

# **Reporting on Workplace Health and Safety and Employment Relations: a stock-take of current practice**

## **Summary Report**

**September 2005**

Department of Labour  
New Zealand

## Contents

<b>Executive Summary</b>	3
<b>Purpose</b>	5
<b>Improving the Quality of Workplace Reporting</b>	5
Current Trends in Workplace Reporting	5
Triple Bottom Line and Other Terms	5
Reporting on Workplace Health, Safety and Employment Relations: a stock-take of current practice	6
The Sample: 100 of New Zealand's largest employers	6
Method of Analysis	6
<b>Findings</b>	7
Workplace Health and Safety	8
Policies and Progress	8
Monitoring Health and Safety Performance	9
Reasons for Managing Workplace Health and Safety	10
Workplace Health and Safety Programmes	10
Employment Relations	12
Human Resources	12
Quality of Life and Decent Work	13
Education and Development Opportunities	14
Recruitment and Retention	15
Other Workplace Initiatives	16
ACC Partnership Programme	16
EEO Trust Employers Group	16
Reporting by Central Government Employers: a separate analysis	17
<b>Mandatory Reporting</b>	18
Central Government	18
Local Government	18
District Health Boards	19
Reporting on Māori Recruitment and Retention in the Public Sector	19
<b>Initiatives to Improve Workplace Reporting</b>	19
Govt <sup>3</sup>	19
The New Zealand Business Council for Sustainable Development	20
Auditing and Verification	20
<i>Appendix A: Demographic Information of 100 Employers</i>	22
<i>Appendix B: Indicators Used in the Stock-take</i>	24
<i>Appendix C: Glossary of Terms and Acronyms</i>	25

## Tables and Figures

Tab 1. Industry type and number in sample	6
Fig 1. Average reporting rates for indicator groups	7
Fig 2. Indicators: policies and progress	8
Fig 3. Indicators: monitoring health and safety performance	9
Fig 4. Principles for managing workplace health and safety	10
Fig 5. Proportions of reported health and safety programmes	11
Fig 6. Indicators: human resources	12
Fig 7. Indicators: quality of life and decent work	13
Fig 8. Indicators: education and development opportunities	14
Fig 9. Indicators: recruitment and retention	15

## Executive Summary

This is a stock-take of 100 of New Zealand's largest employers, identifying the frequency and quality of workplace reporting practices in their annual reports around 2004. It follows a stock-take undertaken in 2003 that identified the frequency of workplace, social and environmental reporting.

The Department will use this analysis to promote better practice in the monitoring, reporting and ultimately the management of these aspects of business through the Workplace Health and Safety Strategy for New Zealand to 2015 and government leadership policies.

### *Method of Analysis*

The reports in the stock-take were graded for their use of indicators derived from occupational health and safety reporting guidance published by the Health & Safety Executive, UK, and from the findings of the earlier stock-take. The indicators were graded using a scale taken from the Pacific Sustainability Index, a checklist and scoring system for environmental and sustainability reports.

### *Main Findings*

The stock-take shows moderate to low levels of workplace reporting: more employers did not report against a range of indicators than those who did. Although most employers reported at least one indicator, few reported on a range. The level of appropriate detail and clear presentation in reporting was also low.

There was a lack of consistency between reports using versions of the same measurement (for example lost time injury rates). A greater degree of consistency would have improved the possibilities of comparison between different reports (*there was a similar finding in the 2003 stock-take*).

The most frequently reported group of indicators was training and development indicators, and the least reported was human resources and health and safety indicators equally.

Reporters generally showed a preference for broad level or general indicators. The broadest indicator would usually be the most reported in each group of indicators. Similarly, there was a preference for 'narrative' information over statistical data. This could be problematic, as it would mean that some information could not be quantified (there were equally problematic examples of statistical data provided without 'narrative' to give the data context).

Employers were more likely to report indicators that were relevant to their industry types. Examples were health and safety indicators, which were more reported by high-risk industries, and recruitment and retention indicators, which public sector employers were required to report.

Participants in the ACC Partnership Programme, and to a lesser degree the EEO Trust Employers Group, reported on indicators appropriate to these initiatives with greater frequency (including appropriate detail and clear presentation) than non-participants.

With health and safety reporting, there was a bias toward safety information over health information. Sick leave was reported by 15% of the sample. A similar number reported on healthcare programmes, but most of these reporters did not also include monitoring information. The sample included employers who were likely to have occupational health issues, but there was no data on this (*there was a similar finding in the 2003 stock-take*).

The level of Central Government reporting was average. There were areas of particular reporting strengths (training and development, equal employment opportunities) and weaknesses (human resources indicators, most quality of life and decent work indicators).

## Purpose

The Department of Labour analysed one hundred annual reports of New Zealand's largest employers<sup>1</sup> to identify the level and quality of reporting to shareholders, employees and the community about:

- Workplace Health and Safety,
- Employment Relations, and
- other aspects of workplace culture.

The Department will use this analysis to promote better practice in the monitoring, reporting and ultimately the management of these aspects of business through the Workplace Health and Safety Strategy for New Zealand to 2015 and government leadership policies.

## Improving the Quality of Workplace Reporting

In 2003 the Department undertook a stock-take of one hundred of New Zealand's largest employers to identify the state of health and safety reporting. Many employers had developed their own monitoring and reporting systems for environmental, social (including health and safety) and economic outcomes. However, the methods of measurement and quality of information varied widely.

A second stock-take was undertaken in 2004. This stock-take incorporated other workplace indicators and measured the quality of reporting against an objective international standard, and is the subject of this report.

### *Current Trends in Workplace Reporting*

In recent years, employers have begun disclosing workplace-related indicators in their annual reports and other corporate publications. This trend has been underpinned by an increasing number of enterprises reporting on a "triple bottom line" of economic, social and environmental performance,<sup>2</sup> as a way of demonstrating their commitment to sustainable development.

The Department of Labour recognises this approach to reporting as a means of promoting best practice, and to enable benchmarking.<sup>3</sup> Such reporting would be of benefit to both employers and employees, as well as regulators and other stakeholders.

### *Triple Bottom Line and Other Terms*

Reporting on economic, social and environmental performance is most commonly referred to as triple bottom line (TBL) reporting or sustainable development reporting. Other terms that were found in the stock-take include corporate social responsibility reporting, health safety and environment reporting, and social impact reporting.

This report focuses on workplace reporting, but when it considers the wider reporting focus, it will generally refer to TBL, except where an employer specifically uses another term.<sup>4</sup>

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<sup>1</sup> Demographic information on the one hundred employers is provided in Appendix A.

<sup>2</sup> The term is taken from *Cannibals With Forks* (Elkington, 1997).

<sup>3</sup> For example, the Workplace Health and Safety Strategy identifies the promotion of more extensive health and safety reporting in public documents as an action in its Action Plan 2005/06 for these reasons (Department of Labour, 2005, p.10).

<sup>4</sup> A full list of terms and acronyms are listed in Appendix C.

## Reporting on Workplace Health, Safety and Employment Relations: a stock-take of current practice

This report (the Summary Report) summarises the findings of the 2004 stock-take. The separate Full Report provides detailed findings, appendices and methodology.

The first part of this report summarises the findings on the sample used in the stock-take. Case studies are presented in text boxes throughout this section. There are additional summaries of

- external programmes that employers in the sample are involved in
- central government employers' workplace reporting practices
- mandatory workplace reporting requirements (and their impact on the findings), plus other initiatives to encourage workplace reporting

### The Sample: 100 of New Zealand's Largest Employers

Reports of 100 of New Zealand's largest employers (calculated by Full Time Equivalent employees) were analysed for the stock-take. The sample of one hundred employers covered almost one-third of New Zealand's work force: the smallest employer had over 800 employees, and the 6 largest employers had over 10,000 each.

