

Balancing Work & Family

Supplementary Information

**Submission to the House of Representatives Standing
Committee on Family & Human Services**

Parliament of Australia

October 2005



Introduction

ANZ welcomed the opportunity on 2 August 2005 to discuss our submission to the House of Representatives Standing Committee on Family and Human Services' inquiry into Balancing work and Family with the Committee.

This paper is provided as a supplement to our initial submission and provides answers to the questions we took on notice and requests for additional information made, during our discussion with the Committee.

There are four questions that we will address:

1. The impact of having salary sacrifice available to all employees under the current taxation arrangements.
2. Specific data on the ageing of ANZ's workforce.
3. Are people at ANZ staying longer, particularly those who benefit from our family friendly policies?
4. Salary and seniority of ANZ parents using ABC childcare centres.

A fifth question, 'What is the percentage of women with dependent children in ANZ?' - Will be answered following the ANZ census that will be conducted later in 2005. Once this information is available we will forward it to the Committee.

Should you require further information please contact:

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1. The impact of having salary sacrifice available to all employees under current taxation arrangements

Under the current taxation system, if ANZ were to provide childcare to staff outside of the ANZ/ABC Learning Centre arrangement, these payments would attract Fringe Benefits Tax (FBT). The cost to ANZ of absorbing this FBT is prohibitive as shown in the example below. This example is based on 800 employees, which is the total number of ANZ staff that were identified in 2001 as having child care needs.

The annual FBT cost to ANZ of \$8,204,768 is almost double the cost to ANZ of providing its 12 week parental leave assistance program.

Example (per annum)

Child care fees paid on a fortnightly basis currently = \$23,038.16

FBT that would be payable on this amount (94% of fees) = \$21,695.60

\$21,695.60 divided by number of parents (800) = \$394.46 average FBT per parent

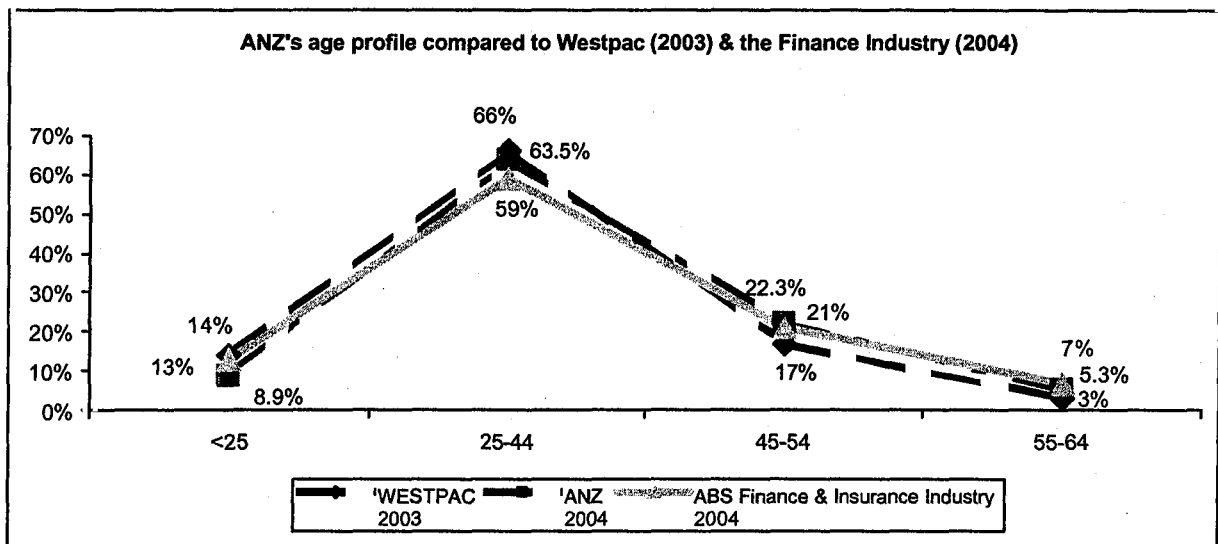
\$394.46 FBT per fortnight x 800 families = \$315,568.00 per fortnight FBT

\$315,568.00 x 26 pay periods = \$8,204,768.00 per annum in FBT

2. Specific data on the ageing of ANZ's workforce

ANZ's Workplace Age Profile

- 72% of ANZ's Australian employees are under the age of 45, with the bulk (63.5%) aged between 25 and 44. The age profile of the ANZ, as illustrated below, is very similar to that of the Banking and Finance industry as a whole.



- Changes in the demographics of the ANZ's workforce between 1998 and 2004 include:
 - An increase in the proportion of employees aged 45 and above from 21% to 28%.
 - An increase in the proportion of employees aged 55 and above from 2.3% to 5.3%.
 - A decrease in the proportion of employees under the age of 45 from 79% to 72%.
 - No significant change in the proportion of employees under the age of 25 (stable at around 9%).
- The average age of ANZ Australian permanent employees has increased steadily from 36.2 years in 1997 to 39.5 years in 2005.

