

---

October, 2024

# Proposed 2024 Amendments to Climate and Assurance Standards

CONSULTATION 2024

Submission for Marsden Maritime Holdings Ltd

---



---

**Submission To: External Reporting Board**

**RE: Proposed 2024 Amendments to Climate and Assurance Standards**

**Submission From: Marsden Maritime Holdings Ltd**

**Date: 30 October 2024**

## **1. Background**

1.1. Marsden Maritime Holdings (MMH) is an NZX listed company with a current market capitalisation of \$150m. MMH is a Port Company under the Port Companies Act 1988 (PCA) with stakeholdings in several business activities in the greater Marsden Point area. This includes 50% ownership of Northport Ltd. MMH owns and operates the Marsden Cove Marina and owns more than 150ha of Light Industrial and Port Zone land located immediately behind Northport.

1.2. MMH is a Climate Reporting Entity (CRE) as defined in the Financial Sector (Climate-related Disclosures and Other Matters) 2021 Amendment Act to the 2013 Financial Markets Conduct Act.

## **2. Executive Summary: MMH Supports the Proposed Amendments**

2.1. MMH supports the proposed amendments. The amendments provide a more feasible pathway to compliance by enabling CRE's to manage resources effectively to achieve the disclosure requirements over the amended timeframes.

## **3. Discussion on Proposed 2024 Amendments to Climate and Assurance Standards**

3.1. The current regime and disclosure requirements have a significant and disproportionately large time and resource burden on the CRE. The proposed amendments reduce this burden somewhat and provide a more achievable pathway to compliance

3.2. For CRE's with management structure and capacity similar to MMH, being small in relation to the market capitalisation, the proposed amendments will enable a more achievable timeline. The current requirements have forced a disproportionately high time and financial cost on the business to achieve disclosure compliance.



3.3. The financial cost implications for achieving compliance with the current regime are excessive. MMH's experience of costs for Year One compliance, using a reputable company with the necessary expertise, was more than 1.3 times the entire external financial auditing costs and more than 4% of NPAT for the financial year ending 30 June 2024.

3.4. For the financial year ending 30 June 2025, quotes for services associated with CRD's Year Two compliance had an upper range in excess of \$130,000, not including internal time and resources.

3.5. Therefore, MMH fully supports the proposed amendments, as detailed in the table below.

**Table 1: Discussion on Proposals:**

Proposed amendment	MMH's stance	Comments
<b>Proposal 1: Delaying mandatory scope 3 GHG emissions disclosure</b>	Support	While many CRE's like MMH have been reporting Scope 3, for those starting it is a considerable resource requirement in addition to the rest of the reporting regime.
<b>Proposal 2: Delaying mandatory scope 3 GHG emissions assurance.</b>	Support	Most CRE's reporting Scope 3 GHG emissions use reputable advisors and certifiable methodologies. Assurance requires a considerable step up in the resource requirements for only a small benefit that does not outweigh the cost and time.
<b>Proposal 3: Delayed anticipated financial impacts disclosure</b>	Support	MMH acknowledges that reporting on anticipated financial impacts is an important element that requires a certain degree of quantitative analysis. However, the degree of this is quite ambiguous, and we have experienced significant variation in expert advice on this. Additionally, it is yet another significant financial hurdle given the perceived complexity of the work required. The supporting consulting/advisory industry is not yet equipped to provide the support and guidance needed to achieve a meaningful result in this area.  Further, MMH recommends that XRB establish a framework to guide the work around quantifying anticipated financial impacts.
<b>Proposal 4: Delaying transition planning disclosures</b>	Support	MMH recognises that transition planning is closely tied to reporting on anticipated financial impacts. Transition planning is more appropriately required subsequent to the other workstreams. Again, from our planning undertaken thus far this work also requires significant financial commitments.

## 4. Summary

4.1. MMH supports the proposed amendments. The amendments provide a more feasible pathway to compliance by enabling CRE's to manage resources effectively to achieve the disclosure requirements over the amended timeframes.