

# Westpac New Zealand Limited

Submission to External Reporting Board  
on  
*Proposed 2024 Amendments to Climate  
and Assurance Standards.*

30 October 2024



## 1. INTRODUCTION

1.1 This submission to the External Reporting Board (**XRB**) is made on behalf of Westpac New Zealand Limited (**Westpac**) in respect of *Proposed 2024 Amendments to Climate and Assurance Standards (Consultation Document)*. Thank you for the opportunity to provide feedback on the proposals.

1.2 Westpac's contact for this submission is:

Head of Regulatory Affairs  
Westpac New Zealand Limited  
16 Takutai Square  
Auckland 1010

Phone: 09 348 9459

Email: [stefania.esposito@westpac.co.nz](mailto:stefania.esposito@westpac.co.nz)

## 2. KEY SUBMISSIONS

2.1 Westpac does not object to the extensions proposed in the Consultation Paper, in line with the position set out in the NZBA submission. Westpac recognises that reporting entities face a number of challenges in meeting the reporting requirements, and generally supports the extensions proposed to allow time for these to be addressed. These extensions are pragmatic and reflect intent to enable a “best efforts” approach while also ensuring work towards the more challenging aspects of the climate-related disclosure regime under the Financial Markets Conduct Act 2013 (**CRD regime**) continues.

2.2 In addition to the points raised in the NZBA submission, Westpac would like to highlight the primary user perspective in respect of Proposal 4 (to delay Adoption Provision 3 for transition planning disclosures). For the reasons set out below, Westpac considers that Adoption Provision 3 should come into effect in line with the current timetable under Aotearoa New Zealand Climate Standards (**NZCS**).

2.3 The ultimate aim of the CRD regime is to support the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate-resilient future. With this purpose in mind, many primary users have commenced programmes or frameworks which utilise their customers’ climate disclosures for a range of purposes, including as a risk assessment and customer engagement tool, as well as to inform their scope 3 ‘financed emissions’ reporting. Many of these programmes and frameworks centre on assessing, and engaging on, customers’ transition plans. Westpac has recently established such an assessment framework. Within this context, transition planning is core to not only the CRD regime, but also guides businesses in their planning for the uncertainty of climate change.

2.4 Unlike other aspects of the reporting requirements covered in the Consultation Paper, transition planning does not require third party data. Westpac recognises that the process of transition planning has been challenging to date for some businesses in the absence of comprehensive guidance. In this regard, Westpac notes that Chapter Zero New Zealand, the Institute of Directors and the XRB have now published a transition planning guide for directors (**Chapter Zero guidance**). This guidance is expected to assist in addressing some of these difficulties in progressing transition planning.

- 2.5 Westpac notes in particular that the Chapter Zero guidance highlights that “nobody has the perfect plan”, and that “[t]here can be equal, if not greater, risk in not disclosing a transition plan because it’s ‘not ready’ or ‘might change’, than in putting out a plan acknowledging its assumptions, gaps and dependencies and that it is likely to change as transition unfolds”. This guidance recognises that transition planning is an iterative process, and the earlier businesses make a start, the more time they will have to mature in their approach. Within this context, Westpac believes it would be beneficial for most organisations to progress transition planning as a priority and would prefer that Adoption Provision 3 is not extended by an additional accounting period.

