

Submission template

Adjustments to the climate-related disclosures regime

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

Your name and organisation

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Responses to discussion document questions

Chapter 2: Reporting Thresholds	
1	Do you have any information about the cost of reporting for listed issuers?
	N/A
2	Do you consider that the listed issuer thresholds (and director liability settings) are a barrier to listing in New Zealand?
	N/A
3	When considering the listed issuer reporting threshold, which of the three options do you prefer, and why?
	N/A
4	If the XRB introduced differential reporting, would this impact on your choice of preferred option?
	N/A
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?
	N/A
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?
	N/A
8	Do you have information about the cost of reporting for investment scheme managers?
	The cost for Pie Funds to put together the climate statements is estimated to be between \$150,000 to \$250,000. Between July and November 2024, only 86 people viewed our Climate Statements (including staff) as posted on our website, despite sharing the link to the report with all clients, therefore less than 0.5% viewed. Comparative to the cost of production, it is an unreasonable burden.
9	Do you have information about consumers being charged increased fees due to the cost of climate reporting?
	We haven't increased our fees due to having to prepare Climate Statements and are not aware of any other fund manager that has. However, there is an opportunity cost to other value-add initiatives for clients.

	When considering the reporting threshold for investment scheme managers, which of the three options do you prefer, and why?
10	Option 3: \$5 billion per scheme. By measuring AUM per scheme, the framework will accurately capture those with a sufficiently large customer base to warrant the costs of reporting.
	If the XRB introduced differential reporting, would this impact on your choice of preferred option?
11	Introducing differential reporting for different classes of entities would not change our choice of Option 3.
	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?
12	No. Option three as above.
	When considering the location of the thresholds, which Option do you prefer and why?
13	Option 2: the thresholds should be moved to secondary legislation to enable easier reform if the industry requires it.
	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?
14	Yes – there should be an obligation to consult with the public.
Chapter 3: Climate reporting entity and director liability settings	
	When considering the director liability settings, which of the four options do you prefer, and why?
15	Option 3: amending the FMC Act so that s 534 no longer applies to Climate disclosures, and so that directors can no longer be liable for aiding and abetting an unsubstantiated representation. Because the CRD regime is so new, directors should not be penalised while attempting to prepare useful climate statements.
	Do you have another proposal to amend the director liability settings? If so, please provide details.
16	No.
	If the director liability settings are amended do you think that will impact on investor trust in the climate statements?
17	No.
	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?
18	Yes, to give well-intentioned CREs leeway when trying to prepare useful climate statements

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?
	N/A
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)
	N/A
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?
	No
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.