



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

**Submission of the
New Zealand Council of Trade Unions
Te Kauae Kaimahi**

to the

NZX

on the

**Review of Corporate Governance
Reporting Requirements within NZX
Main Board Listing Rules**

P O Box 6645

Wellington

February 2016

1. Introduction

- 1.1. This submission is made on behalf of the 31 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With 320,000 members, the CTU is one of the largest democratic organisations in New Zealand.
- 1.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 1.3. The CTU has recently become aware of NZX's November 2015 discussion document, in which it seeks feedback on whether it is considered appropriate to have specific recommendations or best practice commentary in relation to health and safety.
- 1.4. The CTU has been actively and deeply involved in the health and safety reform process. The CTU would wholly support a recommendation to include commentary on health and safety in the corporate governance reporting requirements. Proper and robust reporting of health and safety performance is a critical step towards improving the currently poor surveillance of the true burden of occupational illness, injury and death in New Zealand. Such reporting can be used by companies and their current and prospective workers as one means to understand how well they are doing and to look for better ways of protecting health and safety. For this reason, it is important that wherever possible, published measures should be in a form that is comparable between companies.
- 1.5. When considering what measures should be reported on, NZX should refer to the findings of the Independent Taskforce on Workplace Health and Safety.¹ The Taskforce was critical of performance measures and incentive programmes that were too focused on lag indicators, such as total injury rates or lost work time injuries. Lag indicators often are associated with perverse incentives for underreporting and masking the exposure to potential harm.

¹ The Report of the Independent Taskforce on Workplace Health & Safety He Korowai Whakaruruhau: <http://hstaskforce.govt.nz/documents/report-of-the-independent-taskforce-on-workplace-health-safety.pdf>

- 1.6. Therefore, the Taskforce recommended that performance measures be implemented that are based on both lead and lag indicators. It was anticipated by the Taskforce that lead and lag indicators should not solely focus on illness, injury and death rates. The indicators should also allow for employers to be able to, for example, determine the prevalence of particular worker participation or risk-mitigation practices in their industries. Other examples of lead indicators the Taskforce gave included the proportion of management who had received training in health and safety.
- 1.7. A paper titled “Final Report: Case Study Policy Themes” prepared for the Taskforce by Heathrose Research found that, of the organisations it surveyed, the most mature organisations had measures of lead indicators, including:
- Compliance with safety audits
 - Sub-contractors compliance with site safety plans
 - Near-miss reporting
 - Completion of a Health and safety cultural survey
 - Rate/frequency of staff health and safety meetings
- 1.8. The CTU welcomes further discussion with NZX on the consultation paper with proposed rule changes. We would be willing to meet with the NZX to discuss appropriate reporting measures.

New Zealand Council of Trade Unions
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