



29 July 2016

Chief Executive
External Reporting Board
PO Box 11 250
Manners St Central
Wellington 6142

Dear Sir

ED NZASB 2016-6 Service Performance Reporting

This submission is made on behalf of The Salvation Army New Zealand, a registered charity working in many areas of New Zealand society meeting people at their point of need.

The Salvation Army (The Army) is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide-range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society.

We have over 90 Community Ministry centres and Churches (Corps) across the nation, serving local families and communities. In addition to these services, we provide addiction services, in-home support, and vocational training services to vulnerable New Zealanders in partnership with Government agencies. We are passionately committed to our communities as we aim to fulfil our mission of caring for people, transforming lives and reforming society through God in Christ by the Holy Spirit's power.¹

The Army supports the NZASB's desire to issue a standard on service performance reporting and appreciates its recognition that public benefit entities provide a wide range of services and goods to a variety of users with differing interests.

¹ <http://www.salvationarmy.org.nz/our-community/mission/>

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Therefore, we appreciate the principles-based approach that the NZASB is proposing to allow for this divergence in PBE's and the way they operate.

Questions for Respondents

We provide the following responses to the specific questions in your exposure draft.

1. Yes, we agree that the proposed dimensions are useful in identifying the information to be reported and appreciate the acknowledgement that it may not always be possible to report on all three of these dimensions.
2. We agree that the application of the qualitative characteristics and appropriate balancing of the pervasive constraints on information will result in appropriate and meaningful service performance information.
3. We believe the use of the term "appropriate and meaningful" will result in more appropriate service performance reporting.
4. Yes we agree with the proposed information to be reported.
5. We agree that cross referencing to information outside of the service performance section of the general purpose financial reports should be permitted and agree with the points raised in paragraphs 53 to 56.
6. We agree with the proposed scope of the standard. In relation to the NZAB's question on costs and benefits, we are not in a position to quantify the additional costs that will be incurred as a result of this new standard, but expect that significant costs will be incurred in developing the service performance report and implementing systems to capture and report appropriate information, as well as maintaining such systems going forward.
7. The Army provides a wide variety of services across a diverse range of programmes and centres. A significant amount of work will be required to develop an appropriate service performance report that provides good quality, appropriate and meaningful information. Once this has been developed we will need to ensure that our systems and internal organisational processes are capable of recording and reporting the required information. These two phrases of

development and implementation will take time. Therefore, we feel that a minimum three year implementation period would be required.

8. The change of title of PBE IPSAS1 would appear reasonable.
9. In line with the NZASB's observation that PBE's operate in a wide range of areas providing a variety of services aimed at achieving various and sometimes multiple outcomes, guidance would be helpful. We feel that this guidance might take the form of practical examples, particularly in relation to NFP- PBE's that provide multiple services with a variety of intended outcomes. Such organisations are likely to have multiple users of their accounts who would be interested in service performance reporting to help when considering such issues as funding applications. An example might focus on this need.

Should you have any queries on our comments, please contact Peter Bain, Chief Financial Officer at peter_bain@nzf.salvationarmy.org

Yours sincerely

David Bateman
Lt Colonel
Secretary for Business Administration
The Salvation Army