The sample was divided into industry groups using ANZSIC industry codes. The following table shows how the sample was divided:

**Table 1. Industry type and number in sample**

Industry type	Number	Industry type	Number
Government administration and defence	21	Communication services	4
Manufacturing	19	Personal and other services	3
Health and community services	16	Retail trade	3
Education	10	Cultural and recreational services	2
Property and business services	8	Construction	1
Finance and insurance	7	Wholesale trade	1
Transport and storage	5		

### Method of Analysis

The health and safety indicators for grading the reports were derived from guidance for occupational health and safety reporting published by the Health and Safety Executive, UK.<sup>5</sup> The similar legislative frameworks between New Zealand and the UK meant that the guidance gave a good basis for comparison with New Zealand reporting. Other workplace indicators were derived from findings of the previous stock-take, so they were directly related to the New Zealand environment.<sup>6</sup>

The grading scale was taken with permission from the Pacific Sustainability Index ('the PSI').<sup>7</sup> The PSI scale includes comprehensive criteria and guidelines for grading each item. The scale was used to measure the information in the reports against the chosen indicators. Items were graded on a scale from 0-2:

- 0 – 'not mentioned, *or* briefly mentioned'
- 1 – 'formally addressed, but limited *or* not clear'
- 2 – 'appropriate detail, clear presentation'

<sup>5</sup> A Guide to measuring health and safety performance (Health and Safety Executive, 2001).

<sup>6</sup> The indicators (for both health and safety and employment relations) are listed in Appendix B.

<sup>7</sup> Clean Green, and Read All Over: Ten Rules for Effective Corporate Environmental and Sustainability Reporting (Morhardt, 2002, p.185 ff). The PSI is available to view: [www.roberts.mckenna.edu/psi/pdf/PSIScoringSheet.pdf](http://www.roberts.mckenna.edu/psi/pdf/PSIScoringSheet.pdf)

## Findings

The information from this analysis of New Zealand's largest employers and their workplace reporting practices shows moderate to low levels of workplace reporting. More employers did not report against a range of indicators than those who did. Although most employers reported at least one indicator, few reported on a range. The level of appropriate detail and clear presentation in reporting was low.

The most frequently reported group of indicators was training and development indicators, and the least reported was human resources and health and safety indicators equally. The proportions are shown in figure 1.

**Figure 1. Average reporting rates for indicator groups**



Key findings on individual topics are presented under the following headings:

### Workplace Health and Safety

- Policies and progress
- Monitoring health and safety performance
- Reasons for managing workplace health and safety
- Workplace health and safety programmes

### Employment Relations

- Human resources
- Quality of life and decent work
- Education and development opportunities
- Recruitment and Retention

### Other Initiatives

- ACC Partnership Programme
- EEO Trust Employers Group

Reporting by Central Government Employers: a separate analysis

## Workplace Health and Safety

Workplace health and safety was the least commonly reported indicator group. It had the lowest average rate of appropriate detail and clear presentation for any indicator group.

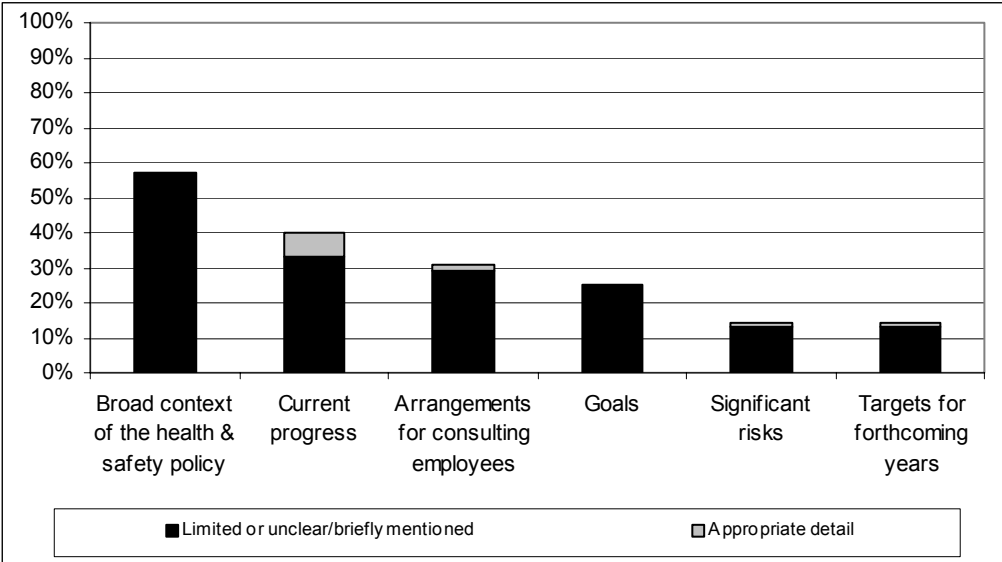
Employers from high-risk industry types report on health and safety more often than employers from other industry types.

### *Workplace Health and Safety: Policies and Progress*

- The broad context of the health and safety policy was reported with highest frequency, but no one in the sample provided the appropriate level of detail required.
- Current progress was reported with the highest frequency of appropriate detail and clear presentation.

Table 3 shows the distribution of indicators for workplace health and safety policies and progress. Each bar shows the total proportion of reporting, divided into the amount of reporting with appropriate detail and the amount without.

**Figure 2. Indicators: policies and progress**



### **Example: arrangements for consulting employees on health and safety**

A transport and storage employer (1,001-5,000 FTEs) stated its general intent to work with employees and their unions to improve workplace health and safety. It went on to elaborate its action group/committee system. This included the number of action groups or committees, their make-up as a mixture of employee, union and management representatives, and their function as a forum to resolve health and safety issues at a site-based level. It reported the frequency of committee meetings, noting that minutes of all meetings were made available to all staff and contractors. The report also noted the creation of a new union-based dedicated representative role, and plans to increase the frequency of training for all representatives.

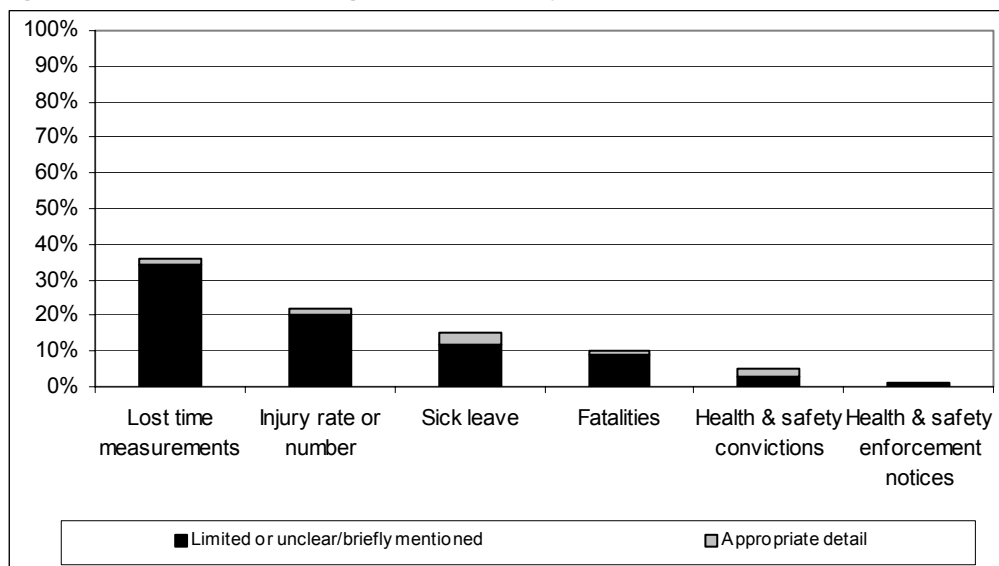


## Workplace Health and Safety: Monitoring Health & Safety Performance

- These indicators (statistical health and safety measures) were reported less frequently than policy/ progress indicators. The proportion of appropriate detail was marginally lower.
- Lost time measurements were reported most often, but sick leave was reported with the highest frequency of appropriate detail and clear presentation (by a difference of one percent).
- Most employers who reported on sick leave were from the health and community services industry group.
- Different reports used different methods of calculating the same measurement (for example lost time measurements).<sup>8</sup> This lack of consistency between reports meant comparisons were not possible.

