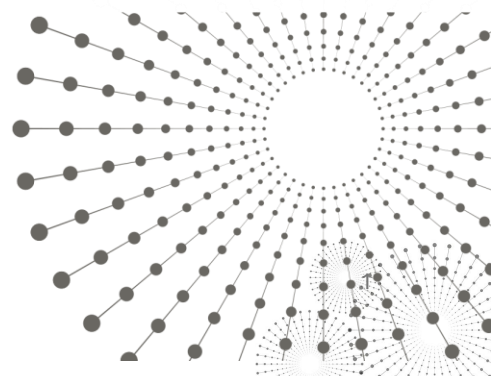


# What we heard: Workshop on public sector climate disclosures

Post event write-up



March 2025



# Recap

## Background

On the 31st of October 2024, the International Public Sector Accounting Standards Board (IPSASB) released an exposure draft (ED) on a public sector climate reporting framework, calling for submissions by 28 February 2025. On 13 February 2025, the External Reporting Board (XRB) convened a workshop to inform its submission. The workshop was attended by preparers and advisors involved with preparing public sector climate reports.

## Purpose of the workshop

The purpose of the workshop was to:

- Understand the current state of public sector climate reporting,
- Discuss the opportunities to improve public sector climate reporting, and
- Agree on the key messages to inform the XRB's submission on the ED.

## What we covered

The first session provided context for the current climate reporting landscape in the public sector in New Zealand and Australia. Various agencies shared their experiences on what was working and what areas needed further development. Attendees included climate reporting entities (CREs) who are required to report under the Aotearoa New Zealand Climate Standards (NZ CS)<sup>1,2</sup>, voluntary reporters, policymakers, advisors, standard setters and representatives from Australia.

The second session provided an opportunity to discuss the ED, including the Alternative View (AV) expressed in the ED, and XRB's draft submission to IPSASB.

## Purpose of this document

The purpose of this document is to:

1. To capture the high level reflections expressed at the workshop and feedback on the ED
2. To outline next steps

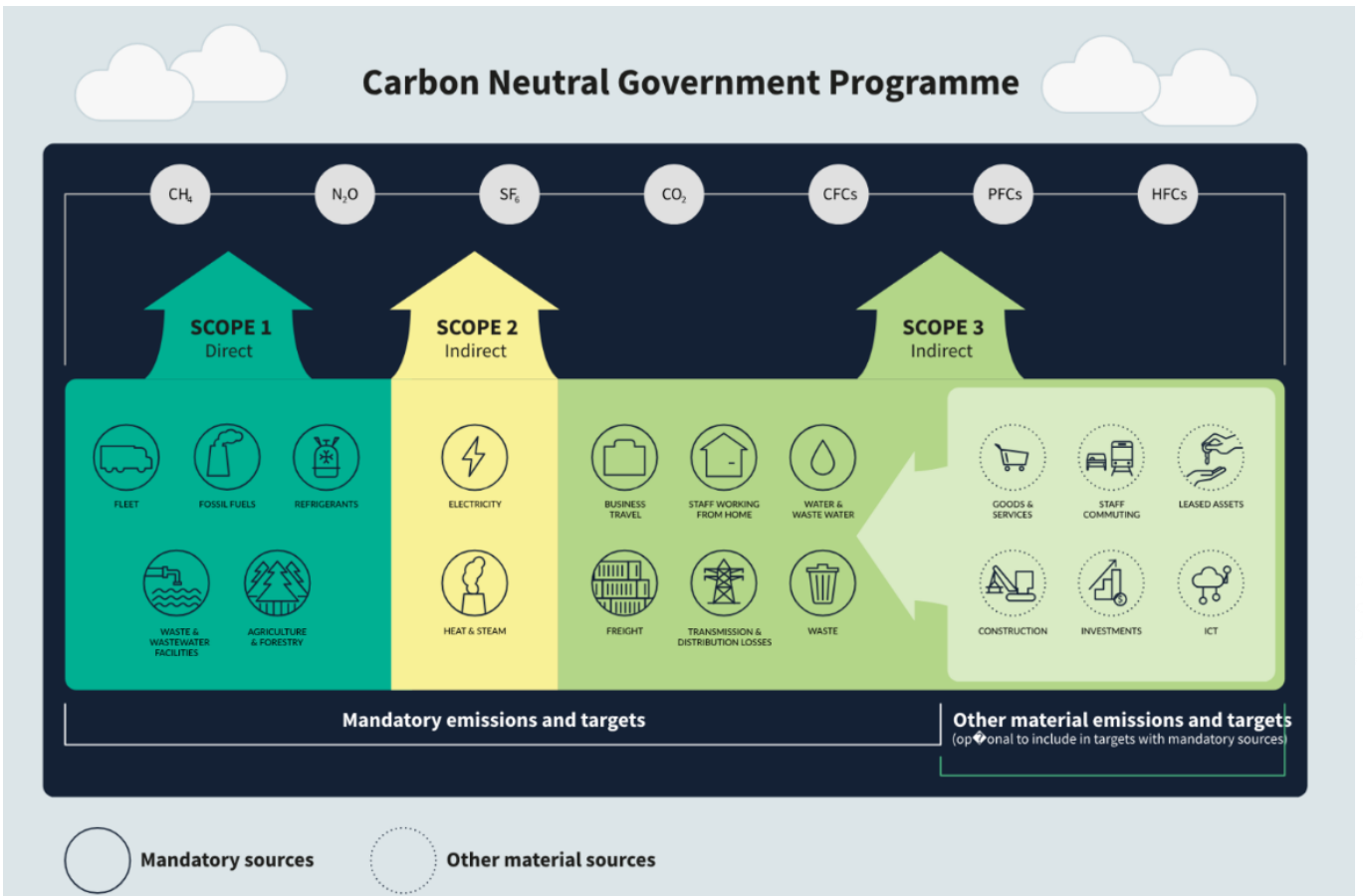
This document is being shared with workshop attendees, XRB's Sustainability Reporting Board and IPSASB.