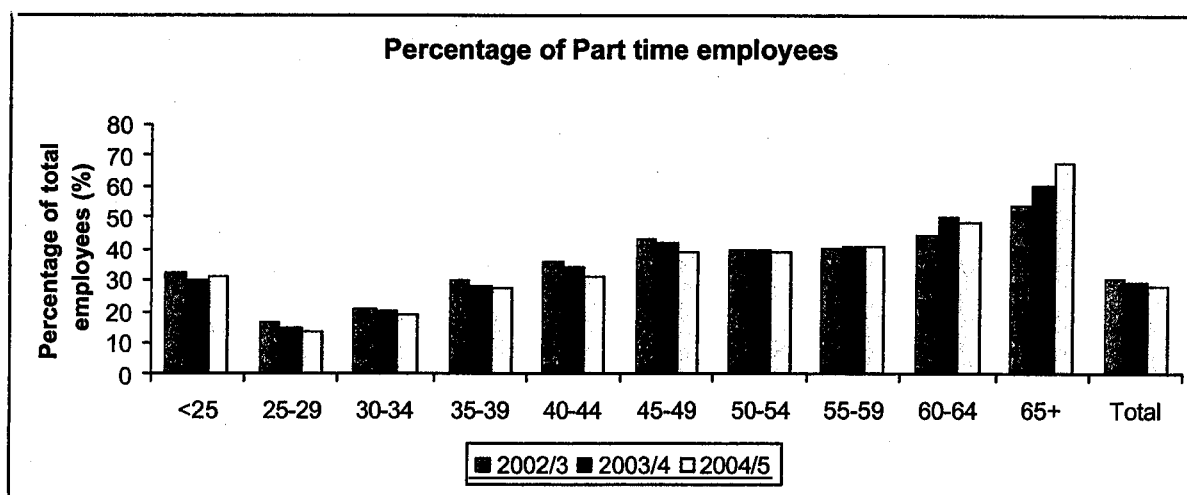
Average age of ANZ's permanent employees in Australia:

Calendar Year	Average Age of Employee
1997	36.2
1998	36.7
1999	37.3
2000	37.7
2001	38.0
2002	38.4
2003	38.7
2004	39.1
2005	39.5

Part-time workers

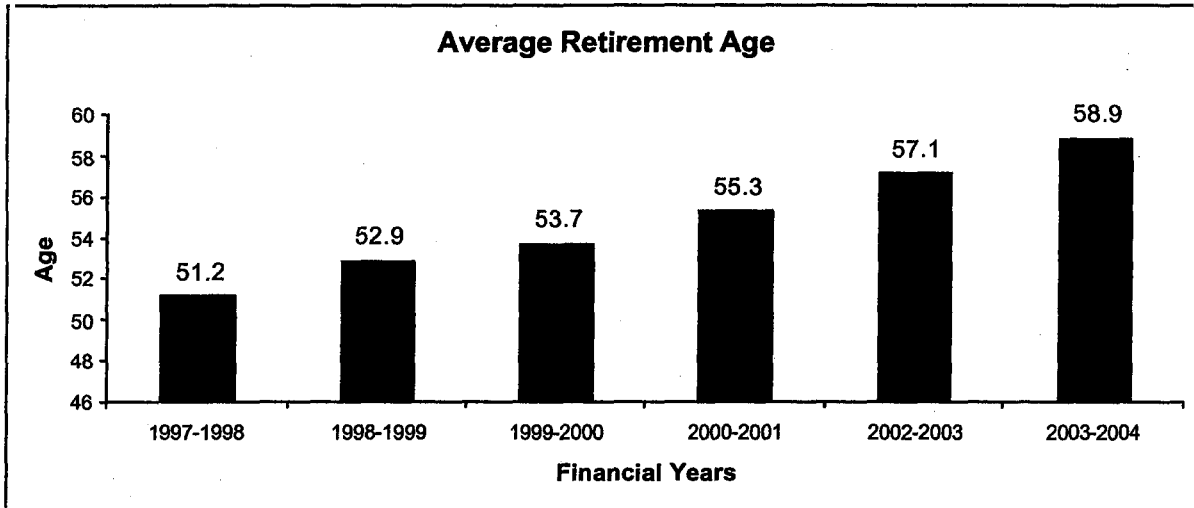
- The percentage of employees working part-time has shown little change since 2002/3, with 31% of ANZ's Australian working staff part-time in 2002/3, with this proportion falling slightly to 28% in 2004/5.
- ANZ has observed that the percentage of employees working part-time generally increases with age (see chart below). This result was based on a comparison of data from 2002/03 and 2004/05.

