

Subject: Re: Response from the Office of the Auditor-General
Date: Monday, 28 November 2022 at 9:13:56 AM New Zealand Daylight Time
From: [REDACTED]
To: [REDACTED]
Attachments: image001.png

From: enquiry [REDACTED]
Date: 24 November 2022 at 12:56:55 PM NZDT
To: Wendy McGuinness [REDACTED]
Cc: [REDACTED]
Subject: Response from the Office of the Auditor-General

Tēnā koe Wendy

You have sought information from us under the Official Information Act about New Zealand's and other governments obligations for commitments made in the Paris Agreement. The Auditor-General is not subject to the Official Information Act because of our role as the auditor of public entities and the professional obligations of confidentiality we owe to our clients. This means we are not required to make the judgements about whether to disclose information that you refer to. Instead, when we receive requests for information relating to a public entity our usual approach is to suggest that requestors go directly to the entity - which can then make judgements about disclosing its information under the framework of the OIA.

We are happy to respond to your first three questions – see our answers, below. However, for your questions 4 and 5 we suggest you approach The Treasury directly.

Q1: Does this statement mean that no 'other governments' reviewed recognised this liability? Can you confirm our assumption is correct?

This assumption is correct based on the sample we reviewed. However, it doesn't mean other governments haven't recognised a liability.

Q2: Can you list the 'other governments' that were included in your review and provide links to their respective financial statements?

The sample we reviewed included the Australian Government consolidated financial statements, the UK whole of Government accounts, and the Financial Report of the United States Government.

Q3: In completing your review, did you look to see if the governments concerned had a similar requirement in law 'to meets its international obligations under ... the Paris Agreement'. See New Zealand's below.

No, we did not look at the specific legislative arrangements in other countries in relation to their climate obligations.

You have noted that we included climate change and the Government's obligations arising from emissions reductions targets as a key audit matter in our (publicly available) audit report on the Financial Statements of the Government. We considered this a key audit matter because of the lack of a financial reporting standard that explicitly sets out how nations should recognise their carbon reduction commitments in their financial statements, the significant judgement required in determining at what point a liability should be recognised and because of the importance of climate commitments to the public.

Thank you for your interest in this matter and engaging with these important accountability documents. We would be interested in reading your discussion paper on this subject when it is completed.

Ngā mihi nui

[REDACTED]
Sector Manager – Parliamentary Group – Finance and Economy

Office of the Auditor-General Te Mana Arotake

Improving trust, promoting value

Level 2, 100 Molesworth Street, Thorndon, Wellington 6011 | PO Box 3928

oag.parliament.nz | Follow us on [Twitter](#), [Facebook](#), [LinkedIn](#), and [Instagram](#)

From: Wendy McGuinness [REDACTED]
Sent: Sunday, 6 November 2022 11:31 am
To: [REDACTED]
Cc: [REDACTED]
Subject: OIA Request: Obligation to disclose liability for Paris Agreement commitments (Our Ref OIA 2022/06)

CAUTION External email: Don't click links or open attachments unless you know the sender and content are safe.

Mōrena,

Official Information Request – Our Ref 2022/06: Obligation to disclose liability for Paris Agreement commitments

The Institute is in the process of finalising a draft discussion paper: *Discussion Paper 2021/04 – An Accounting Dilemma: Does a commitment to purchase offshore carbon credits create a requirement to disclose that obligation in the financial statements of the New Zealand Government?* (2021, draft attached).

We note that the 'Independent Audit Report of the Controller and Auditor – General' states in the 2022 *Financial Statements of the Government of New Zealand* (p. 36) that: 'We reviewed the annual financial statements of **other governments** to see whether they had recognised a liability for their Paris Agreement commitments' [bold added].

Q1: Does this statement mean that no 'other governments' reviewed recognised this liability? Can you confirm our assumption is correct?

Q2: Can you list the 'other governments' that were included in your review and provide links to their respective financial statements?

Q3: In completing your review, did you look to see if the governments concerned had a similar requirement in law 'to meets its international obligations under ... the Paris

Agreement'. See New Zealand's below.

Q4: If you prepared a memo, paper or report on this topic, can we please have a copy?

Q5: Can you provide any relevant correspondence with Treasury on this matter? We appreciate that 'whether to disclose or not' is a matter of judgement; our aim is simply to gain a detailed understanding of the reasoning behind that judgement.

Our current thinking is that if the NZ government is committed to pay the liability in 2030, it is in the public's interest to include that liability in the financial statements in 2023 (in some form). In this way, New Zealanders can work harder today to reduce the size of this liability in 2030.

Thank you for your help in this matter.

Best wishes, Wendy

Wendy McGuinness

Chief Executive

McGuinness Institute Te Hononga Waka

Level 2, 5 Cable Street, Wellington 6011 | PO Box 24-222 Wellington 6142

██████████ | www.mcguinnessinstitute.org

The McGuinness Institute is a non-partisan think tank working towards a sustainable future, contributing strategic foresight through evidence-based research and policy analysis.

Disclaimer: This email is intended only to be read or used by the addressee. It is confidential and may contain legally privileged information. If you are not the addressee indicated in this message (or responsible for delivery of the message to such person), you may not copy or deliver this message to anyone, and you should destroy this message and kindly notify the sender by reply email. Confidentiality and legal privilege are not waived or lost by reason of mistaken delivery to you.

Climate Change Response Act 2002

If you need more information about this Act, please contact the administering agency: **Ministry for the Environment**

- Warning: **Some amendments have not yet been incorporated**
- with search matches not highlighted


Search within this Act


By sections

View whole (2.9MB)

Versions and amendments

 Contents

 Previous section

Next section 

 Tag sections

3 Purpose

(1) The purpose of this Act is to—

(aa) provide a framework by which New Zealand can develop and implement policies that—

(i) contribute to the global effort under the Paris Agreement to limit to 1.5° Celsius above pre-industrial levels; and

- (ii) allow New Zealand to prepare for, and adapt to, the effects of c
- (a) enable New Zealand to meet its international obligations under the C Agreement, including (but not limited to)—

The information contained in this email message is intended only for the addressee and is not necessarily the official view or communication of the Office of the Auditor-General. If you are not the intended recipient you must not use, disclose, copy or distribute this message or the information on it.