



24 August 2021

Commerce Commission
PO Box 2351
Wellington 6140
New Zealand

Tēnā koe

WorkSafe submission on the Commerce Commission draft report: Market study into the grocery sector

WorkSafe New Zealand

WorkSafe is New Zealand's primary work health and safety regulator. Our vision is that everyone who goes to work comes home healthy and safe. We are charged with leading New Zealand to achieve healthy and safe work by using engagement, education, and enforcement. Our three key roles are lifting regulatory confidence, harm prevention, and system leadership.

WorkSafe would like to ensure the Commission's recommendations also have a positive impact on the health and wellbeing of workers in the supply chain

WorkSafe appreciates the need to contain the scope of the Commission's investigation. However, we are hopeful the Commission's recommendations – especially those that might affect supermarket profitability and the way the supplier environment is organised – do not lead to unintended consequences for workers in the supply chain.

Given much of the worker risk present in the supply chain is driven by economic factors, we wish to ensure that moves to affect supermarkets' profit and supplier strategies, do not inadvertently push more risk down the supply chain and onto workers.

Health and safety duties at the top of the supply chain

The Health and Safety at Work Act (2015) places certain duties on businesses and officers (organisations and Directors), which in practice means they need, at a minimum, to consider their systems to support health and safety leadership and governance; worker engagement, participation and representation; and risk management.

WorkSafe sees a clear role for those influential agents high in supply chains, to take an active and accountable role to understand and act on their responsibilities with respect to health and safety, throughout the supply chain down to single operator sub-contractors.

It is WorkSafe's view that there remains low capability and competency in large business, in relation to upstream health and safety duties.

Economic pressures and particular evidence of vehicle harm

One of WorkSafe's current priorities is the unacceptably high work-related harm that stems from working in and around vehicles. Vehicles are involved in over 70 percent of all work-related deaths and we know that workers who work in and around on-road trucks are at particular risk. Trucks, semi-trailers, and lorries are most likely to be involved in fatal incidents and serious injuries involving vehicles. We understand that economic pressures involved in on-road trucking in New Zealand contribute to the poor safety outcomes for those who drive trucks.

In the current environment, organisations like supermarkets outsource much of their logistics, so that risk is typically transferred down the supply chain to smaller organisations and, particularly, transport operators and their workers. These operators have small profit margins, little control over their work activities, and short-term contracts. We know that these factors are all linked to poorer health and safety outcomes for workers.

Economic pressures and poor working arrangements are key risk factors that contribute to vehicle harm, because they contribute to unsafe behaviour and increase worker exposure to risks like fatigue, speeding, or poor site management. They also increase worker exposure to other harms like vibration and diesel exhaust by discouraging safe worker practice.

We've found that, due to the integrated upstream nature of the trucking industry, engaging the supply chain itself to collaboratively design and implement better work design across the trucking sector, is an effective lever to improve outcomes for those who work in and around trucks. WorkSafe is currently working with transport and warehousing supply chain partners on system improvements to eliminate or reduce worker harm.

WorkSafe hopes the Commission will signal health and safety obligations in its final report and recommendations

We suggest that the Commission's recommendation of a supplier code of conduct, also consider elements of safe and healthy supply chain logistics management.

WorkSafe acknowledges the scope of the Commission's work is to ensure competition works well for grocery consumers, however, we are hopeful the Commission's recommendations also ensure a positive impact on the health and wellbeing of workers.

We are more than happy to discuss with the Commission how health and safety principles and obligations, might usefully be signalled in the Commission's final report and recommendations.

Nāku noa, nā

A handwritten signature in black ink that reads "Angela Mansell". The signature is written in a cursive style with a large initial 'A' and 'M'.

Angela Mansell
Director Engagement & Implementation (Acting)
WorkSafe New Zealand