Figure 3 shows the distribution of indicators for monitoring health and safety performance.

**Figure 3. Indicators: monitoring health and safety performance**



### Example: lost time measurements

A manufacturing employer (1,001-5,000 FTE) contrasted two measures to give a fuller explanation of what these measures indicated. It contrasted “Lost Time Frequency Rate” (in this case the number of lost time injuries per million hours worked) against a severity measure (in this case the number of days lost per injury). This enabled it to show that while lost time was decreasing, the severity of the accidents causing lost time had increased, and that what had looked like “good news” did in fact have a negative aspect requiring further attention from the employer. Progress over time was measured in months over the course of one year.

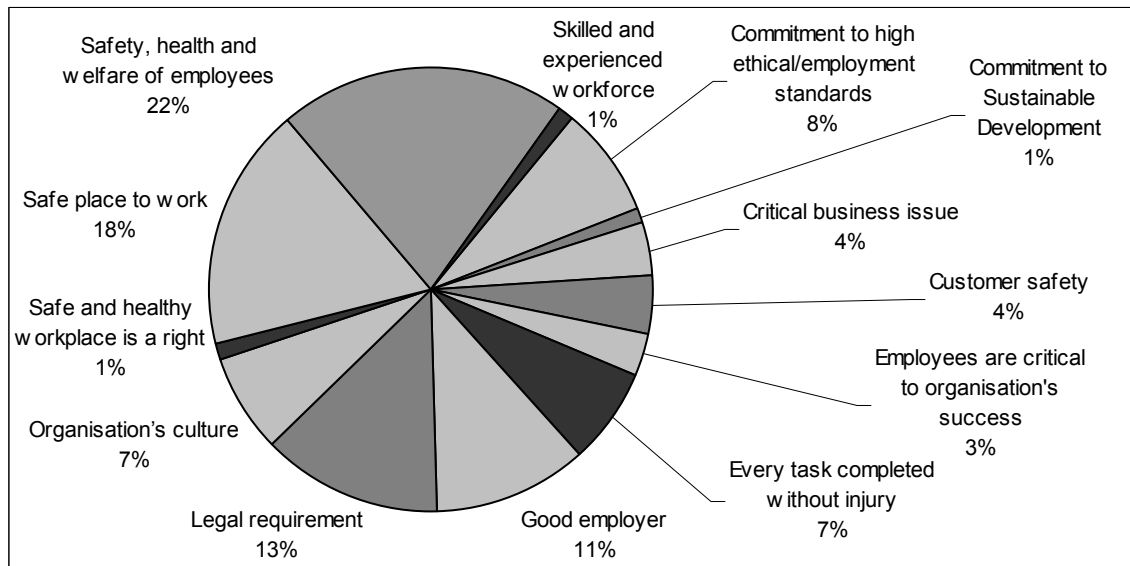
<sup>8</sup> Lost time measurement use the total time lost to injury divided by a variety of denominators, eg days (full day, shift day, including or excluding weekends) or hours (one hundred hours, one million hours etc), contracted staff or permanent staff, measured by FTE or total number of staff, and so forth.

### *Workplace Health and Safety: Reasons for Managing Workplace Health and Safety*

- Fifty-four employers provided reasons for their management of workplace health and safety.
- The three most common reasons for managing health and safety were concern for the health, safety and welfare of employees, concern to provide a safe place to work, and recognition of the legal requirement to address occupational health and safety.

Figure 4 shows the proportions of principles reported. The proportions are for a total of 99 examples of principles.

**Figure 4. Principles for managing workplace health and safety**

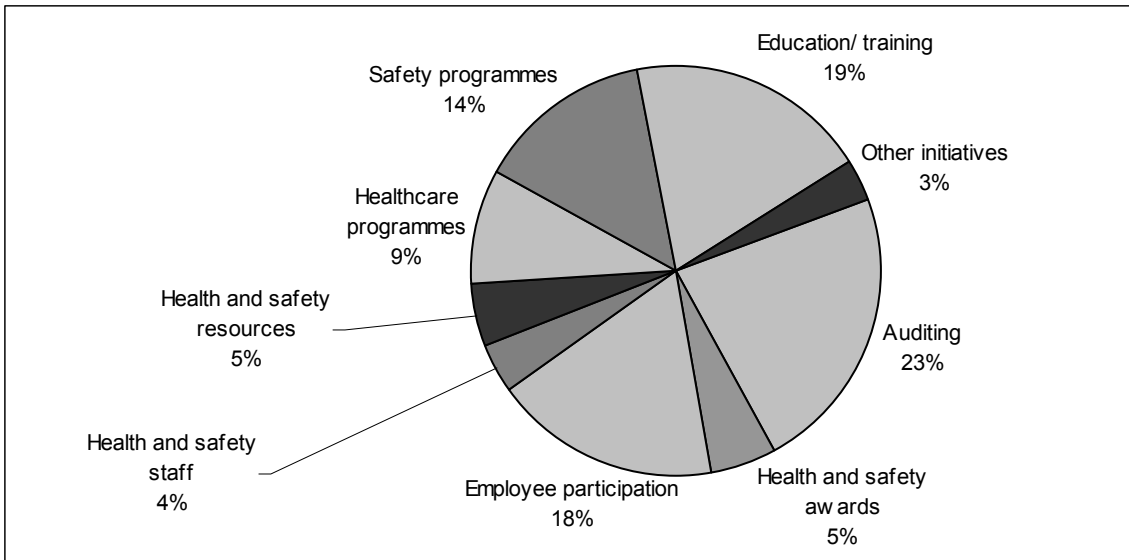


### *Workplace Health and Safety: Workplace Health and Safety Programmes*

- Fifty-five employers reported on workplace health and safety programmes, actions and initiatives.
- The types of programmes most often reported on were auditing programmes, education/training programmes, and employee participation programmes.
- Healthcare programmes were reported as often as sick leave, but only three employers reported both healthcare programmes *and* sick leave. Healthcare programmes and sick leave were reported by employers from the same industry types.
- Health and safety awards were almost exclusively reported on by the manufacturing industry group.

Figure 5 shows the proportions of the types of programmes that were reported. The proportions are for a total of 217 examples of programmes.

