

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ27QW: Wilson

Terminations for misconduct:

(a) How many employees does the bank have?

Answer: As at 30 September 2019, ANZ had 20,417 employees in Australia.

This is based on ANZ's definition of 'employee' from internal policies which includes being:

- directly employed by ANZ on a permanent, fixed term or casual basis; and
- paid directly through the ANZ payroll.

(b) How do you define employee misconduct?

Answer: Our Performance Improvement and Unacceptable Behaviour Policy refers to misconduct as "Unacceptable Behaviour" and defines it as behaviour that is inconsistent with the principles and standards expressed in:

- the ANZ Code of Conduct
- ANZ's Values; and/or
- other ANZ policies.

(c) How many employees have been cautioned for misconduct over the past five years?

Answer: ANZ considers a "caution" to be a verbal warning, written warning or final written warning. 1,304 individual employees in Australia over the period 1 October 2014 to 30 September 2019 (the past five full bank financial years) received a caution.

Note that some employees received more than one caution during that period.

(d) How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct over the past five years?

Answer: 769 individual employees have had a penalty applied due to misconduct in the period 1 October 2014 – 30 September 2019.

ANZ has interpreted the term 'penalty' to include:

- Negatively impacting an individual's performance rating and remuneration outcomes, generally during the annual performance and remuneration review, for the performance years 2017, 2018 and 2019 (1 October to 30 September). See comments below; and
- Termination of employment for the period 1 October 2014 to 30 September 2019.

Employees may also receive a penalty for reasons other than receiving a caution for misconduct (e.g. poor performance or non-compliance with mandatory learning) and have therefore been excluded.

In relation to point 1 above, ANZ's approach to applying and reporting on penalties for misconduct has evolved over the past five years to improve consistency in application across the organisation.

In 2015 and 2016, line managers were expected to apply a penalty for misconduct that occurred during the relevant performance year, however our systems and processes did not allow for tracking and reporting of penalties. This means that ANZ has been unable to clearly determine the penalties applied in 2015 and 2016 and therefore penalties for these two years have not been included. However note that there were a further 627 employees who received a caution during these two years which a line manager should have considered for a penalty.

From 2017, ANZ has had a framework in place which sets out minimum penalties to be applied and the application of penalties can now be more clearly identified and reported on.

(e) How many employees have been terminated for misconduct over the past five years?

Answer: 418 employees in Australia were terminated for misconduct over the period 1 October 2014 to 30 September 2019.

(f) How many employees have been cautioned for misconduct over the past five years, as a share of all employees over that timeframe?

Answer: 3.29% of employees in Australia were cautioned for misconduct over the period 1 October 2014 to 30 September 2019.

This number represents the proportion of individual employees who received a caution for misconduct as a percentage of the total number of Australian based employees during the period 1 October 2014 to 30 September 2019.

(g) How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct over the past five years, as a share of all employees over that timeframe?

Answer: 1.94% of employees have received a penalty for misconduct over the period 1 October 2014 to 30 September 2019.

This number represents the proportion of individual employees who received a penalty (as defined in question 27(d)) as a percentage of the total number of Australian based employees during the period 1 October 2014 to 30 September 2019, noting the previous comments regarding the 2015 and 2016 data in ANZQ27W (d).

For the purposes of this response, an employee who receives a caution and is then terminated at a later date due to another instance of misconduct has only been counted once.

(h) How many employees have been terminated for misconduct over the past five years, as a share of all employees over that timeframe?

Answer: 1.05% of all Australian based employees during the period 1 October 2014 to 30 September 2019 were dismissed for misconduct.

This number represents the proportion of individual employees who were dismissed for misconduct as a percentage of the total number of Australian based employees during the period 1 October 2014 to 30 September 2019.

(i) What are the processes available for whistle-blowers into misconduct within the bank?

Answer: In summary, the following persons are able to use ANZ whistleblower processes to report misconduct: current or former employees of the ANZ Group; paid or unpaid suppliers and contingent workers (contractors) and their employees or sub-contractors; an officer or an associate of the ANZ Group, for example, a director or secretary of ANZ; and a relative or family member of any of these groups.

A person can report actual or suspected misconduct internally using email, telephone, post, or using our external service managed by Deloitte (phone, post, web or via a QR Code). Contact details for our Whistleblower Protection Officers (WPOs) (including the Group General Manager Internal Audit and the Chief Compliance Officer), the internal email and external service are available on the internal ANZ website together with the global Whistleblower Policy.

The external website contains details of the internal email and external services mentioned above. The external ANZ website also contains details of the relevant ANZ principles, policies and processes (refer <https://www.anz.com/content/dam/anzcom/shareholder/ANZ-Global-Whistleblower-Policy-December-2019.pdf>).

ANZ employees receive regular training on whistleblower principles, policies and processes, and ANZ suppliers are also informed about them.