

Submission on discussion document: Adjustments to the climate-related disclosures regime

Your name and organisation

Name	Shaun Morrow
Date	16/12/2024
Organisation (if applicable)	Mainfreight
Contact details	Shaun.morrow@mainfreight.com

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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? Approximately \$150,000 total. Of which 20% related to external costs associated with independent assurance, third party risk data and methodology reviews.
2	Do you consider that the listed issuer thresholds (and director liability settings) are a barrier to listing in New Zealand? Potentially, the best way to alleviate this would be to apply climate reporting to listed and unlisted large companies like in Australia so this would no longer be a barrier or disincentive associated with listing.
3	When considering the listed issuer reporting threshold, which of the three options do you prefer, and why? We suggest Option 1. The framing in the discussion document that options 2 or 3 would align us better with Australia is misleading given that the Australian standards also apply to private companies that meet the reporting thresholds. The 'rough equivalence' approach to comparing groups would be better replaced with a simple exchange rate difference if at all. Note XXIV also makes a significant rounding assumption for group 3 that would make this threshold close to double that of Australia. Rounding to the nearest \$50 million is not a sound justification. If anything, the scope for climate reporting should be expanded to private companies so that companies of similar size and impact should have similar reporting obligations, this would also overcome some of the perceived barriers to listing as per Question 2. A further lower threshold reporting group of \$25m (market cap/gross assets) might also be considered.
4	If the XRB introduced differential reporting, would this impact on your choice of preferred option? No, but with differential reporting we feel there is further justification to expand the scope of climate reporting without creating undue burden on those 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? No, a further group threshold of \$25m could be considered to better align us with Australia. Reporting thresholds should also be applied to private companies.
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? Possibly. Both options 2 and 3 are unduly disruptive, confusing to the market and counter to the intent and purposes of the climate reporting regime.
7	What are the advantages and disadvantages of a listed issuer being in a regulated climate reporting regime?
8	Do you have information about the cost of reporting for investment scheme managers?

9	Do you have information about consumers being charged increased fees due to the cost of climate reporting?
10	When considering the reporting threshold for investment scheme managers, which of the three options do you prefer, and why?
11	If the XRB introduced differential reporting, would this impact on your choice of preferred option?
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. Thresholds should not be set at the whim of a minister or select committee.
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? Thresholds should not be moved to secondary legislation.
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 4. A temporary safe harbour provision is largely consistent with the FMA's educational approach to monitoring in the early years as well as with Australia and doesn't materially change the existing legislation. It may also encourage a more open and transparent approach to early reporting, and reduce the reliance on legalese and consultants.
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?
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?
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?
	Yes
Final comments	
23	Please use this question to provide any further information you would like that has not been covered in the other questions.