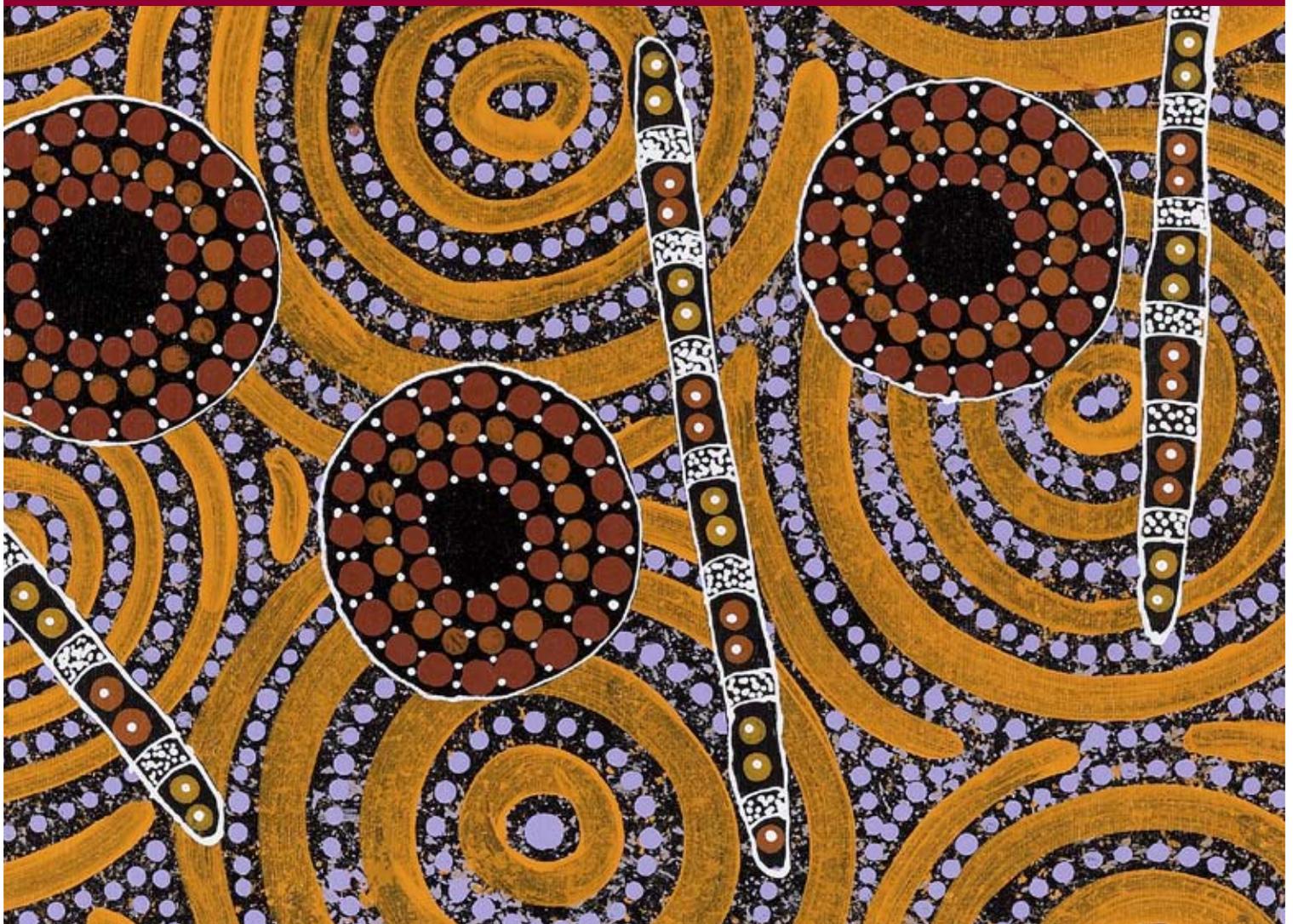


National Australia Bank Reconciliation Action Plan

Building strong, inclusive and sustainable communities



Foreword

It gives me great pleasure to present NAB's first Reconciliation Action Plan.

As with many in the business community, NAB believes in helping build strong, sustainable and more inclusive communities. This action plan sets objectives and measurable outcomes for NAB's activities with Indigenous Australians – Australia's First Peoples and our most disadvantaged community.