1. The ultimate aim of Aotearoa New Zealand Climate Standards is to support the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate-resilient future. <https://www.xrb.govt.nz/standards/climate-related-disclosures/aotearoa-new-zealand-climate-standards/>

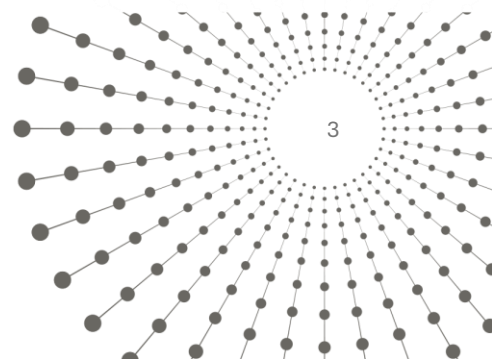
2. <https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/mandatory-climate-related-financial-disclosures/>



# Understanding the public sector climate-reporting context in New Zealand



[CNGP reporting | Ministry for the Environment](#)



# New Zealand's experience

XRB staff presented an overview of the following five areas of reporting currently underway in New Zealand. Many attendees have been involved in either the policy setting and development of these reporting programmes or are actively reporting at an entity-level within their organisation.

It was agreed that our collective experience in climate reporting would be valuable to the IPSASB when shaping international climate reporting standards.

<p><b>Mandatory climate reporting</b></p> <ul style="list-style-type: none"> <li>• under the XRB's climate standards (NZ CS 1-3) by public sector entities, focused on physical and transition risks and opportunities, greenhouse gas emissions and other matters</li> <li>• application date 1 January 2023</li> </ul>	<p><b>Paris Agreement Reporting</b></p> <ul style="list-style-type: none"> <li>• reporting under the legally binding international treaty on climate change, particularly New Zealand's Biennial Transparency Reports published by Ministry for the Environment</li> <li>• reporting obligations took effect from 2020</li> </ul>	
<p><b>The Carbon Neutral Government Programme</b></p> <ul style="list-style-type: none"> <li>• focused on <u>public sector</u> greenhouse gas emissions, targets and plans to reduce them</li> <li>• reporting for tranche 1 agencies was required from financial year 21/22</li> </ul>	<p><b>The Adaptation Reporting Power</b></p> <ul style="list-style-type: none"> <li>• which applies to <u>public sector entities</u>, focused on physical risks and opportunities</li> <li>• allows Minister to request agency information on adaptation</li> <li>• refer Climate Change Response Act 2002</li> </ul>	<p><b>Voluntary climate-related reporting</b></p> <ul style="list-style-type: none"> <li>• various, including best practice alignment with Task Force on Climate-related Financial Disclosures (TCFD)<sup>[3]</sup></li> </ul>