Figure 5. Proportions of reported health and safety programmes



## Employment Relations

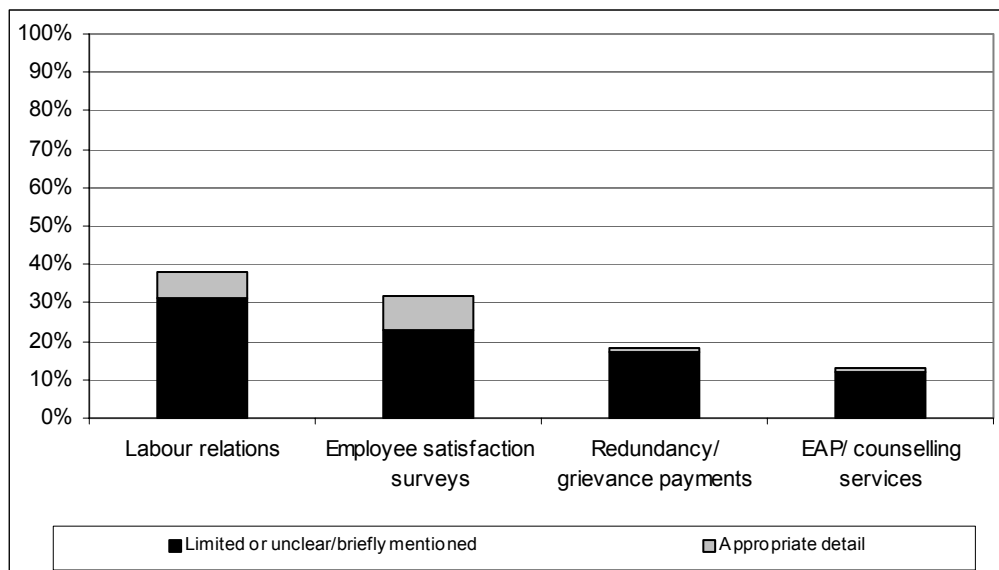
Employment relations indicators were more common than health and safety indicators. Most employers reported at least one employment relations indicator.

### *Employment Relations: Human Resources*

- Human resources indicators were the least commonly reported indicator group, along with health and safety indicators.
- However, it had a higher average rate of appropriate detail and clear presentation than health and safety indicators.
- Labour relations were reported on most often, but employee satisfaction surveys were reported with the highest frequency of appropriate detail and clear presentation.
- These indicators were most often reported by health and community services, then by communications services. This may be due to the impact of mandatory requirements for District Health Boards to report on redundancy payments (see Mandatory Reporting).

Figure 6 shows the distribution of human resources indicators.

**Figure 6. Indicators: human resources**



### **Example: labour relations**

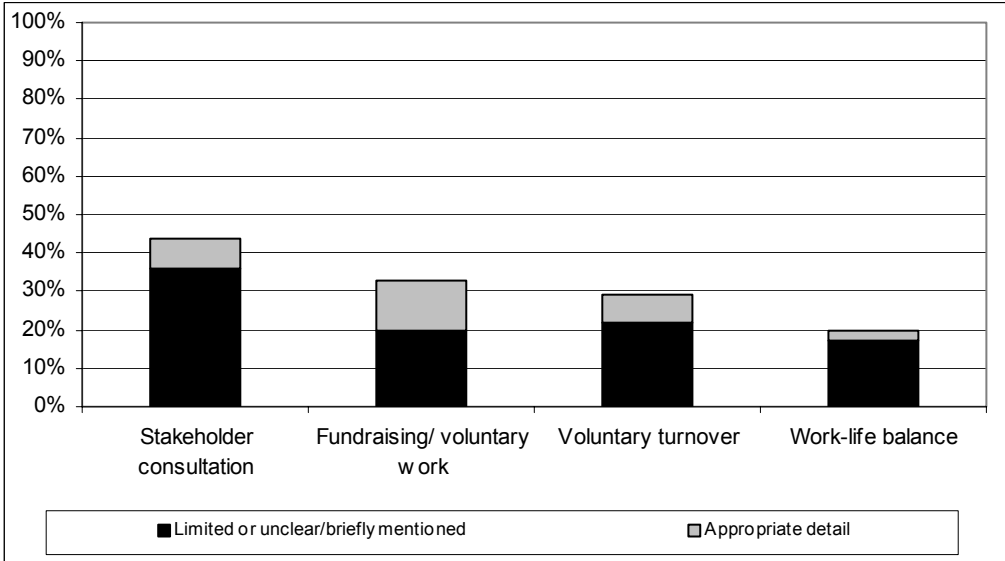
An employer from the property and business services industry (under 1,000 FTE) specified the existence of their Collective Employment Agreement, the length of its term, the union with whom it had been negotiated, and the membership rate of the union among the employer's staff. It identified the differences between the collective agreement and its Individual Employment Agreements (a specifically negotiated healthcare subsidy, and a partnership forum between the employer and the union). It noted how often the partnership forum met, benefits available to all permanent staff, and the presence of a Human Resources Manual covering various workplace issues (examples given). The manual is available to all staff and was developed by a staff working group that continues to add to it as required.

*Employment Relations: Quality of Life and Decent Work*

- Quality of life and decent work indicators were the second most common indicator group in the sample. It had the second highest average rate of appropriate detail and clear presentation (along with recruitment and retention).
- Stakeholder consultation was reported with the highest frequency, but fundraising/voluntary work was reported with the highest frequency of appropriate detail and clear presentation. These indicators were most often reported by communication services.

Figure 7 shows the distribution of quality of life and decent work indicators.

**Figure 7. Indicators: quality of life and decent work**



**Example: voluntary turnover**

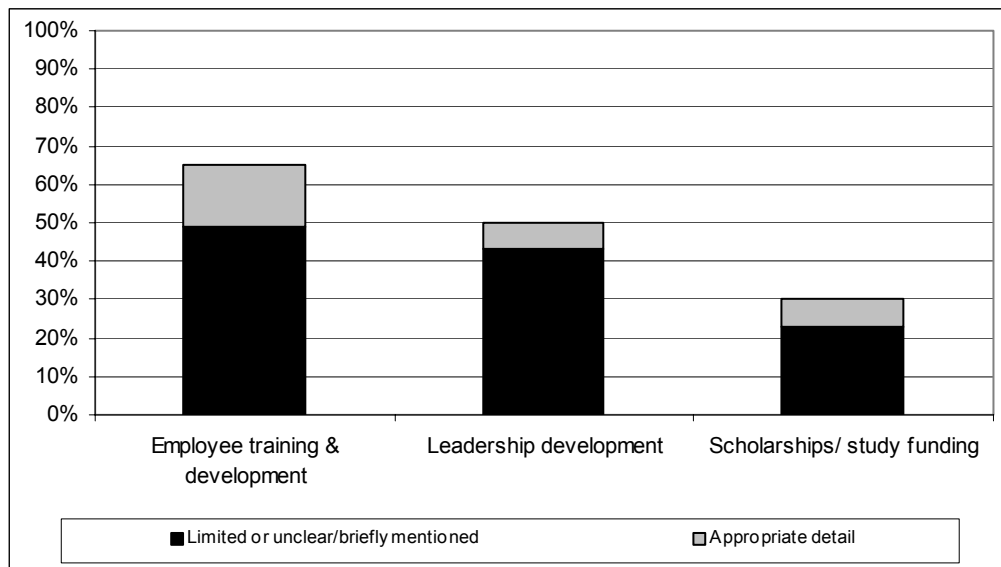
Typically, when this indicator was reported with appropriate detail it included information over time, showing the turnover for at least one year back, so that the reader could see whether turnover was increasing or decreasing. In some cases, a target rate was also shown. One example from government administration and defence (1,001-5,000 FTE) provided an additional breakdown of turnover by length of service to provide information on the level of stability within the organisation. It also gave a rationale for its target rate, citing the need to strike a balance between maintaining experienced and knowledgeable staff, and seeking new input and ideas.

## Employment Relations: Education and Development Opportunities

- This was the most frequently reported group of indicators, and had the highest average rate of appropriate detail and clear presentation for any indicator group.
- Employee training and development was the most frequently reported indicator for the whole sample. It also had the second highest frequency of appropriate detail and clear presentation, after reporting participation on the ACC Partnership Programme.
- These indicators were most often reported by communication services, education, and cultural and recreational services. They were unreported by construction and wholesale trade.

Figure 8 shows the distribution of education and development opportunities indicators.

