

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (THIRD REPORT)

Australia and New Zealand Banking Group Limited

ANZ03QON: 50

Weightings of the balanced scorecard categories

Mr THISTLETHWAITE: Can you tell us at the moment what proportion of that at-risk pay is in the financial category?

Mr Elliott: The way that that works is we look at the whole scorecard. The customer piece, as I said, is more than half in a branch. But we assess—

Mr THISTLETHWAITE: Sorry. So customer piece includes risk, people and customer together?

Mr Elliott: No; just customer. So that's more than half. I can't remember the weightings of the others to be honest. We can show it to you.

Answer: Employees are considered for incentives based on their individual and relative overall performance to peers.

Overall performance is determined through assessment of objectives against their balanced scorecard and the 'values' rating given to the employee.

We place equal emphasis on 'how results were achieved' as well as 'what was achieved'. We have a clear set of organisational values and set standards of behaviour that need to be met for an employee to be eligible for an incentive payment.

In relation to our balanced scorecards, we have four categories:

1. Financial and discipline
2. Customer
3. Risk & Process
4. People & Reputation

Scorecards for our frontline branch and contact centre staff members have been changed to meet the Sedgwick recommendation (finance no more than 33%). The weightings are now:

1. Financial & Discipline – 30%
2. Customer – 35%
3. Risk & Process – 20%
4. People & Reputation – 15%