At the heart of our commitments is a fundamental belief that Australia as a nation must:

- Close the gap between Indigenous and non-Indigenous Australians, particularly the 17-year gap in life expectancy; and
- Address the issues and questions which confront the relationship between Indigenous and non-Indigenous Australians.

What NAB will do with this plan is make a long-term, sustained commitment to address what it can through its resources as a leading Australian financial services organisation.

In doing so we also recognise that there may be some challenges and failures along the way. This has not stopped us from thinking ambitiously about what may be possible through a public commitment to improving opportunities for Indigenous people.

NAB sees its commitment being delivered in three key areas:

- Improved access to financial services;
- Access to employment opportunities; and
- Building mutual understanding and respect by listening to Indigenous Australians and being sensitive to their needs and aspirations.

By its nature this Reconciliation Action Plan is the start of a long-term commitment by NAB and one that we have not undertaken lightly. Our plan has the enthusiastic support of our Board and senior executive teams. We look forward to the challenge ahead and to sharing our experience along the way.

Ahmed Fahour
Executive Director and CEO Australia
National Australia Bank
December 2008



Our vision

National Australia Bank is one of Australia's largest businesses and as such we recognise that we have an important role to play in addressing the continued disadvantage experienced by Indigenous Australians.

NAB believes in helping build strong, sustainable and more inclusive communities. We welcome the opportunity to work with Reconciliation Australia and to deepen our level of involvement with Indigenous Australians, making it commensurate with the role we play in Australian society as a large financial services organisation.

The aim of this action plan is to lift our focus on and involvement with Indigenous Australians. We aim to do this in a way that builds on what a financial services organisation can bring to address areas of disadvantage. These are:

- Improved access to financial products and services to promote financial inclusion;
- Access to valuable, long-lasting and meaningful employment opportunities that are delivered in a sustainable way;
- Building a greater organisational understanding of and respect for Indigenous Australians, their culture and aspirations.

For NAB we see that this commitment to Indigenous Australians will:

- Help deliver on what our customers and our employees expect NAB should be contributing to a strong and sustainable community;
- Build new customer relationships with Indigenous Australians based on the principles of dialogue, respect, understanding and reciprocity; and
- Help foster the full participation of Indigenous Australians in the life and wellbeing of the nation.

Our business

NAB provides a broad range of banking and wealth management services to 4.2 million customers across Australia. We employ 24,000 people in Australia and have over 1000 branches and other banking centres across the country.

Helping our customers and our employees fulfil their dreams and aspirations is at the heart of what we do and what we believe in.

Our approach to reconciliation

NAB's Reconciliation Action Plan is built around three fundamental themes of action proposed by Reconciliation Australia:

- Relationships

For NAB this means actions which are founded on Indigenous-led solutions, not just what we may believe should be done. Such relationships are built on principles of dialogue, respect, understanding and reciprocity in outcomes. We believe that this leads to learning and trust.

- Respect

For NAB this means actions which are grounded fundamentally in understanding and celebrating Indigenous cultures and aspirations.

- Opportunities

For NAB this means identifying outcomes that deliver real change and leverages NAB's strengths in financial services, employment and skills. NAB recognises that such opportunities only arise from partnerships based on the above themes of relationships and respect.

Making it real – turning principles into programs

In an operational sense, our actions under this plan fall into three program areas that build on what a financial services organisation can bring to address areas of disadvantage.

1. Addressing financial inclusion:

NAB aims to deliver programs that more effectively meet the financial needs of Indigenous Australians and address issues around financial exclusion by:

- Developing banking products for high Indigenous population areas.
- Supporting organisations that deliver banking services to Indigenous communities.
- Improving access to NAB's range of not-for-profit micro-lending programs to support Indigenous businesses and to buy essential household goods.
- Delivering improved financial literacy through the above programs, in particular through NAB's not-for-profit micro-lending programs and specific on-the-ground support.
- Supporting the above with management resources and funding.

2. Sustainable Indigenous employment:

NAB aims to address employment opportunities for Indigenous Australians by:

- Providing tailored traineeships and other purpose-built employment opportunities across NAB.
- Providing appropriate support and mentoring within NAB for Indigenous employees.
- Supporting scholarship programs for Indigenous students.
- Supporting programs that build literacy and numeracy with Indigenous school students.
- Supporting the above through management resources and funding.

