



Memorandum

To:	AASB and FRSB members	Date:	8 March 2010
From:	Joanne Scott and Jim Paul	Agenda Item:	B2
Subject:	Reporting on the Long-Term Sustainability of Public Finances	File:	

Actions

- Confirm whether each Board wishes to prepare a submission on the IPSASB Consultation Paper *Reporting on the Long-Term Sustainability of Public Finances*. If so, decide whether to prepare a joint AASB-FRSB submission or separate submissions.
- Consider the IPSASB's preliminary views in its Consultation Paper.
- Agree a process for finalising the submission(s).

Background

The IPSASB is seeking comment on its intention to develop guidance on recommended practice for reporting by governments on the long-term sustainability of public finances in general purpose financial reports. Such information would be reported either in statements additional to governments' financial statements or in their narrative reports. At this stage, the IPSASB does not propose developing a Standard on this topic.

Long-term sustainability of public finances (also described as 'long-term fiscal sustainability') is described in the IPSASB Consultation Paper as the ability of government to meet its service delivery and financial commitments both now and in the future. It depends on the government's ability to fund spending to provide goods and services and its ability to service its debt obligations.

The due date for comment to the IPSASB is 30 April 2010. The AASB issued Invitation to Comment ITC 22 on the IPSASB Consultation Paper, seeking comments by 1 April 2010. The FRSB sought comments from New Zealand constituents by 31 March 2010. No comments have been received to date by the staff of either Board.

Attachments

- B2.1 Issues Paper [regarding whether to make submission(s), and the nature of any submissions]
- B2.2 Draft comments on the IPSASB's preliminary views [seeking feedback on key points for submissions]
- B2.3 AASB ITC 22 Request for Comment on IPSASB Consultation paper *Reporting on the Long-Term Sustainability of Public Finances* [includes full text of IPSASB Consultation Paper]