**Figure 8. Indicators: education and development opportunities**



### Example: employee training and development

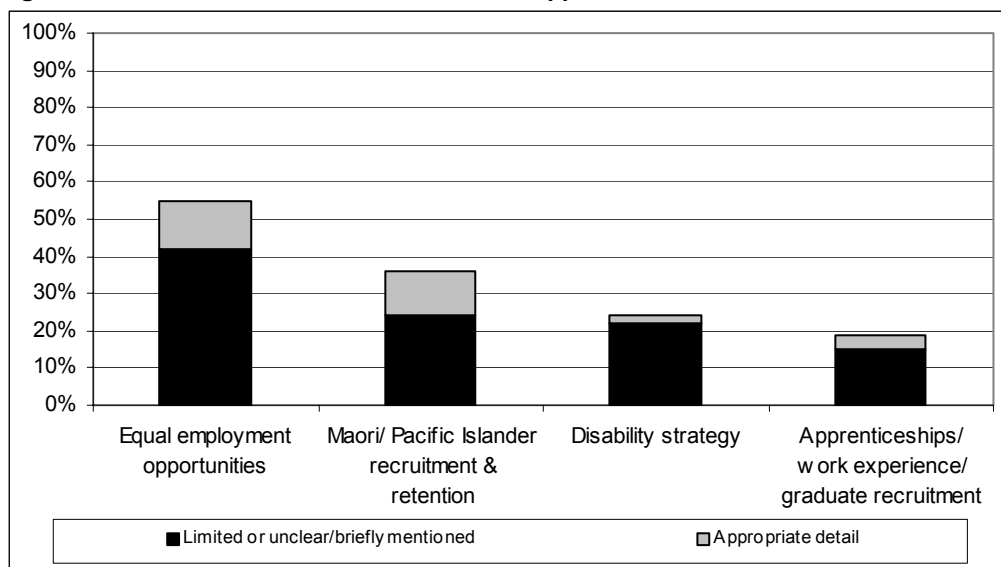
An education sector employer (1,001-5,000 FTEs) provided a list of development programmes, identifying how these fitted into institutional priorities – for example, a mentoring programme was introduced as a result of salary negotiations. This was followed by a statistical breakdown of the number of training and development courses run and the number of staff attending these courses. Both items were measured by actual numbers compared with target numbers for the year, and actual numbers for the previous year.

## Employment Relations: Recruitment and Retention

- Recruitment and retention indicators were the third most common indicator group. It had the second highest average rate of appropriate detail and clear presentation (along with quality of life and decent work indicators).
- Equal employment opportunities were the third-most frequently reported indicator. Recruitment and retention indicators were most often reported by education, personal and other services, and government administration and defence.
- This is likely to be a result of mandatory reporting requirements for public sector employers. The requirement to report on equal employment opportunities progress in annual reports is the widest ranging mandated reporting requirement (see Mandatory Reporting).

Figure 9 shows the distribution of recruitment and retention indicators.

**Figure 9. Indicators: recruitment and retention opportunities**



### Example: equal employment opportunities

Typically, a report with appropriate detail provided an outline of an equal employment opportunities policy or rationale, explaining the benefit to the organisation of maintaining this policy. It provided statistical data showing progress over time, and indicated staff diversity through gender and ethnicity divisions. One personal and other services employer (over 10,000 FTE) also identified the sexual orientation of staff as an area of potential discrimination, and gave this recognition under its equal employment opportunities policy. The same report indicated programmes or other methods to show how progress had been or would be achieved, in order to show the connections between its policies and its statistical data.

## Other Workplace Initiatives

### *ACC Partnership Programme*

Participants in the ACC Partnership Programme manage their health and safety risks on behalf of the ACC, in exchange for discounts on their ACC levies. Eighty-five employers in the sample were participants, and of these thirty-three reported on their participation.

- Participants report on health and safety indicators more often than non-participants. Participants who reported on their own participation in the Partnership Programme report on health and safety indicators more often again.
- There was also a high frequency of appropriate detail and clear presentation among those who reported on their participation.

#### **Example: reporting on the ACC Partnership Programme**

Typically, a report with appropriate detail would cover not only its participation in the programme, but also its progress or the level it had achieved within the programme (primary, secondary or tertiary). One communication services employer (1,001-5,000 FTE) mentioned something no other report did: what the employer stood to gain from the reduced levies. It reported how the savings from reduced levies had been fed back into the organisation's health and safety management activity, thus helping the employer to maintain a high level of health and safety. As such, it identified good health and safety management as a *benefit* of membership, rather than only a means to maintain membership.

### *EEO Trust Employers Group*

Members of the EEO Trust Employers Group participate in Trust initiatives. They have access to common resources such as research, workshops, recruitment templates and advertising. Membership is expected to raise members' employer profile. Fifty-six employers in the survey were members of the Trust.

- Participation is reported as an indicator by a significantly smaller proportion of its participants than that for the ACC Partnership Programme. Only 4 out of the 56 Trust members reported their membership.
- Members of the Trust Employers Group do not report more often on all indicators relevant to the Trust, but this does happen for some of the indicators.
- Members have a higher frequency of appropriate detail and clear presentation than non-members for nearly all relevant indicators.

#### **Example: reporting on the EEO Trust Employers Group**

One government administration and defence employer (1,001-5,000 FTE) mentioned its membership in the Trust, outlined the benefits of maintaining that membership, and outlined its activity as a member. It noted its participation in the Trust's Employers Group survey, and that the data gathered for the survey would then be used to design actions to support its own "diversity management" plan. It also mentioned the use of the Employers Group logo in all recruitment advertising.



## Reporting by Central Government Employers: a separate analysis

The central government sample analysed here consists of seventeen central government departments, ministries and crown entities from the main sample, including the Department of Labour.

- The central government sample was below the average for frequency of reporting on most indicator groups, compared to the overall sample.
- It was above the average for frequency of reporting on all education and development indicators and most recruitment and retention indicators (the exception was for apprenticeships/work experience/graduate recruitment).
- No one in the central government sample reported on health and safety targets, sick leave, health and safety enforcement notices and convictions, and redundancy/grievance payments.
- The central government sample provided appropriate detail and clear presentation above the average for most education and development indicators (the exception was for scholarships/study funding) and all recruitment and retention indicators. It provided appropriate detail and clear presentation that was above the average for those health and safety indicators that it reported on. Results were varied for other indicator groups.

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Note that this sample group is not equivalent to the government administration and defence industry group, as it omits local government bodies, who are included in the industry group, while including an employer from the personal and other services industry group (New Zealand Police).

The employers in the analysis are:

- Accident Compensation Corporation
- Department for Courts
- Department of Child Youth and Family Services
- Department of Conservation
- Department of Corrections
- Department of Internal Affairs
- Department of Labour
- Inland Revenue Department
- Ministry of Agriculture and Forestry
- Ministry of Economic Development
- Ministry of Education
- Ministry of Foreign Affairs and Trade
- Ministry of Health
- Ministry of Social Development
- New Zealand Defence Force
- New Zealand Police
- Statistics New Zealand

## Mandatory Reporting

There are legal requirements for a variety of public sector organisations to report on workplace and social indicators. The State Sector Act 1988, the Local Government Act 2002, the New Zealand Public Health and Disability Act 2000 and part 5 of the Defence Act 1990 (terms and conditions of service in the Civil Staff) affect government administration and defence, education, and health and community services. The State Sector Act partly affects personal and other services, through section 7 of the Police Act 1958 and part 6 of the Fire Service Act 1975.

The constant principle in these Acts is the principle of being a good employer. A “good employer” is defined as “an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment”. Eight provisions are explicitly identified, including provisions requiring good and safe working conditions and an equal employment opportunities programme.<sup>9</sup>

### *Central Government*

Central government employers have the requirement to be a good employer but only one provision of the good employer principle translates into the reporting of workplace indicators. All central government departments must report on the presence and performance of an equal employment opportunities programme under the State Sector Act 1988.<sup>10</sup>

The frequency of reporting on this indicator in the central government sample is higher than almost every other employment relations indicator. It also compares favourably against the frequency for the total sample, and the frequency for the total sample of appropriate detail and clear presentation (see figure 7).