3. Creating understanding and awareness:

NAB aims to build understanding and awareness of Indigenous Australia by:

- Implementing appropriate cross-cultural awareness activities within NAB, in particular with senior leaders.
- Sourcing volunteering opportunities for NAB employees within Indigenous organisations.
- Sourcing appropriate external governance and advice to guide NAB's activities with Indigenous Australia.
- Building alliances with key Indigenous organisations to establish strong links between management teams, personnel and constituents.
- Working with other similarly engaged people and organisations.
- Supporting the above with management resources and funding.



Bush Tuckers in a Coolamon Nora Campbell & Cora Meruntju

How NAB prepared its RAP

NAB began drafting its Reconciliation Action Plan in mid-2007. Around this time, NAB also commissioned a far-ranging study into its responsibilities as a financial services institution to the needs of Indigenous Australians.

This study involved consultation with a wide selection of Indigenous groups and leaders. The study also consulted widely within NAB, looking at its skills and capabilities in addressing community issues.

The resulting 200 page report formed the basis for a strategy entitled 'Engaging with Indigenous Australia' which was reviewed by senior NAB executives early in 2008. From this, an operational plan was prepared which identified individual programs to be carried out across NAB.

The operational plan was reviewed and endorsed by NAB's Community Advisory Council and by the Executive Committee for NAB Australia in mid-2008. The outcomes from the operational plan form the basis of NAB's commitments in this Reconciliation Action Plan.

During this time, NAB has been an active participant in forums used to discuss and identify corporate Australia's responsibility to Indigenous Australians.

Current NAB activities

NAB has been participating in a range of activities to support Indigenous Australians.

These include:

- Microfinance programs – provision of safe, affordable and not-for-profit credit to establish Indigenous businesses and to purchase essential household goods.
- Community sponsorship programs with an Indigenous focus (South Sydney Rabbitohs, the Titjikala community).
- Alliances with key Indigenous groups – the Traditional Credit Union, Tangentyere Council, NSW Aboriginal Land Council and the Torres Strait Regional Authority.
- Education and scholarship programs from primary school to post-graduate education.
- Senior leadership development programs which introduce the challenges facing Indigenous Australia.

Further information can be found on page 15 and at nab.com.au/indigenous

Our approach to Indigenous employment

Of NAB's three areas of focus for this action plan, providing sustainable employment opportunities for Indigenous people will be the most challenging. NAB's experience in this area is limited and the retail and corporate work environment is not necessarily for everyone.

We are also conscious of setting targets for employment that become ends in themselves, as opposed to building a sustainable program with appropriate mentoring and capacity development within the organisation to retain Indigenous employees.

Contained in this RAP is support for direct and indirect employment opportunities. An example of indirect support is NAB's partnership with the TCU and helping to deliver new banking services to remote Australia.

In terms of direct employment, here are our confirmed plans to date:

- Continued support of nine Indigenous students through traineeships in their second year during 2008 (10 trainees were supported in 2007).
- Extend our traineeship intake by a further 20 students to be based in the following NAB branches over two years from December 2008:
 - NSW: Armidale, Nowra, Liverpool, Grafton
 - Queensland: Mackay (2 branches), Townsville, Caboolture, Gympie, Ipswich, Earlville, Rockhampton (2 branches), Cairns
 - Western Australia: Port Hedland, Karratha, Albany, Midland, Geraldton, Joondalup

It is NAB's intention to have around 40 traineeships under this program at any one time, or an intake of 20 trainees per year.

- Continue to support a full MBA scholarship for an Indigenous student at the Melbourne Business School.
- Employ a Manager of Indigenous Employment Programs to build and deliver on NAB's aims in this area.
- Support up to 20 Indigenous leadership scholarships at an accredited training institution over the coming year.
- Support an additional 10 positions within other parts of NAB specifically for Indigenous employees.

The above commitments will mean an investment of between \$500,000 and \$1 million in 2008/09. We expect our investment in Indigenous employment to rise to around \$2 million in 2009/10.

Our aims over this time include:

- The development of a more comprehensive scholarship program for Indigenous tertiary students.
- An expansion of 'on the job' training experiences for Indigenous students either through traineeships and/or more comprehensive apprenticeship programs.
- Initiate a longitudinal study of outcomes for Indigenous people who participate in any of NAB's employment-based programs.

By the end of 2009 these activities should see 40 direct employment opportunities for Indigenous students and graduates, plus 20 scholarship opportunities. NAB expects to double these outcomes in 2010.

