Victoria our bank is the biggest in number of branches, in the number of customers it serves, in deposits and in the loans it provides to people – especially for housing. So we have reason to be “proud of our bank”.

But we have no reason to feel complacent. While it is nice to be the biggest, it is far more satisfying to be the best.

And that means constantly seeking ways to improve our service.

That's the thing which will ensure that we continue to attract people – and it's pretty clear that those other banks are setting out to gain new customers . . . including ours!

Banking has probably never been so competitive as it will be in the next decade and, like

any other business, the State Bank will have to work harder to stay ahead.

We will need to build on our strengths and improve our position in those areas where we are weaker, such as the business banking field and among high-asset individuals.

Our leadership is not an automatic, permanent thing. Everyone wants to beat the guy in the lead, and he only stays there by trying harder –

**no risk!**

Despite difficult economic conditions the Bank had another successful year in 1981/82.

I wish to thank all staff for the contribution they have made to this result and to quote from a letter I received from the State Treasurer, Mr. Rob Jolly ... "may I ask you to convey to the Commissioners, Management and Staff the Government's sincere congratulations on the results achieved by the Bank during the last financial year."

### Where do we go from here?

Last year's Campbell Committee report recommended some major changes to the financial system. It sees most of the controls on interest rates and lending being dispensed with and the granting of banking licences to more financial institutions. Under the proposals, Government banks should be placed on exactly the same footing as private banks, and the entry of foreign banks to Australia will be permitted.

All this means more competition in banking, whether it be for the household deposit dollar or for commercial business.

We've already seen some signs of this competitive atmosphere and the preparations being made for the future. Two major bank mergers are in full swing, with a resultant increase in the size and strength of our competitors; building societies are merging, forming interstate link-ups, moving in to commercial lending, and experimenting with credit/debit cards, ATM's and so on. Credit Unions are moving in the same direction.

All of us have felt much pressure from the new cash management trusts. Further, we have seen economic conditions creating changes in some traditional markets like housing.

# FROM THE TOP

## A MESSAGE FROM THE GENERAL MANAGER

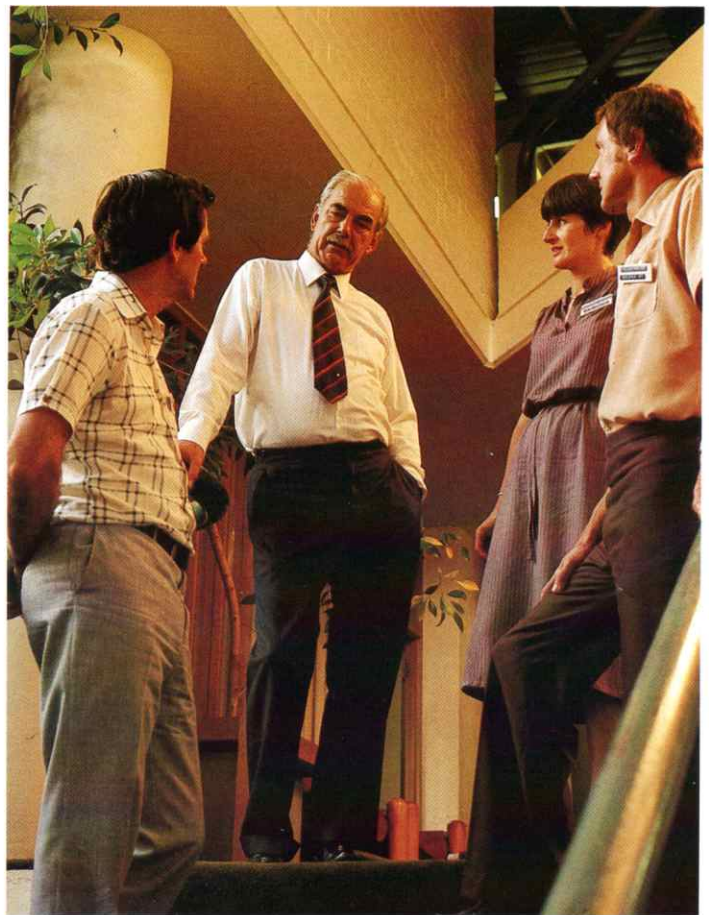
All this means that we must adapt, to maintain our dominant position in the financial scene in Victoria.

### What will be the role of the State Bank's people?

We have always worked with two basic ingredients - money and people. Our Bank has an enviable reputation, and that strength is in the hands of all of us who work here. The Bank will succeed in the future only if each of us develops and polishes skills in the financial services we offer, and an understanding of the needs, attitudes and feelings of the people we serve. It is knowledge of our products and the way we relate this to our customers which will keep us in the lead. Inevitably the application of our growing expertise will require greater use of the latest equipment and processing methods in order to keep abreast of our competitors.

