

SUBMISSION: TO THE PROPOSED RULE FOR DISCLOSURE IN ANNUAL REPORTS ON GENDER DIVERSITY

May 2012

Megan Mcluskie
NZX Limited
P O Box 2959
WELLINGTON

Dear Megan Mcluskie

Submission from the National Advisory Council on the Employment of Women on the proposed rule for disclosure in Annual Reports on gender diversity

Thank you for the opportunity to comment on the proposed rule change to require an Issuer to include an additional disclosure in its Annual Report on gender diversity.

I am writing in my capacity as Chair of the National Advisory Council on the Employment of Women (NACEW). NACEW is uniquely well placed to comment on this matter because of its role as an advisor to Government on the employment of women and its familiarity with the research on productivity outcomes of companies where women are well represented on Boards and in senior management.

NACEW supports the proposed rule change that would require an Issuer to include an additional disclosure in its Annual Report on the gender composition of its Board, senior management team and any subsidiary of the Board.

In endorsing the rule change NACEW notes that:

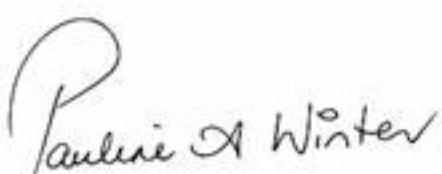
- representation of women on Boards in New Zealand is behind other similar countries, and there is a need for a renewed commitment in this area,
- there is now a very persuasive body of evidence that shows that increasing numbers of women on boards and in senior management positions is linked to increased financial performance. NACEW considers, therefore, that this information is increasingly relevant for investors, and
- what gets measured gets done and overseas there are increasing moves to require transparency in relation to the composition of Boards for this reason.

NACEW also notes that the proposed new disclosure rule is an achievable option for improving the gender composition of Boards and senior management teams in New Zealand. NACEW acknowledges that the countries that have made the most headway in increasing gender representation on Boards tend to be those that have legislated for it to happen. However, NACEW considers that increased disclosure is an appropriate option for New Zealand at this time. Increased disclosure has low compliance costs for businesses but will provide useful information for investors, as well serving to raise awareness of the issue.

NACEW recognises that information is already collected and published on the gender composition of Boards and senior management teams by the Human Rights Commission. However considerable time and energy is spent collecting the data, which is not always forthcoming or necessarily available to investors considering the Annual Reports of Issuers.

In relation to the proposed optional disclosure of information relating to broader diversity policies, practices or performance, NACEW is also supportive of the approach. Research shows that gender and racial diversity are often indicators of well-functioning organisations that are accessing relatively wide talent pools based on merit. NACEW regards this as important information that should be available to investors and welcomes the opportunity this approach provides for companies that are doing well in this regard to showcase their efforts. Once again, thank you for the opportunity to contribute to the debate.

Yours sincerely



Pauline Winter
Chair