



NATIONAL COUNCIL OF WOMEN OF NEW ZEALAND

TE KAUNIHERA WAHINE O AOTEAROA

28 May 2012

S12.18

Submission to NZX Limited on Consultation on Market Rules for the Main Board/Debt Market

National Council of Women New Zealand/Te Kaunihera Wahine o Aotearoa welcomes the opportunity to comment on the NZX Memorandum Part II Proposed Diversity Rule.

NCWNZ represents 51 nationally organised societies. It has 23 branches throughout the country attended both by representatives of those societies, and further 150 societies, as well as individual members.

NCWNZ's function is to represent and promote the interests of women through research, discussion and action.

Throughout its history NCWNZ has advocated for the advancement of women in public life. One of the first remits passed by Kate Sheppard and her fellow suffragists called for equality of opportunity between the genders.

Down through the decades the NCWNZ has called for women to have the chance for "fuller participation in the mainstream of public life" – a quote from a 1940 remit - one of seven specifically targeted at increasing the presence of women on boards and at the senior management levels of business.

So our support for the proposal on gender diversity disclosure is based on a 116 year history of equity advocacy for women and also on the following points:

- In its New Zealand Census of Women's Participation 2010, the Human Rights Commission
 - urged the New Zealand Exchange to implement the Australian Stock Exchange's new gender reporting regime by 2012; and
 - urged the 57 top 100 companies, the 34 NZDX companies and the 20 NZAX companies, which have no women on their boards, to prioritise female appointments when board vacancies arise
- Goldman Sachs, in its 2011 report Closing the Gender Gap, suggests that closing the gap in male and female employment rates in NZ would boost GDP by 10 per cent
- Under its Potential Policy Initiatives it recommended that to ensure further progress on getting women into leadership roles there was a need "for specific targets" to be set

- Countries we measure ourselves against, the UK and our major trading partner Australia, are improving gender representation in boardrooms by increased transparency through financial disclosure
- New Zealand is a party to the Convention on the Elimination of All Forms of Discrimination Against Women which promotes affirmative action to speed up gender equality

However although NCWNZ applauds NZX for undertaking this current review on diversity listing, we do have some misgivings about the detail.

We are happy with the sub clauses on providing a breakdown of the gender composition of each issuer's board, senior management team and any subsidiary board; and that the board of the issuer provide a statement evaluating the issuer's performance with respect to its diversity policy.

We suggest deleting the words "(if applicable)" at the end of the second clause so it actually becomes a requirement for companies to have a diversity policy and to set measurable objectives.

We would also recommend NZX takes a look across the Tasman to the ASX approach as well as working with the New Zealand Human Rights Commission for guidance in establishing gender diversity disclosure .

NCWNZ thanks the NZX for the opportunity to make a submission which was prepared by the Employment Standing Committee.

Elizabeth Bang

President

Vanya Bailey

Employment Standing Committee Convener