

25 October 2012

Ms Stephenie Fox
The Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West, 6th Floor
Toronto, Ontario M5V 3H2 CANADA

Dear Ms Fox

Consultation Paper: *IPSASB Work Program 2013-2014*

The New Zealand Treasury welcomes the opportunity to provide comments to the International Public Sector Accounting Standards Board (IPSASB) on the Consultation Paper *Consultation on IPSASB Work Program 2013-2014*. We commend the IPSASB for providing the opportunity for stakeholder input.


As the IPSASB will be aware, the New Zealand standard setter is in the process of implementing IPSAS based standards for the New Zealand public sector, replacing the IFRS based standards that are currently in use.

In accordance with international best practice, and as noted in the IPSASB preface, New Zealand public sector profit-oriented entities (termed GBEs in the IPSAS literature) will continue to prepare IFRS based financial statements.

The Treasury urges the IPSASB to pay strong regard to the implications of this recommended best practice for whole-of-government reporting where the consolidation of profit-oriented and public-benefit-oriented entities is required. In particular I believe that the IPSASB should, as part of its strategy, seek to ensure that

- no unnecessary or unjustified accounting differences arise between IFRS and IPSAS that will make consolidated financial statements of governments harder for users to understand, and preparers to prepare, and
- preparers of public sector financial statements, and the users of those financial statements are not denied the opportunity arising from improvements to financial statements from early adoption of recently released IFRS standards, where there are no special public sector characteristics.

Under this strategy the following projects should get high priority in 2013/14:



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- Financial Instruments (IPSAS 28-30 updated from IFRS 9) – we note this is already a committed project,
- Leases (IPSAS 13 Update from IFRS expected Q1 2013), and
- Revenue (IPSAS 9 update from IFRS expected Q2 2013)

The Treasury considers the “public sector critical” projects generally require the completion of the Conceptual Framework, which Treasury agrees should continue to be a strategic priority. As a result, in response to the three questions on which comment was sought:

- Treasury does not think there are any other projects that need to be added to the list of potential projects,
- Financial Instruments, Leases and Revenue should be prioritised in the 2013/14 financial year, and
- Treasury has no further comments on the IPSASB’s Work Program for 2013-2014.

If you have any queries regarding our comments, please contact me at Nicola.Haslam@treasury.govt.nz or on +644 917 6943.

Yours sincerely

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New Zealand Treasury