Accountability and administration of our Reconciliation Action Plan

NAB's Reconciliation Action Plan has set goals over one year from December 2008. The formal accountability for the implementation of the RAP and associated KPI will reside at the CEO level.

To review our progress two groups will be formed:

1. An internal Steering Committee comprising NAB leaders whose function will be to oversee the day-to-day delivery of the action plan. The Steering Committee will also provide advice on a range of employee engagement activities that will build and maintain enthusiasm for this RAP across NAB. This group will meet quarterly.

2. An Advisory Group comprising NAB senior executives and independent external members with expertise in Aboriginal issues. This group will meet half yearly to advise and review NAB's activities and outcomes.

Both groups will involve Indigenous employees or community members.

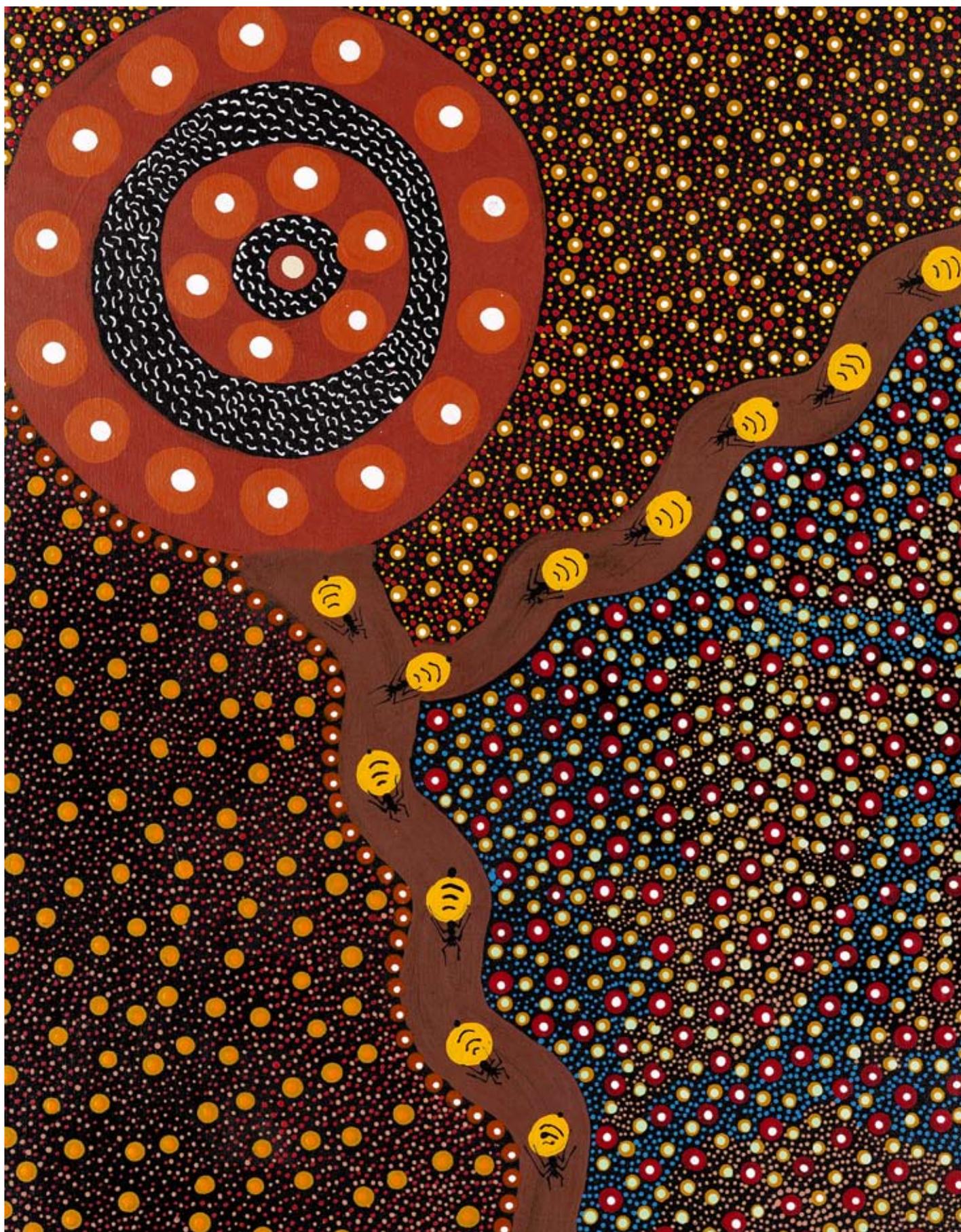
Opportunities

Through our Reconciliation Action Plan NAB aims to deliver outcomes that bring real change for Indigenous Australians and NAB alike. NAB recognises that such opportunities only arise from partnerships based on principles of relationships and respect (see actions on Relationships and Respect on pages 12 and 13).

