

Submission template

Adjustments to the climate-related disclosures regime

Your name and organisation

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Date	11/02/2025
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Responses to discussion document questions

Please enter your responses in the space provided below each question.

Chapter 2: Reporting Thresholds	
1	Do you have any information about the cost of reporting for listed issuers? Yes, from media reports & public statements about the costs. However I have much more information on the costs if climate change is <u>not</u> urgently addressed. Even if – for example, in this context – the devastating impacts on extreme weather events, human communities, nature & ecosystems were not the most significant result of rising temperatures, we could consider the effect on the economy. A ‘Guardian’ article 16/01/25 states: <i>“The global economy could face 50% loss in gross domestic product (GDP) between 2070 and 2090 from the catastrophic shocks of climate change unless immediate action by political leaders is taken to decarbonise and restore nature, according to a new report.</i> <i>The stark warning from risk management experts the Institute and Faculty of Actuaries (IFoA) hugely increases the estimate of risk to global economic wellbeing from climate change impacts such as fires, flooding, droughts, temperature rises and nature breakdown. In a report with scientists at the University of Exeter, published on Thursday, the IFoA, which uses maths and statistics to analyse financial risk for businesses and governments, called for accelerated action by political leaders to tackle the climate crisis.”</i> [Bold added. Perhaps stating the obvious, the Institute and Faculty of Actuaries should be viewed as a highly conservative, reputable & business-focused organisation.] We now have in NZ an incredibly effective tool for building awareness of GHG emissions, mitigation, adaptation & good corporate citizenship, one which has & will inspire other countries & organisations to follow. It is rare, just now, for NZ to be enhancing its reputation for action on climate & sustainability, but here is one realm in which we have. To take a backward step here would send the wrong message & would risk further damage to our national reputation in discerning global markets. It is a good time to be standing firm & showing commitment for better, more transparent, less-damaging business operations & disclosure.
	Do you consider that the listed issuer thresholds (and director liability settings) are a barrier to listing in New Zealand? I consider such claims are both predictable & exaggerated. It can be somewhat challenging to report according to these rules in Year 1, but far simpler and more rewarding in subsequent years.
	When considering the listed issuer reporting threshold, which of the three options do you prefer, and why?

	Option 1. It is too early to be stepping backward, or to be tinkering with a regime that is showing very positive results at a very early stage, and has established NZ as a source of inspiration & global leadership. The process will become easier & more streamlined in a 2nd & subsequent years. A number of organisations I am aware of have elected to report according to these rules voluntarily, for the trust & enhanced credibility this brings.
4	If the XRB introduced differential reporting, would this impact on your choice of preferred option? Possibly. This could perhaps make reporting somewhat simpler for some of the smaller organisations.
5	Do you think that a different reporting threshold for listed issuers should be considered (i.e., not one of the options above) and, if so, why? Possibly, for the reason in 4. above. However I believe the requirement should be broadened to include privately owned companies above a specified size, which can also be large emitters of GHGs.
6	If Option 2 or 3 was preferred do you think that some listed issuers would still choose to voluntarily report (even if not required to do so by law)? And, if so, why? N/A
7	What are the advantages and disadvantages of a listed issuer being in a regulated climate reporting regime? Potential advantages are a spectacular increase in awareness of climate emissions & mitigation opportunities that I have seen, researched & heard about since the regime was implemented. Many organisations have complied <u>voluntarily</u> and found this beneficial.
8	Do you have information about the cost of reporting for investment scheme managers? No.
9	Do you have information about consumers being charged increased fees due to the cost of climate reporting? No. I would be highly sceptical if businesses claimed this cost as justification for price increases. It is also, in my experience, quite probable that many businesses <u>find</u> previously undetected opportunities while preparing these disclosures, and <u>achieve</u> cost savings as a result of knowledge & understanding gained through this process.
10	When considering the reporting threshold for investment scheme managers, which of the three options do you prefer, and why? Option 1, for greater information & transparency.
11	If the XRB introduced differential reporting, would this impact on your choice of preferred option?

	Possibly.
12	Do you think that a different reporting threshold for investment scheme managers should be considered (i.e., not one of the options above) and, if so, why?
13	When considering the location of the thresholds, which Option do you prefer and why? Option 1. This is clear, transparent & well understood.
14	For Option 2 (move thresholds to secondary legislation) what statutory criteria do you think should be met before a change may be made, e.g., a statutory obligation to consult. What should the Minister consider or do before making a change?
Chapter 3: Climate reporting entity and director liability settings	
15	When considering the director liability settings, which of the four options do you prefer, and why? Option 1. This is very important information & disclosure, and needs to be seen as such.
16	Do you have another proposal to amend the director liability settings? If so, please provide details.
17	If the director liability settings are amended do you think that will impact on investor trust in the climate statements? Yes, certainly.
18	If you support Option 3, should this be extended so that section 23 is disapplied for both climate reporting entities and directors? If so, why?
19	If you support Option 4 (introduce a modified liability framework, similar to Australia) what representations should be covered by the modified liability, i.e., should it cover statements about scope 3 emissions, scenario analysis or a transition plan, and/or other things?
20	If you support the introduction of a modified liability framework, how long should the modified liability last for? And who should be covered, ie., should it prevent actions by just private litigants, or should the framework cover the FMA as well? (Criminal actions would be excluded)
Chapter 4: Encouraging reporting by subsidiaries of multinational companies	

21	Do you think that there would be value in encouraging New Zealand subsidiaries of multinational companies to file their parent company climate statements in New Zealand? Yes, I believe this may be valuable but is outside of my experience & expertise.
22	Do you think that, alternatively, there would be value in MBIE creating a webpage where subsidiaries of multinational companies could provide links to their parent company climate statements?
Final comments	
23	Please use this question to provide any further information you would like that has not been covered in the other questions.
	The experience of just 1 year's compliance should not be used as a reason to tamper with very effective legislation. There was a steep learning curve required in Year 1; this will be far simpler in the 2nd & subsequent years.
	Now is not the time to be backing away from climate action, at the very time that the world appears to have exceeded the 'red line' level of heating, 1.5C degrees. I urge that the Government should not proceed with these proposals; if implemented, these would be a step in exactly the wrong direction, both for the climate and for the economy. More positive action and more urgency are needed now. Now is a time for us all to look to the future & strive to be good ancestors. I advise that, since writing the above, I have read the submission on this proposal from Lawyers for Climate Action. I strongly endorse & support this well-researched and well-articulated submission. I request that this be given very full & careful consideration. Thank you.