In 2004/05, around 15 percent of 25-29 year olds worked part-time with the proportion of part-time workers rising to around two thirds of employees aged over 65. The exception are those workers aged under 25 years, with around 30 percent of this group working part-time.



Retirement

- ANZ has observed the average age of employees retiring has risen steadily, from around 51 years old in 1997/98 to around 59 years of age in 2003/04.

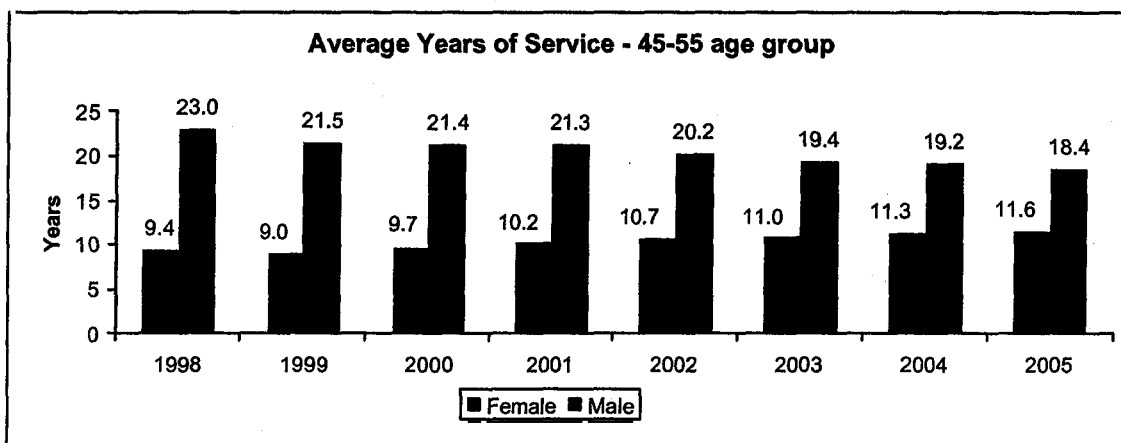
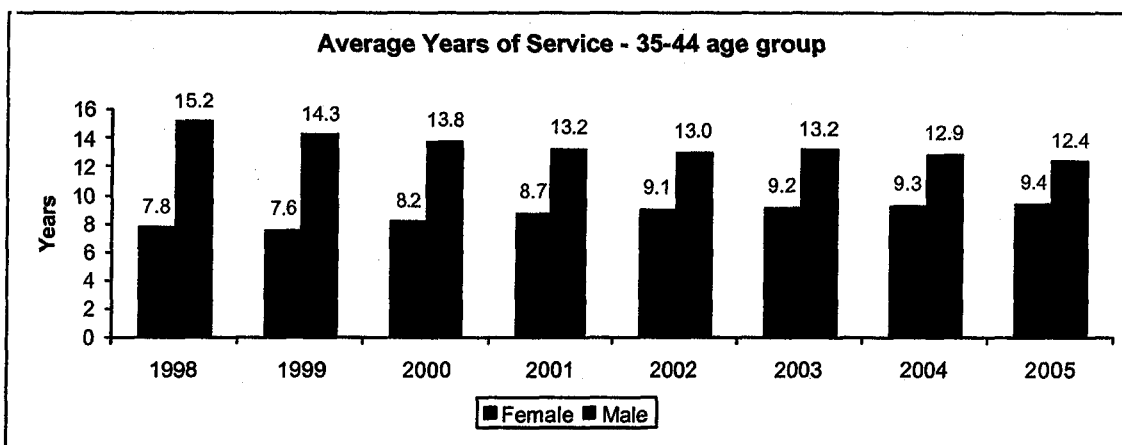


3. Are people at ANZ staying longer, particularly those who benefit from our family friendly policies?

ANZ has found that the average length of service of female staff members aged 35 and older has increased from around 7.8 years in 1998 to around 9.4 years in 2005. Over the same period, length of service for male employees at the ANZ has fallen from 15.2 years in 1998 to 12.4 years in 2005.

In our view, the observed rise in the average length of service for female staff at ANZ is at least partly attributable to ANZ's family friendly policies, especially the policy of encouraging women to return to ANZ following a period of maternity leave on a part-time basis. Being able to return to work on a part-time basis is more attractive to many women with family responsibilities than full-time work.

ANZ has also observed a decrease in the length of service for both men and women younger than 35, which is consistent with the career profile of generation Y and this age group.



4. Salary & Seniority of ANZ parents using ABC childcare centres

ANZ employees using ABC provided corporate childcare centres are on varying salary levels.

Around half of the employees using ABC provided corporate childcare earn between \$50,000 and \$100,000 a year with 20 percent earning less than \$50,000 a year. The Median salary of ANZ employees using the ANZ Corporate childcare centres is around \$75,000.