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BNZ

11 March 2009

NAB Announcement Thursday Could Involve Job Cuts at BNZ

KEY POINTS:

- BNZ's parent company, the National Australia Bank, is set to make a significant announcement tomorrow, Thursday March 12.
- Media speculation is that this will include people losing their jobs in both Australia and New Zealand.
- Finsec members have identified job security and protecting local jobs as the number one issue for 2009.
- The BNZ remains very profitable and like all major banks is receiving significant tax payer support. A condition of this profit and support should be retaining current staffing levels by keeping bank staff in work.

ACTION:

Please ensure that all staff on your worksite receive a copy of this Update and are aware of the NAB announcement to take place tomorrow.

Major announcement tomorrow

Cameron Clyne, the CEO of BNZ parent company National Australia Bank, is scheduled to release a "strategic blueprint" for the group tomorrow.

Speculation that jobs are to be cut

Australian media are speculating that part of the announcement will be plans to cut significant numbers of jobs from the banking group's global workforce.

A story in the *Herald Sun* from Friday 6 March said hundreds of roles in Australia were to be slashed, along with its contract workforce in technology support in Australia and New Zealand.

Cameron Clyne is also said to be looking at offshoring more roles in the banking group to India.

BNZ should protect jobs

The BNZ should make every effort during the recession to avoid redundancies or offshoring of local jobs.

The BNZ announced a \$260 million profit for the three months to December 31 2008, an \$89 million (53%) increase on the same period last year.

In addition, the BNZ is currently receiving significant support from government and tax payers including business tax cuts and the tax payer underwriting of retail deposits and wholesale borrowing.

The BNZ is in a good position to offer staff job security and maintain current staffing levels. Redundancies or offshoring are likely to be motivated by cost cutting to further increase profits.

What's next?

We will communicate with Finsec members as soon as we are able once the announcement is made.

A key plank of our 2009 **Better Banks** campaign will be job protection for New Zealand bank workers.

From the BNZ Union Council