



10 February 2023

Ministry of Business, Innovation and Employment

By email: climateassurance@mbie.govt.nz

Kia ora

Thank you for the opportunity to make a submission in response the Ministry of Business, Innovation and Employment (MBIE) and Ministry for the Environment's (MfE) Assurance over climate-related disclosures document.

About ACE New Zealand

The Association of Consulting and Engineering New Zealand (ACE New Zealand) is a firm-based membership organisation representing over 250 professional services firms working across the built and natural environment – from large global firms to employee-owned SMEs. Our members employ approximately 14,000 staff, including engineers, project managers, planners, scientists, architects, surveyors and other technical disciplines. Our teams work together to advise, design and deliver on critical technology, policies and practices, and construction and infrastructure across the built and natural environment in Aotearoa.

General statement

Overall, we support the proposal to introduce an occupational licencing regime for the practitioner carrying out assurance over climate-related disclosures, and support the proposed direct regulation model. However, we would like to take this opportunity to emphasise the importance of including our members in the context of this consultation.

Expertise of ACE New Zealand members

As noted above, ACE New Zealand members represent a range of disciplines, with a wide range of specialist expertise that will be required to support new reporting and assurance on climate-related and wider sustainability issues. Importantly, many of the professionals within the ACE New Zealand membership are already part of, and operate within, New Zealand's current assurance infrastructure. Of note:

- most have accredited certification of their quality, environmental and H&S management systems, and many advise on these systems;
- some provide independent assurance services on compliance, including some contracting to JAS ANZ accredited certification bodies;
- some operate IANZ accredited, independent testing laboratories and inspection services (with all the ethical, competence and quality requirements associated with accreditation), and some have individuals formally recognised to provide independent assessments of applications for Green Building certifications, Sustainable Infrastructure ratings and Environmental Choice NZ licences (the NZ government-owned ecolabelling programme);

- most will be involved in providing expert evidence in support of Resource Management Act matters on planning and consenting (which includes ethical requirements such as independence and objectivity and addresses a wide range of sustainability-related issues); and
- many provide independent peer reviews.

Assuring climate reports requires a wide range of expertise. In our view, in order to achieve the objective of enhancing trust and confidence in the climate statement, it is vital that the expertise of our members and the existing assurance infrastructure be recognised in MBIE/MfE deliberations on auditor regulation and licensing.

Conclusion

In conclusion, we support the proposed rejection of the status quo model and the adoption of an occupational licencing regime that is profession-agnostic – the model must not exclude our members, who are non-accountant professional services consultants. Our members hold a broad range of experience and expertise which should be recognised within the review process.

We trust these comments assist MBIE and MfE in considering the best pathway forward in relation to assurance over climate-related disclosures and in the future for wider sustainability-related disclosures. We are available and willing to contribute to further work by MBIE/MfE on auditor registration and licensing and the future scope of assurance, as well as the FMA (should it be given the regulatory/occupational licensing role) to develop a regime that does not exclude non-accountants and provides the NZ market with competent, independent assurance practitioners.

We would be happy to discuss any aspect of this submission.

Nga mihi,



Helen Davidson
Chief Executive