| Action | Responsibility | Timeline | Performance Indicator | NAB program area |
|--|--|-------------------------------|---|------------------------|
| 1. Establish a simple and incentivised savings scheme accessible to Aboriginal people in high Indigenous population areas across Australia to help develop a savings culture | NAB Community Finance & Development Team | Sep 2009 | Savings scheme deployed in high Indigenous population areas across Australia | Financial inclusion |
| 2. Support the Traditional Credit Union to open new branches under the funding arrangement with NAB to improve access to financial services in remote and regional communities | NAB Community Finance & Development Team | Sep 2009 | An additional branch opened in remote or regional location in the Top End | Financial inclusion |
| 3. Provide business credit to support the development of local businesses in the Torres Strait Islands through access to NAB's not-for-profit microenterprise loans program | NAB Community Finance & Development Team | Dec 2008 | Delivery of NAB's microenterprise loans program in the Torres Strait Islands through the Torres Strait Regional Authority | Financial inclusion |
| 4. Improve access to No Interest Loan Schemes® (NILS) for basic household goods through funding of two community development workers in areas with high Aboriginal populations | NAB Community Finance & Development Team | Sep 2009 | Community development workers in place and uptake in NILS achieved | Financial inclusion |
| 5. Provide business credit to support the development of local businesses across Indigenous Australia through access to NAB's not-for-profit microenterprise loans via a relationship with Indigenous Business Australia | NAB Community Finance & Development Team | Dec 2008 | Arrangement in place with Indigenous Business Australia | Financial inclusion |
| 6. Support a sustainable uplift in traineeships for Indigenous students in NAB (through AES School Based Traineeship Program) | Retail Australia, People & Organisational Development, NAB | From Dec 2008 and by Dec 2009 | Traineeships successfully in place at NAB | Sustainable employment |

Opportunities cont.

| Action | Responsibility | Timeline | Performance Indicator | NAB program area |
|--|--|-------------|--|------------------------|
| 7. Support leadership development for Indigenous people by sponsoring Indigenous students in accredited leadership programs | People & Organisational Development, NAB | By Dec 2009 | Up to 20 scholarships in place | Sustainable employment |
| 8. Support an additional 10 positions within other parts of NAB specifically for Indigenous employees | People & Organisational Development, NAB | By Dec 2009 | Up to 10 Indigenous specific positions established | Sustainable employment |
| 9. Develop and implement a sustainable scholarship program for Indigenous tertiary students | People & Organisational Development, NAB | Sep 2009 | Additional scholarships in place and offered on an ongoing basis | Sustainable employment |
| 10. Sponsor a fully paid MBA scholarship for an Indigenous Australian | Sponsorships Team, NAB | Jan 2009 | MBA scholarship in place | Sustainable employment |
| 11. Sponsor basic literacy and numeracy capacity building of young Indigenous Australians | NAB Public Affairs | To Dec 2008 | Specific programs in place with measurable outcomes | Sustainable employment |
| 12. Explore models to deliver direct financial literacy advice to individuals in Aboriginal communities | NAB Community Finance & Development Team | Sep 2009 | Models examined and pilot program in place in one Indigenous community | Financial inclusion |



Tjala (Honey Ants) Helen Katatuna

Relationships

Through our Reconciliation Action Plan NAB aims for outcomes which are founded on Indigenous-led solutions, not just what NAB believes should be done. Such relationships are built on principles of dialogue, respect, understanding and reciprocity in outcomes.