The presentations provided for discussions on best practice in standard setting, guidance, reporting outputs and changes in approach to decision making.

However, it also highlighted gaps and areas that needed further consideration such as the differentiation between policy setting and operational public sector entities, and the need for clarity about when a CE is acting as a governor or a manager<sup>[4]</sup>.

The conversation laid the groundwork for the subsequent conversation, to inform the submission on the ED.

3. The Financial Stability Board (FSB) created the TCFD in 2015 to improve and increase reporting of climate-related financial information.

4. Governance in government departments is different. <https://oag.parliament.nz/2016/reflections/part3.htm>



# Background on the CNGP:

The [Carbon Neutral Government Programme](#) (CNGP) introduced scope 1-3 emissions reporting for public sector entities in New Zealand.

- The Ministry for the Environment (MfE) (supported by Ministry of Business, Innovation and Employment (MBIE) and the Energy Efficiency & Conservation Authority (EECA)) provided programme leadership, managed programme implementation, provided guidance, upskilled preparers and supported collaboration.
- CNGP reporting entities were categorised by agency [type](#) and reporting requirements were phased into three [tranches](#). Participants are asked to measure, verify and report their emissions in their annual report, set gross emission reduction targets, develop an emissions reduction plan and offset remaining emission by 2025 (awaiting further guidance on offsetting).
- MfE released [guidance](#) for preparers with information on what sources of emissions organisations need to collect, standards to follow, methods for calculating emissions and targets, what information to report, who to report to and by when.

The CNGP separates scope 3 emissions into two further groups:

- Scope 3 (mandatory):
  - o Emissions that an organisation can reasonably be expected to measure and have access to data.
- Scope 3 (other material):
  - o Includes all other significant scope 3 emissions sources. These tend to be value chain emissions, such as embodied emissions in construction, purchased goods and services and emissions from investments. These emissions sources are generally more difficult to measure and reduce, and are therefore reported separately to the above mandatory sources.
  - o Some organisations have chosen to expand their reporting to include further non-mandatory scope 3 sources, such as commuting or supply chain emissions, under their official target as they may have significant reduction potential.



# Examples from the CNGP:

Some useful public sector entity examples are:

- NZ Defence Force
  - o Emissions and climate reporting, [Annual report 2022](#) (page 99)
  - o Reduction plan, [NZDF Emissions Reduction Plan 2022](#)
- Ministry of Foreign Affairs
  - o CNGP reporting, [MFAT website](#)
  - o Reduction plan, [MFAT Emission Reduction Plan 2022](#)

Toitū – an assurance service provider in NZ, holds a [directory](#) of their clients who have achieved specific certifications relating to emission reduction. Many public sector entities also have reporting available on their websites.

## Other considerations

### Scope 3 emissions

- It has been useful to start with emission categories more generally in the entity's control and where data can be accessed more easily.
- Generally the further out in the value chain the more difficult for a public sector entity.
- These themes appear to be applicable globally, not just within New Zealand.
- Where the information is held by overseas parties this adds difficulty and complication (i.e. a foreign affairs Ministry needing to understand emissions from hotels, overseas taxis and transport systems).

### Some reflections

- Phasing of entities required to report was important to get buy in and momentum, not just requirements.
- Phasing of scope 3 categories helps with implementation and making it manageable.
- Getting buy in to the standard may require IPSASB guidance on how to phase in scope 3 categories and how to balance assurance considerations. In addition, guidance would be useful on how a public sector agency with a central role in programme implementation (for NZ, a MFE equivalent) can play a role to build out calculators and other guidance, including on public sector specific targets not just measurement.
- It may be worth finding out from the International Organization for Standardization (ISO) or similar how common ISO is around the world among preparers of public sector climate reporting.