### *Local Government*

Local government authorities are now legally obliged to prepare annual reports to a TBL format (though not formally defined as such), but the survey is for the transition period between the Local Government Acts 1974 and 2002. The obligation therefore did not legally apply to the survey period.<sup>11</sup> However, all local government authorities in the survey utilised some type of TBL format in anticipation of the new requirements.

Local government organisations are obliged to report against “community outcomes” and to do so with a “sustainable development approach”.<sup>12</sup> They must report on any identified effects that any of their activities has had on the social, economic, environmental, or cultural well being of the community.<sup>13</sup>

The requirements do not specify reporting workplace indicators in annual reports, but some organisations choose to view this area as one that is appropriate for fulfilling their obligations under the Act.

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<sup>9</sup> State Sector Act 1988, s56 (1)-(2), New Zealand Public Health and Disability Act 2000, s22 (1)(k). The latter is now subsidiary to the Crown Entities Act 2004, s118 (see note 15).

<sup>10</sup> State Sector Act 1988, s58 (1)(2).

<sup>11</sup> Local Government Act 2002, s283 (1)-(2).

<sup>12</sup> *ibid*, s91 and s3 respectively.

<sup>13</sup> *ibid*, Schedule 10, part 3, s15 (d).

## **Mandatory Reporting (continued)**

There is a specific requirement that organisations must make a Local Governance Statement publicly available following local government elections, and that this must include information on equal employment opportunities policy.<sup>14</sup>

### *District Health Boards*<sup>15</sup>

District Health Boards have a legislated objective to be a good employer, and are required to report on those provisions of the Board's personnel policy that will assist it in meeting this objective.<sup>16</sup> This is more open-ended than the "good employer" requirement to report on equal employment opportunities in the State Sector Act.

There is also a provision in the Public Health and Disability Act requiring District Health Boards to provide information on the number of employees to receive termination payments, and the amounts of the payments. This accounts for the higher showing for the Health and community services industry group in reporting grievances and redundancy payments.<sup>17</sup>

### *Reporting on Māori Recruitment and Retention in the Public Sector*

Although there is no explicit requirement to *report* on Māori recruitment and retention, the State Sector Act 1988 and the New Zealand Public Health and Disability Act 2000 requires these public sector organisations to recognise the aims and aspirations of Māori, the employment requirements of Māori, and the need for greater involvement of Māori in the public sector.<sup>18</sup>

These considerations appear in the frequency of reporting on Māori/Pacific Islander recruitment and retention by the affected industry groups

- education: 90%
- health and community services: 81%
- personal and other services: 67%
- central government sample: 65%
- government administration and defence: 52%

## **Initiatives to improve Workplace Reporting**

### *Govt*<sup>3</sup>

Govt<sup>3</sup> is a voluntary programme led by the Ministry for the Environment and designed to "[lift] the environmental performance of Government agencies".<sup>19</sup> There were nineteen participating agencies as of 1<sup>st</sup> July 2004, including nine from the survey population, of which

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<sup>14</sup> *ibid*, s40 (1)(k)

<sup>15</sup> The Crown Entities Act 2004 has superseded all relevant material in the Public Health and Disability Act. However, the Crown Entities Act came into effect in December 2004, after the period of the stock-take.

<sup>16</sup> New Zealand Public Health and Disability Act 2000, s42 (3)(a) – repealed under the Crown Entities Act 2004. The new provision is in the Crown Entities Act 2004, s151 (1)(g): this now requires DHBs to report on their equal employment opportunities programmes.

<sup>17</sup> New Zealand Public Health and Disability Act 2000, s42 (3)(f) – repealed under the Crown Entities Act 2004. The new provision is in the Crown Entities Act 2004, s152 (1)(d).

<sup>18</sup> State Sector Act 1988, s56 (2)(d)(i)-(iii) and New Zealand Public Health and Disability Act 2000, s6 'good employer' (e)(i)-(iii) – replaced by cross-reference to Crown Entities Act 2004 s118 (d)(i)-(iii).

<sup>19</sup> See <http://www.mfe.govt.nz/issues/sustainable-industry/govt3/index.html>

eight were from the central government group (the ninth agency was a State Owned Enterprise and part of the communication services industry group).<sup>20</sup>

Govt<sup>3</sup> encourages sustainability reporting, but despite reference to TBL (such as in the name of the programme itself) its current emphasis is on environmental performance. Because of that emphasis, it would not have to follow that membership of Govt<sup>3</sup> would result in that member reporting on workplace issues in greater depth than any non-member. However, it represents the most overt move toward TBL reporting in the central government sector.

The Govt<sup>3</sup> employers in the survey are similar to the central government sample in the way they report – the differences are in equal employment opportunities, where all Govt<sup>3</sup> employers report and half provide appropriate detail, and work-life balance and EAP/ counselling services, where none report. Given Govt<sup>3</sup>'s exclusive emphasis on environmental reporting, these differences should be seen as accidental rather than substantive.

### *The New Zealand Business Council for Sustainable Development*

The New Zealand Business Council for Sustainable Development has been promoting sustainable development reporting from its inception in 1999. Membership is by invitation, and there are a total of forty-four member companies.

A requirement of membership is that members must produce a sustainable development report within three years of joining the organisation.<sup>21</sup> Eight employers in the survey are members. Three of these employers have produced stand-alone sustainable development or TBL reports. The other five have incorporated TBL material into their annual reports.

The Council has also produced guidelines for sustainable development reporting, incorporating material from the AA1000 Social Accounting Standard and the United Nations' Global Reporting Initiative.<sup>22</sup>

### *Auditing and Verification*

Third party verification serves to provide assurance that the content in a report fairly represents the performance it describes. At present there is only a statutory requirement to audit financial information, so that any third party verification of non-financial information will be voluntary. Consequently, there is a variety of standards and recommended practices available for use, and the freedom to adapt these standards to a greater degree than with statutory verification.

Four reports contained third-party verification for non-financial information in the form of assurance reports (or similar). These reports were among those that produced stand-alone reports for non-financial information. The terms used for the third-party verification differed according to its country of origin (two from New Zealand, one Australian, and one British), but one element common to the examples was the outline (to a greater or lesser degree) of the methodology used to generate terms by which the report content could be examined.

One manufacturing employer, (1,001-5,000 FTE) contained a review. In New Zealand auditing standards, a review engagement provides moderate-level assurance that the subject matter of a report is plausible in the circumstances, whereas an audit engagement provides high-level assurance that the subject matter conforms in all material respects with identified

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<sup>20</sup> At 4<sup>th</sup> November 2004 this has risen to 35 agencies, including 16 from the survey population, of which 14 are from the central government group. The remaining two include the State-Owned Enterprise and a District Health Board.

<sup>21</sup> See <http://www.nzbcscd.org.nz/project.asp?projectid=5>

<sup>22</sup> Business Guide to Sustainable Development Reporting (NZBCSD, 2002).

suitable criteria.<sup>23</sup> This means that in a review engagement the auditor does not offer an audit opinion.

Another employer from communication services (1,001-5,000 FTE) contained an assurance report as a limited assurance engagement (according to the International Standard on Assurance Engagements 3000). The assurance report specified that the auditor had not been required to consider the appropriateness of commitments or objectives, and offered a limited assurance opinion.

One finance and insurance employer (5,001-10,000 FTE) contained a separate “social assurance statement” and “environmental assurance statement” produced, respectively, by a “social auditor” and an “environmental auditor”. The status of these positions was not made clear in the statements.