We believe that this leads to learning and trust.

| Action | Responsibility | Timeline | Performance Indicator | NAB program area |
|---|---|--|--|-----------------------------|
| 13. Employ a Manager of Indigenous Employment Programs to build and deliver NAB's Indigenous employment initiatives | People & Organisational Development, NAB | Manager in place October 2008 Plan developed by December 2008 | Manager in place and plan developed | Sustainable employment |
| 14. Support the capacity development of the Traditional Credit Union to meet the financial services needs of Aboriginal people by helping the TCU with employee training, compliance matters and business planning | NAB Community Finance & Development Team and the TCU | September 2009 | Employee training, compliance and business support provided to the TCU | Financial inclusion |
| 15. Establish an Indigenous Advisory Committee to oversee and advise on the delivery of NAB's Indigenous programs including this RAP | Office of the CEO | From December 2008 | Committee in place with two half-yearly meetings | Understanding and awareness |
| 16. Employ an Indigenous Relations Manager to co-ordinate NAB's Indigenous activities across the organisation and delivery on the commitments in this RAP | NAB Community Finance & Development Team | Manager in place October 2008 Plan developed by December 2008 | Manager in place and plan developed | Understanding and awareness |
| 17. Source professional volunteering opportunities in Indigenous communities through a partnership with Indigenous Community Volunteers | NAB Community Finance & Development Team | Agreement with Indigenous Community Volunteers in place by December 2008 | Agreement in place and employee volunteering underway | Understanding and awareness |
| 18. Establish a longitudinal research program that tracks the outcomes for Indigenous people who have been involved with NAB's Indigenous employment initiatives | NAB Community Finance & Development team, People & Organisational Development, NAB, in consultation with academics operating in this area | Proposal in place by June 2009 | Proposal in place, research underway by June 2009 | Understanding and awareness |

Respect

Through our Reconciliation Action Plan NAB aims to deliver outcomes which are grounded fundamentally in respect and understanding of Indigenous culture.

| Action | Responsibility | Timeline | Performance Indicator | NAB program area |
|--|--|---|--|-----------------------------|
| 19. Deliver cultural awareness programs for employees in high Indigenous population areas in NT, NSW, Qld and WA | NAB Community Finance & Development Team, People & Organisational Development, NAB | Providers identified by December 2008 Programs delivered by September 2009 | Program providers identified and cross-cultural programs delivered | Understanding and awareness |
| 20. Provide cultural awareness programs as part of leadership development at NAB | People & Organisational Development, NAB | Ongoing from 2007 | Program provided and integrated with leadership development | Understanding and awareness |
| 21. Publish and promote a suggested protocol for how to acknowledge country and how to arrange a welcome to country | NAB Community Finance & Development Team | June 2009 | Protocol in place | Understanding and awareness |
| 22. Acknowledge country at appropriate internal and external meetings | NAB Community Finance & Development Team | December 2009 | Acknowledgement delivered at appropriate meetings | Understanding and awareness |

Actions by NAB Program Area

| Addressing Financial Inclusion | Sustainable Indigenous Employment | Creating Understanding and Awareness |
|--|---|--|
| <ol style="list-style-type: none"> 1. Establish a simple and incentivised savings scheme accessible to Aboriginal people in high Indigenous population areas across Australia to help deliver a savings culture 2. Support the Traditional Credit Union to open new branches under the funding arrangement with NAB to improve access to financial services in remote and regional communities 3. Support the capacity of the Traditional Credit Union to meet the financial services needs of Aboriginal people by helping the TCU with employee training, compliance matters and business planning 4. Provide business credit to support the development of local businesses in the Torres Strait Islands through access to NAB's not-for-profit microenterprise loans program 5. Improve access to No Interest Loan Schemes® (NILS) for basic household goods through funding of two community development workers in areas with high Aboriginal populations 6. Provide business credit to support the development of local businesses across Indigenous Australia through access to NAB's not-for-profit microenterprise loans via a relationship with Indigenous Business Australia 7. Explore models to deliver direct financial literacy advice to individuals in Aboriginal communities | <ol style="list-style-type: none"> 1. Support a sustainable uplift in traineeships for Indigenous students in NAB (through AES School Based Traineeship Program) – see page 15 for details 2. Support leadership development for Indigenous people by sponsoring Indigenous students in accredited leadership programs 3. Support an additional 10 positions within other parts of NAB specifically for Indigenous employees 4. Develop and implement a sustainable scholarship program for Indigenous tertiary students – see page 15 for details 5. Sponsor a fully paid MBA scholarship for an Indigenous Australian 6. Sponsor basic literacy and numeracy capacity of young Indigenous Australians (through the Yachad Accelerated Learning Program) 7. Employ a Manager of Indigenous Employment Programs to build and deliver NAB's Indigenous employment initiatives | <ol style="list-style-type: none"> 1. Establish an Indigenous Advisory Committee to oversee and advise on the delivery of NAB's Indigenous programs including this RAP 2. Deliver cultural awareness programs for employees in high Indigenous population areas in NT, NSW, Qld and WA 3. Provide cultural awareness programs as part of leadership development at NAB 4. Employ an Indigenous Relations Manager to co-ordinate NAB's Indigenous activities across the organisation and delivery on the commitments in this RAP 5. Source professional volunteering opportunities in Indigenous communities through a partnership with Indigenous Community Volunteers 6. Establish a longitudinal research program that tracks the outcomes for Indigenous people who have been involved with NAB's Indigenous employment initiatives 7. Publish and promote a suggested protocol for how to acknowledge country and how to arrange a welcome to country 8. Acknowledge country at appropriate internal and external meetings |

