

22 March 2019

Mr Warren Allen  
Chief Executive  
External Reporting Board  
PO Box 11250  
Manners St Central  
Wellington 6142

Dear Warren

**Auckland Council submission to NZASB ED 2018 Amendments to XRB A1 Appendix A**

Thank you for the opportunity to comment on the exposure draft 2018 Amendments to XRB A1 Appendix A.

Auckland Council is Australasia's largest local government entity and is made up of the Council and six substantive council-controlled organisations. We invest heavily in infrastructure and many of our decisions will have a fiscal impact on Auckland's future generations. Auckland Council encompasses both for-profit and public benefit entities within the group. This exposure draft is relevant to the classification of the entities within the Auckland Council Group and therefore we have reviewed the proposed updates and provided our feedback.

Our responses to the specific questions for the respondents are included in Appendix 1 to this letter along with our additional comments for the XRB's consideration. In summary we are supportive of the proposed amendments to XRB A1 Appendix A.

We hope our responses and comments are helpful in aiding your decision-making process. Should you have any queries relating to the responses, please do not hesitate to contact Alvin Ang at the details provided below.

Yours sincerely



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## **Appendix 1 – Response to questions**

We are generally supportive of the proposed amendments made in the exposure draft.

1. Do you agree with the proposed amendments to XRB A1 Appendix A *When is an Entity a Public Benefit Entity?* (para 9 – 24) If you disagree, please provide reasons.

We agree with the proposed amendments to XRB A1 Appendix A. The amendments provide greater clarity on guidance for existing indicators and include additional indicators, which will benefit entities in assessing their status as a Public Benefit Entity (PBE).

The impact on Auckland Council Group would be to reassess all entities within the group for PBE classification, but we do not expect any changes to classification for these entities.

2. Do you agree with the proposed effective date of 1 January 2020? (para 25) If you disagree, please provide reasons.

We agree with the proposed effective date of 1 January 2020, as this will provide guidance earlier to preparers to address issues in applying Appendix A. We do not expect the proposed amendments to materially impact the classification of existing entities as PBE or for-profit.

3. Do you have any other comments on the ED?

We have no further comments.