# Who is already reporting?

## Combination of CNPG and voluntary TCFD

Ministry for the Environment	University of Auckland
Ministry of Transport	Victoria University of Wellington
Reserve Bank of New Zealand	University of Otago
Ministry of Business, Innovation and Employment	

## Other entities owned by or closely related to the public sector captured in New Zealand's mandatory climate related disclosures regime

Airports / Carriers	Councils
Air New Zealand	Auckland City Council
Auckland Airport	Quayside Holdings
Wellington Airport	Christchurch City Holdings
Christchurch Airport (via Christchurch City Holdings Limited (CCHL))	Local Government Funding Agency (LGFA), which currently indirectly captures all 78 councils and council controlled organisation (CCO) members
Transport	Building
Auckland Transport (via Auckland Council)	Kainga Ora
Crown Financial Institutions (via letter of expectation)	Ports
Accident Compensation Corporation	Port of Tauranga
NZ Super Fund	South Port NZ
National Provident Fund	Port of Auckland (via Auckland Council)
Government Super Fund	Lyttleton Port (via CCHL)
Energy	Other
Transpower	Enable Fibre (via CCHL)
Contact	City Care (park/resource mgmt., Christchurch)
Meridian	Ecocentral (waste, Christchurch)
Mercury	Watercare (via Auckland Council)
Genesis	Huakiwi Service Ltd (via Quayside, kiwifruit management and operational service)
Orion (via CCHL)	



# Discussion on XRB submission



The second half of the workshop focused on specific feedback to inform the XRB’s submission to IPSASB.

## KEY TOPIC

## SPECIFIC INSIGHTS

### Public policy programmes

- There was strong consensus that limiting reporting to only climate-related public policy programmes was too narrow and that focussing on an entity’s own operations would better align with best practice reporting.
- The ED’s additional climate-related public policy programme disclosures risk duplication with existing reporting as required under the Paris Agreement.
- The topic of accountability was also of interest to the group, particularly the role of Parliament, Ministers of the Crown in the Executive arm of Government, and the chief executive and senior leadership of government departments who may be charged with implementation of policies for which decisions are made by the Government.

### Guidance material

- The group discussed the pros and cons of one large detailed document versus a more succinct document accompanied with supporting implementation guidance, and the balance between rules and principles based standards.
- Preparers of climate reporting drew from their own experience to share views on separate guidance documents as opposed to a larger detailed standard.
- There was consensus that further, more detailed implementation guidance would be useful and should quickly follow the release of a standard.

### User needs research

- Attendees expressed concern that the primary user was not well defined and too broad of a group which could lead to unhelpful reporting given that some users, such as sovereign bond holders, would likely be much more interested in sovereign rather than entity level information.
- There was a consensus that the ED would likely not meet the needs of sovereign bond holders, an important ‘user’ as set out in the 2022 World Bank Group Report: *Sovereign Climate and Nature Reporting : Proposal for a Risks and Opportunities Disclosure Framework*.





# Next steps

## The XRB amended its response to the ED to incorporate feedback



The draft letter as at the time of the workshop was amended and updated to reflect the discussion at the workshop. XRB staff also sought feedback from the Sustainability Reporting Board and provided members with key themes from the workshop.

## Our submission to IPSASB



Final approval of the letter was given by the Sustainability Reporting Board via circular resolution (email) and signed by Becky Lloyd, Chair of the SRB.



Our letter was formally submitted to IPSASB on 28 February 2025 and receipt acknowledged by IPSASB on 1 March 2025. The final submission can be viewed on our website [here](#).

## IPSASB



Publicly available information on IPSASB's meetings can be found on the IPSASB [website](#). The next meeting is on 18-21 March in Washington DC, details can be found [here](#).



As detailed in agenda item 13.1.1 of the March 2025 meeting, the IPSASB will receive a review of responses in April 2025 and ultimately aim to approve a standard in / by December 2025.





# Thank you

We appreciate your contribution in this emerging area and welcome the opportunity to keep the conversation going.

Please get in touch

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