

Australia and New Zealand Banking Group Limited

Response to Questions in Writing following 5 October 2016 House of Representatives Economics Committee Hearing

Question asked by

Mr Thistlethwaite

Question

In the ANZ half yearly financial report \$138 million has been set aside for furthering restructuring. What does this figure mean for the ANZ's future workforce and how many jobs have been/will be lost from this process?

Answer

The \$138m provision relates to a potential reduction in full time equivalent staff of up to 1347 across ANZ's Australian, New Zealand and international functions. The structure of the ANZ workforce in the future will continue to be determined by our business strategy and response to market opportunities and conditions.

ANZ notes that where our people are impacted by restructuring, we work hard to redeploy as many as we can elsewhere in the bank. This process would affect the number of staff that finally left the organisation.

Where retrenchments are unavoidable, we take considerable care to support exiting staff with generous redundancy arrangements, outplacement services and retraining support.

ANZ also notes the statement by the Governor of the Reserve Bank about the importance of bank cost reductions. He said, referring to previous cost reductions:

"The other thing that happened through that period is the banks lowered their costs. So they were able to respond to the margin by lowering their costs through both technology and changes in processes. It is interesting that we saw this very large decline in spreads but it did not affect the return on equity, because the banks found cost savings. In the end, that was a good news story for the consumers, really, and for the banks, because they gave us more cost-effective mortgages and it did not affect their profitability." (House of Representatives Standing Committee on Economics Thursday, 22 September 2016, Page 13).