One retail trade employer (1,001-5,000 FTE) contained a commentary. This was not produced by a chartered accountant and stated that it was not to be used as a basis for any financial or investment decisions. It also stated that it was not intended as advice on TBL reporting.

A more common practice, and one that was used in integrated reports as well as stand-alone reports, was that of indexing the report against a list of the GRI indicators, or a selective list of GRI indicators corresponding only to the indicators used in the report. This of course only gives the appearance of independent assurance, and does not provide actual verification.

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<sup>23</sup> Code of Ethics: Independence in Assurance Engagements (ICANZ, 2003, p.51)

## Appendix A: Demographic Information of 100 Employers

Key to Reports Analysed:

<b>AR</b>	Annual Report	<b>EHS</b>	Environment, Health and Safety Report
<b>CC</b>	Code of Conduct	<b>SDR</b>	Sustainable Development Report
<b>CIR</b>	Community Involvement Report	<b>SIR</b>	Social Impact Report
<b>CSR</b>	Corporate Social Responsibility Report	<b>TBL</b>	Triple Bottom Line Report
<b>DS</b>	Disclosure Statement	<b>YR</b>	Year in Review

No.	Name	FTE	Industry code	Reports analysed
1	Ministry of Education (schools)	10,001 +	Education	AR
2	Fonterra Cooperative	10,001 +	Manufacturing	AR
3	New Zealand Police	10,001 +	Personal and other services	AR
4	Air New Zealand	10,001 +	Transport and storage	AR
5	New Zealand Defence Force	10,001 +	Government administration and defence	AR
6	Auckland District Health Board	10,001 +	Health and community services	AR
7	Progressive Enterprises <i>Part of FAL</i>	5,001-10,000	Retail trade	AR
8	Carter Holt Harvey Ltd	5,001-10,000	Manufacturing	AR/ EHS
9	Telecom Corporation of New Zealand Ltd	5,001-10,000	Communication services	AR
10	New Zealand Post Ltd	5,001-10,000	Communication services	AR
11	Canterbury District Health Board	5,001-10,000	Health and community services	AR
12	National Bank of New Zealand	5,001-10,000	Finance and insurance	AR
13	Fletcher Building Limited	5,001-10,000	Manufacturing	AR
14	Bank of New Zealand Corporation	5,001-10,000	Finance and insurance	DS
15	Westpac Banking Corporation <i>Part of Westpac Banking Corporation (Australia)</i>	5,001-10,000	Finance and insurance	AR/ SIR x2/ CIR
16	Ministry of Social Development	5,001-10,000	Government administration and defence	AR
17	University of Auckland	5,001-10,000	Education	AR
18	Department of Corrections	5,001-10,000	Government administration and defence	AR
19	Inland Revenue Department	5,001-10,000	Government administration and defence	AR
20	Waikato District Health Board	5,001-10,000	Health and community services	AR
21	Waitemata District Health Board	1,001-5,000	Health and community services	AR
22	Alliance Group Ltd	1,001-5,000	Manufacturing	AR
23	Capital & Coast District Health Board	1,001-5,000	Health and community services	AR
24	The Warehouse Group Ltd	1,001-5,000	Retail trade	AR/ TBL
25	University of Otago	1,001-5,000	Education	AR
26	ANZ Banking Group NZ Ltd	1,001-5,000	Finance and insurance	AR
27	ASB Bank Ltd	1,001-5,000	Finance and insurance	AR
28	Richmond Ltd	1,001-5,000	Manufacturing	AR
29	Tranz Rail Ltd	1,001-5,000	Transport and storage	AR
30	Massey University	1,001-5,000	Education	AR
31	Spotless Services (NZ) Ltd <i>Part of Spotless Group Ltd</i>	1,001-5,000	Property and business services	AR
32	Goodman Fielder Finance (NZ) Ltd <i>Part of Goodman Fielder Ltd</i>	1,001-5,000	Manufacturing	AR
33	APN Holdings NZ Ltd <i>Part of APN News &amp; Media Ltd</i>	1,001-5,000	Manufacturing	AR
34	New Zealand Fire Service Commission	1,001-5,000	Government administration and defence	AR
35	EDS (New Zealand) Ltd <i>Part of EDS Corporation</i>	1,001-5,000	Property and business services	AR
36	Otago District Health Board	1,001-5,000	Health and community services	AR
37	AFFCO Holdings Ltd	1,001-5,000	Manufacturing	AR
38	Department of Child, Youth & Family Services	1,001-5,000	Government administration and defence	AR
39	Department for Courts	1,001-5,000	Government administration and defence	AR
40	Ministry of Education	1,001-5,000	Government administration and defence	AR
41	IHC New Zealand Inc	1,001-5,000	Health and community services	AR
42	Fisher & Paykel Appliances Ltd <i>Farmers' Trading Co Ltd Part of FAL (see Progressive Enterprises Ltd)</i>	1,001-5,000	Manufacturing	AR/ CC
43	Works Infrastructure Ltd <i>Part of Downer EDI Ltd</i>	1,001-5,000	Construction	AR
44	Accident Compensation Corporation	1,001-5,000	Government administration and defence	AR
45	MidCentral District Health Board	1,001-5,000	Health and community services	AR
46	New Zealand Steel Ltd <i>Part of Blue Scope Steel Ltd</i>	1,001-5,000	Manufacturing	AR
47	University of Canterbury	1,001-5,000	Education	AR
48	TelstraClear Ltd <i>Part of Telstra Corporation Ltd</i>	1,001-5,000	Communication services	AR/ CSR
49	University of Waikato	1,001-5,000	Education	AR
50	Bay of Plenty District Health Board	1,001-5,000	Health and community services	AR
51	TVNZ Group Ltd	1,001-5,000	Cultural and recreational services	AR
52	Sky City Entertainment Group Ltd	1,001-5,000	Cultural and recreational services	AR
53	Department of Conservation	1,001-5,000	Government administration and defence	AR