### Where is technology headed?

Teller terminals now in use will be replaced by machines which will present information on video screens. These units will have separate printers to produce ledger information and update customer records. Computer programmes more and more will provide statistics automatically, thereby



Mr Torrens (centre) chats to Ian McKenzie, Margaret Barker and Alan Price during a break between course sessions at Baxter.

speeding up the flow of management information, as well as eliminating much manual work in branches, where time is better spent with customers. For 140 years this Bank has existed to serve all the people of Victoria (not just special groups) and our future will still revolve around personal relationships with customers. These can be developed only by people.

There is no suggestion that there will be less need for staff because of these changes. Just as in the last ten years we have

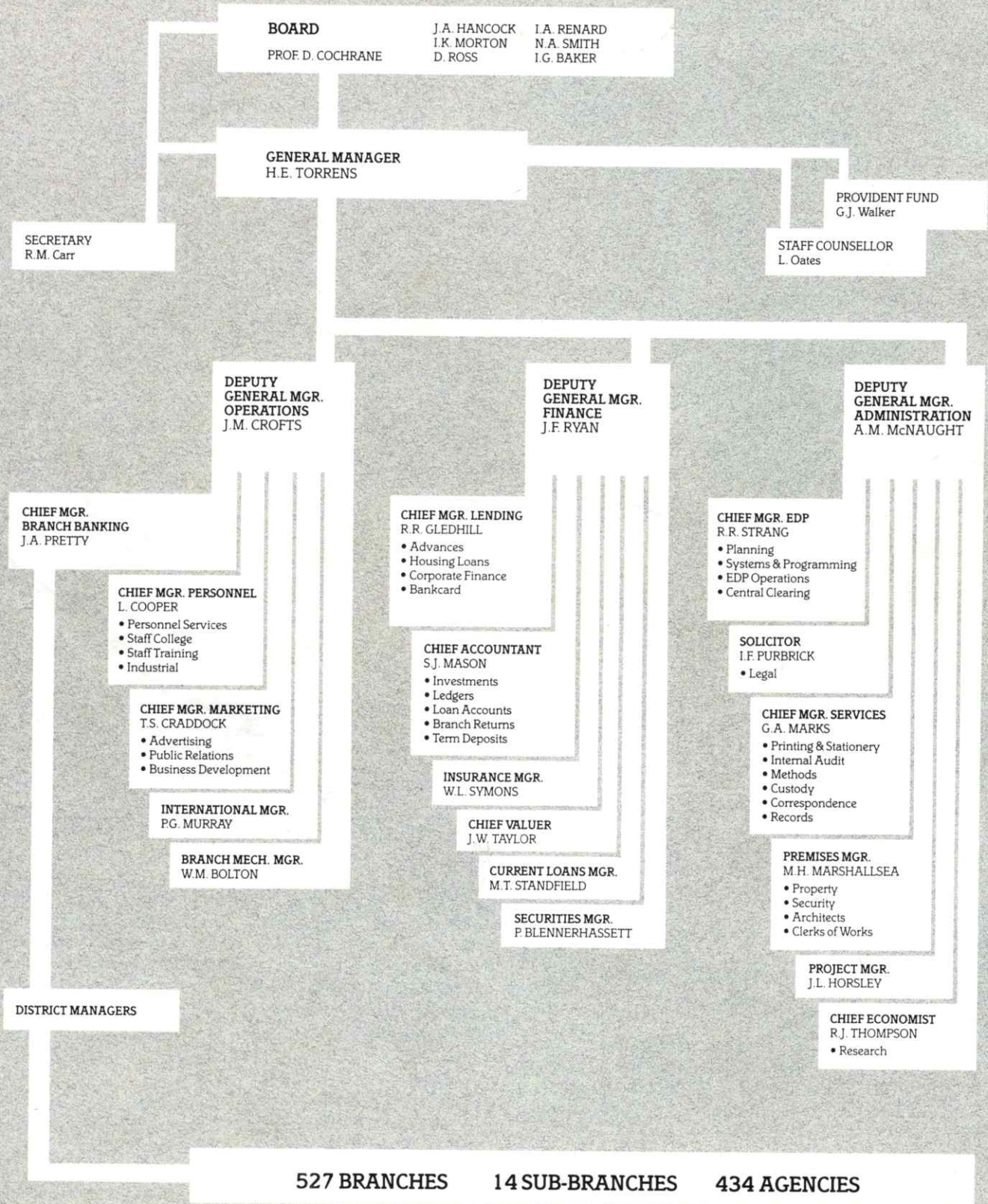
needed more and more people, despite technical developments, so it should be in the future.

The future will bring many changes and challenges. Our old identity of "savings bank" will have to be superseded by a new "general banking" role. Customers will be expecting more, and they will be courted by our competitors. There will be much satisfaction for all of us in working together for success in the dynamic and interesting times ahead.



STATE BANK

# HOW WE OPERATE



527 BRANCHES 14 SUB-BRANCHES 434 AGENCIES