Existing NAB programs with Indigenous Australia

Helping Traditional Credit Union expand services

NAB is providing Traditional Credit Union Limited (TCU) with interest-free loans of up to \$1 million (with no fees and charges) to fund the opening of branches in remote locations throughout the Northern Territory. This will see TCU's branch network expand by 40%.

NAB has also created a grant to the value of \$200,000 for TCU to fund activities such as advertising and legal costs when new branches are opened.

Providing education opportunities for communities

Since 2005, NAB has partnered with the Yachad Accelerated Learning Project (YALP) helping young people in rural and remote locations.

YALP is a three-year educational program, developed by the Hebrew University of Jerusalem, that aims to raise the scholastic achievements of students in remote and rural locations in Australia, particularly Indigenous students.

In co-operation with schools, parents and community organisations, YALP is operating in five locations – Alice Springs (NT), Aurukun (QLD), Halls Creek (WA), North Adelaide (SA) and Shepparton (VIC).

Education and employment

Through the Aboriginal Employment Strategy (AES), NAB is offering student-based traineeships for students in Years 10-12 through our retail network in New South Wales. The traineeships provide work experience and education support over a two-year program.

NAB also supports the Indigenous Graduate Strategy with AES. This program is the first of its kind in the finance sector and aims to develop a pathway for career opportunities with NAB where applicants are appointed on merit.

Scholarships and cadetships

Since 2003, NAB has offered an Indigenous scholarship through the Melbourne Business School for individuals with a track record of leadership in community, business, entrepreneurial, arts or sporting activities. The scholarship provides financial assistance with tuition fees, books and living expenses. A similar scholarship is available at Charles Darwin University for an Indigenous student completing a business-related degree.

Building Indigenous business capacity within the Torres Strait Islands

NAB is working with the Torres Strait Regional Authority (TSRA) Community Business Hub to assist the development of local business initiatives. This in part will see the Torres Strait Islands community gain access to NAB's microenterprise loans – unsecured business loans of between \$500 and \$20,000 for people on low incomes who have few or no avenues to access affordable business credit.

Working with Tangentyere Council

As part of NAB's Accelerate program – a leadership program for NAB executives – NAB has partnered with Tangentyere Council in Alice Springs. As part of the program, leaders spend time with the Tangentyere Council, getting an insight into the real living conditions for Aboriginal people in the town camps of Alice Springs.

Eighteen town camps form the membership of Tangentyere Council with the council managing 198 houses for approximately 1600 to 2000 residents.

The South Sydney Rabbitohs – South Cares

NAB supports the National Rugby League Rabbitohs and in particular their community initiative – South Cares. With the help of current players, the program assists disadvantaged young people and their families, particularly focusing on Indigenous communities throughout Australia.

Support for the Titjikala community

Titjikala is a small settlement about 120 kilometres south of Alice Springs. Here NAB has commissioned local artists to create a series of artworks for ATMs around Australia. It is hoped that the artwork will nurture a deeper understanding and appreciation of Aboriginal art and culture.

NAB has had a relationship with Titjikala since early 2007 when it was chosen as one of the locations to shoot the NAB Auskick 'kick to kick' television commercial.

Titjikala is a small settlement located about 120 kilometres south of Alice Springs on the edge of the Simpson Desert. The red sand hills, desert oaks and surrounding countryside are a major inspiration for the local artists. NAB has commissioned local artists to create a series of artworks for ATMs around Australia. Three of these wonderful artworks are profiled throughout this document.

**For more information:
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