54	Auckland University of Technology	1,001-5,000	Education	AR
55	Auckland City Council	1,001-5,000	Government administration and defence	AR
56	Victoria University of Wellington	1,001-5,000	Education	AR
57	Areva T&D New Zealand Ltd	1,001-5,000	Manufacturing	SDR
58	Fletcher Challenge Forests Ltd	1,001-5,000	Manufacturing	AR/ EHS
59	Hawkes Bay District Health Board	1,001-5,000	Health and community services	AR
60	Ministry of Agriculture & Forestry	1,001-5,000	Government administration and defence	AR
61	Northland District Health Board	1,001-5,000	Health and community services	AR
62	Heinz Watties Ltd <i>Part of H.J. Heinz Co</i>	1,001-5,000	Manufacturing	AR/ EHS
63	Christchurch City Council	1,001-5,000	Government administration and defence	AR
64	Nelson Marlborough District Health Board	1,001-5,000	Health and community services	AR
65	Vodafone New Zealand Ltd <i>Part of Vodafone Group Plc</i>	1,001-5,000	Communication services	AR/ CSR/ SDR
66	Stagecoach New Zealand Ltd <i>Part of Stagecoach Group Plc</i>	1,001-5,000	Transport and storage	AR
67	Hutt Valley District Health Board	1,001-5,000	Health and community services	AR
68	Department of Labour	1,001-5,000	Government administration and defence	AR
69	Ministry of Health	1,001-5,000	Government administration and defence	AR
70	IBM New Zealand Ltd <i>Part of IBM Corporation</i>	1,001-5,000	Property and business services	AR
71	Wellington City Council	1,001-5,000	Government administration and defence	AR
72	Wrightson Ltd	1,001-5,000	Property and business services	AR
73	Opus International Consultants Ltd	1,001-5,000	Property and business services	YR
▪ <i>Special Education Services</i> <i>Part of Ministry of Education (see Ministry of Education)</i>				
74	Datacom Group Ltd	1,001-5,000	Property and business services	AR
75	Unitec Institute of Technology	1,001-5,000	Education	AR
▪ <i>Tegel Foods Ltd</i> <i>Part of H.J. Heinz Co. (see Heinz Watties Ltd)</i>				
76	New Zealand Aluminium Smelters Ltd <i>Part of Comalco Ltd, member of Rio Tinto Group Plc</i>	1,001-5,000	Manufacturing	AR/ SDR x2
77	Tyco New Zealand Ltd <i>Part of Tyco International Ltd</i>	1,001-5,000	Personal and other services	AR
78	AgResearch Ltd	1,001-5,000	Property and business services	AR
79	Department of Internal Affairs	1,001-5,000	Government administration and defence	AR
80	Restaurant Brands NZ Ltd	1,001-5,000	Retail trade	AR
81	IAG New Zealand Ltd <i>Part of IAG Ltd</i>	1,001-5,000	Finance and insurance	AR
82	Lion Nathan Ltd	1,001-5,000	Manufacturing	AR
83	Airways Corporation of NZ Ltd	1,001-5,000	Transport and storage	AR
84	Norske Skog Tasman Ltd <i>Part of Norske Skogindustrier ASA</i>	1,001-5,000	Manufacturing	AR
85	Taranaki District Health Board	1,001-5,000	Health and community services	AR
86	Mico Wakefield Ltd <i>Part of Crane Group Ltd</i>	1,001-5,000	Wholesale trade	AR
87	Southern Cross Medical Care Society	1,001-5,000	Finance and insurance	AR
▪ <i>Armourguard Security Ltd</i> <i>Part of Tyco International Ltd (see Tyco New Zealand Ltd)</i>				
88	Montana Wines Ltd <i>Part of Allied Domecq Plc</i>	1,001-5,000	Manufacturing	AR/ EHS
89	South Pacific Tyres (NZ) Ltd	1,001-5,000	Manufacturing	AR
90	Manukau City Council	1,001-5,000	Government administration and defence	AR
91	Southland District Health Board	1,001-5,000	Health and community services	AR
92	Lakes District Health Board	1,001-5,000	Health and community services	AR
93	Manukau Institute of Technology	1,001-5,000	Education	AR
94	Ministry of Foreign Affairs & Trade	1,001-5,000	Government administration and defence	AR
95	Ministry of Economic Development	1,001-5,000	Government administration and defence	AR
▪ <i>Downer Connect</i> <i>Part of Downer EDI Ltd (see Works Infrastructure Ltd)</i>				
96	Coca-Cola Amatil (NZ) Ltd	1,000 –	Manufacturing	AR
97	Ports of Auckland Ltd	1,000 –	Transport and storage	AR
98	Waitakere City Council	1,000 –	Government administration and defence	AR
99	National Institute of Water & Atmospheric Research Ltd	1,000 –	Property and business services	AR
100	Statistics New Zealand	1,000 –	Government administration and defence	AR

Where two employers were subsidiaries of the same organisation, or otherwise shared the same public reports, those reports were counted *once*, and the second employer marked with a ▪.

## Appendix B: Indicators Used in the Stock-take

<b>Health and Safety indicators</b>	
The broad context of the H&S policy	Does the report include information on who is responsible (a contact), what the policy is, how it is implemented?
Principles for health and safety	Iterative
Significant risks faced by employees and the strategies in place to control the risks	Does the report include any information or details of significant risks, systems in place to control the risks
Health and safety goals	Do the goals relate to the H&S policy? Are the goals realistic? A goal of no accidents/zero injuries is not acceptable as a stand-alone statement
Progress towards achieving health and safety goals	Did the report include information on current progress or forthcoming plans eg developments affecting H&S, employee training, new working practices
Health and safety programmes	Iterative
Arrangements for consulting employees	Did the report include information on how employees are consulted, the frequency of consultation, any reference to H&S representatives and trade unions in an H&S context
Number or rate of injuries, illnesses and dangerous occurrences	Did the information include notifiable OHS information? The information could be presented as a number or a rate
Details of any fatalities and preventative actions	Did the report include whether any fatalities had occurred? If there had been fatalities, were there details of preventative actions?
Number of employee days lost (lost time injuries)	Did the information include cases of physical and mental illness, disability or other health problems?
Details of any health and safety enforcement notices	Did the report include whether any health and safety enforcement notices were issued? If there was, were there details of preventative actions?
Details of any health and safety convictions	Did the report include whether any health and safety convictions occurred? If there was, were there details on the nature of the conviction, outcome or measures to prevent recurrence?
A statement of the targets or objectives for the forthcoming year/s	Did the report include a numerical target, <u>and</u> date or timeframe?
Sick Leave	The information could be presented as a percentage or a rate, over different time periods
Methods of Monitoring	Iterative
ACC Partnership Programme	Did the report include the specific standard achieved or that the organisation is working towards it?

<b>Employment Relations Indicators</b>	
Voluntary turnover	The information could be presented as a percentage or a rate, over different time periods
Equal employment opportunities	Did the report include information on current progress or forthcoming plans?
EEO Trust Employers Group: A member of the EEO Trust	Did the report include the rationale behind belonging to this group?
Leadership development	Did the report include what training courses or workplace initiatives had been undertaken?
Labour relations	Did the report give details of contract negotiations or work stoppages?
Work-life balance/family friendly	Did the report include information on current progress or forthcoming plans?
Employee training and development	Did the report include information on current progress or forthcoming plans?
Employee satisfaction survey	Did the report include information on current progress or forthcoming plans?
Disability Strategy	Did the report note participation in the Government strategy or the presence of an internal workplace strategy?
Work experience/ apprenticeships/ Graduate recruitment	Did the report include details?
Employee scholarships/study funding	This may include employees' children
Fundraising or voluntary work by employees	Did the report include specific community initiatives, including the time/amount
Māori/Pacific Islands peoples recruitment or retention	Did the report include specific initiatives/numbers on courses?
EAP/counselling services	Did the report include numbers, or the rationale behind making EAP/counselling available?
Redundancy/grievance payments or actions	Did the report give specific figures (eg totals) or number of actions/payments?
Stakeholder/ customer consultation or survey	Did the report include information on who was consulted, how the results were being used by the organisation

### Grading scale

- 0 – 'not mentioned, or briefly mentioned'
- 1 – 'formally addressed, but limited or not clear'
- 2 – 'appropriate detail, clear presentation'



## Appendix C: Glossary of Terms and Acronyms

ANZSIC	Australian New Zealand Standard Industry Classification	A standard system for classifying industry types for use in statistics. ANZSIC has a hierarchy of four levels of detail: the first level is used in this report.
CSR	Corporate Social Responsibility	The belief that companies have a responsibility to those who are affected by that company's activities, and that this responsibility should be managed.
FTE	Full-Time Equivalent (employee)	The number of employees in an organisation calculated by hours worked, rather than by a head-count. For example, if a full time employee works 40 hours, and an organisation has three employees, one of whom works 40 hours, and two who work 20 hours each, then the organisation has 2 FTE.
GRI	Global Reporting Initiative	A reporting framework for TBL/ sustainable development reports. The GRI provides both reporting principles and specific indicators against which to report. It is affiliated to the United Nations Environment Programme (UNEP).
PSI	Pacific Sustainability Index	A system for scoring TBL and sustainable development reports, developed by Emil Morhardt (Morhardt, 2002).
SD	Sustainable Development	This concept was described by the World Commission on Environment and Development as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland Report, 1987)
TBL	Triple Bottom Line	The belief that companies have, in addition to their financial "bottom line", a concern to manage and report on their economic, social and environmental performance and impact.