

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

Your name and organisation

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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?
	Being just over 12 months into the climate-related disclosure regime most entities will have published their first climate statement by now and as for the vast majority this was the first time for them to produce this statement it has involved a reasonable amount of resource to do that but when they go through the process for the 2 nd and subsequent times they will be able to utilise the previous work and data collection they have previously done which will help reduce the cost moving forward. Also reading other entities climate statements will be useful to help entities look at what information and resources were used by them so this will also help them be more efficient moving forward as well.
2	Do you consider that the listed issuer thresholds (and director liability settings) are a barrier to listing in New Zealand?
	While cost may be a barrier to listing, less transparency and available climate disclosure could conversely make a listing less attractive to potential investors.
3	When considering the listed issuer reporting threshold, which of the three options do you prefer, and why?
	Option 1 – As this would be the most closely aligned with the Australian climate reporting requirements thresholds when they are fully implemented in just over 2 years time.
4	If the XRB introduced differential reporting, would this impact on your choice of preferred option?
	Would still support option 1 – but the potentially introduction of differential reporting thresholds by the XRB should be explored. If there were to be changes to the CRD scheme to help reduce the effort to produce a climate statement it would be best address by XRB introducing differential reporting (as they have in Australia) not changing the reporting threshold.
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
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?
	Yes because the information of the risks and opportunities and strategy that a climate report contains is increasingly requested and wanted by stakeholders.
7	What are the advantages and disadvantages of a listed issuer being in a regulated climate reporting regime?
	An advantage is that there is a consistency of information provided by companies reporting under the regime which makes it easier for stakeholders to process and use the information. Also known timeframes when the information will be made public.

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 – status quo – As this gives more certainty.
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? Yes – statutory obligation to consult
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?
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?
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 climate-related disclosure regime is important for New Zealand as it provides a framework of consistent information about climate risks and opportunities and how these integrate into a companies strategy going forward. Stakeholders are using this information now and will be doing so even more going forward. In the discussion document it was mentioned about aligning with Australia's climate reporting regime which makes a lot of sense given how close our economies and capital markets are but increasing the reporting thresholds of the New Zealand regime would reduce the similarities between the two schemes. The Australian climate reporting regime overall has much broader coverage than New Zealand as it includes unlisted entities and I would encourage that this should be considered in New Zealand to broaden the coverage of the current regime as that would make it more aligned with Australia. New Zealand needs to be an attractive destination for international capital but in reality, our capital markets are smaller than international peers so to help make sure we are an attractive place to invest we need to make sure we limit the barriers for that investment. Good information about climate risks and opportunities would fall into that category of information that would be beneficial for potential investors. To put it another way, would reducing the information available to international investors make them more likely to invest in New Zealand?