

STOCK EXCHANGE ANNOUNCEMENT

9 October 2018

Chorus commissions independent review of sub-contractor employment practices

Chorus has today said that it has immediately commissioned a fully independent review relating to the employment practices of small business sub-contractors working on the Ultra-fast Broadband network.

The Labour Inspectorate yesterday indicated early findings of systemic breaches of employment standards amongst small businesses working on behalf of primary contractors to Chorus.

Chorus contracts most of its build and provisioning work to primary contractors VisionStream, Downer, Broadspectrum and UCG. In turn these primary contractors often sub-contract that work to smaller businesses.

The independent review will be undertaken by Doug Martin, of Martin Jenkins.

Mr Martin was previously deputy State Services Commissioner, and has also undertaken the following work:

- Crown Manager to Christchurch City Council to improve the performance of its consenting function following the Council's loss of accreditation as a Building Consent Authority
- appointment as Crown Negotiator for pay equity negotiations for care support works in aged care – successfully concluded the historic settlement
- reviewed the performance of the New Zealand Qualifications Authority as a result of difficulties with the 2004 Scholarship examinations and with the implementation of NCEA more generally
- independent review of WorkSafe New Zealand on behalf of the Minister of Workplace Relations

"We are extremely disappointed in the early findings of the Labour Inspectorate," said Kate McKenzie, Chorus CEO. "Clearly this is potentially an extremely serious issue and widespread breaches are absolutely unacceptable."

"While we have immediately sought further information from MBIE regarding the cases, we also need an independent view to ensure all people working on Chorus' behalf are always treated fairly and within the law.

"This is an absolute priority, with the full support of the Board.

“Chorus will expect all its primary contractors to be fully co-operative with the independent review. We will also continue to co-operate fully with the ongoing work of the Labour Inspectorate.

“Chorus takes employment standards very seriously, and has repeatedly been named as one of the best employers in Australasia. As such, immediate action on this issue will be taken,” she said.

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