

## New Zealand Accounting Standards Board

### Minutes of the virtual meeting held on Thursday, 10 August 2023, which commenced at 9.00 am

- Members present:** Carolyn Cordery (Chair)  
Michael Bradbury (Deputy Chair)  
Francis Caetano  
Denise Hodgkins  
Keith Kendall  
Richard Perry  
Lara Truman  
Warwick White  
Jason Stinchcombe
- Apologies:** Richard Smyth (*sent his votes in advance, and these were counted during the meeting*)
- Guests:** Nives Botica-Redmayne, Massey University (agenda item 7)  
Dimu Ehalaiye, Massey University (agenda item 7)  
Fawad Ahmad, Massey University (agenda item 7)  
Todd Beardsworth, IPSASB Member (agenda item 10.2)
- Observers:** Zowie Pateman, CAANZ (agenda items 3 and 8)
- AASB staff:*  
Helena Simkova (agenda items 2, 3, 7, 9)  
Patricia Au (agenda items 3 and 8)  
Fridrich Housa (agenda items 2, 4 and 7)  
Maggie Man (agenda item 5)  
Kimberley Carney (agenda item 6)  
Ao Li (agenda item 7)
- In attendance:** April Mackenzie – Chief Executive (agenda items 1– 4)  
Anthony Heffernan – Director, Accounting Standards (all agenda items)  
Charis Halliday – Technical Director, Accounting Standards (all agenda items)  
Gali Slyuzberg – Senior Project Manager, Accounting Standards (agenda items 3 and 7)  
Leana Van Heerden – Senior Project Manager, Accounting Standards (agenda items 2.4, 7, 8 and 9)  
Carly Berry – Project Manager, Accounting Standards (agenda items 7, 8 and 9)  
Jamie Cattell – Project Manager, Accounting Standards (agenda items 5, 6 and 7)  
Alex Stainer – Project Manager, Accounting Standards (agenda items 4, 5 and 7)

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**PUBLIC SESSION – AGENDA ITEM 3**

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**3 PBE Leases**

The Board CONSIDERED the results of the additional effects analysis undertaken by staff in relation to the proposed PBE IPSAS 43 *Leases*, and AGREED on the next steps of this project.

Specifically, the Board agreed on the following next steps:

***Public sector (Tier 1 and Tier 2):***

- (a) The Board agreed to commit to the finalisation of PBE IPSAS 43 *Leases* for application by the public sector, but to DEFER the finalisation, taking into account holistically the full NZASB work programme for public sector entities, including the expected timing of issuing other major new standards and these standards' application dates. This deferral also enables the finalised version of PBE IPSAS 43 *Leases* to be informed by information from the Post-Implementation Review of IFRS 16 (which could be of relevance to the public sector) and further work by the IPSASB on concessionary leases.
- (b) The expected timing of finalisation would be heavily dependent on the full NZASB work programme for public sector entities, including careful consideration of the current projects on Revenue and Transfer Expenses. Subject to NZASB deliberations, and consultation outcomes, the preliminary indicative timeline for these Standards is that they would become mandatory to apply from 1 January 2027. Staff anticipate that the mandatory application date of PBE IPSAS 43 *Leases* for the public sector would be two years after Revenue and Transfer Expenses Standards become mandatory.

***Not-for-profit sector (Tier 1 and Tier 2):***

- (a) The Board agreed to commit to the stability of the current lease accounting requirements remaining in place for not-for-profit PBEs at this time; and reassess whether current requirements remain appropriate after public sector PBEs have adopted the right-of-use model, having regard to learning from application by public sector PBEs and considering feedback from NFP stakeholders at the time.
- (b) The Board considered this appropriate in light of feedback highlighting concerns about the cost and complexity of the proposed requirements, and that the costs would not be justified by benefits for users of not-for-profit entities' financial statements at this time, acknowledging this balance could change in the future.

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**PUBLIC SESSION – AGENDA ITEM 6**

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**6 Tier 2 RDR concessions: Supplier Finance Arrangements**

The Board APPROVED for consultation the proposed Tier 2 RDR concessions outlined in the draft amending Standard Supplier Finance Arrangements RDR which amends NZ IAS 7 *Statement of Cash Flows*.

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**PUBLIC SESSION – AGENDA ITEM 8**

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**8 Revenue and Transfer Expenses**

The Board provided FEEDBACK on the draft project plans for developing PBE Standards based on IPSAS 47 *Revenue* and IPSAS 48 *Transfer Expenses* and on the approach to drafting the PBE EDs.

**Next meeting**

Thursday 19 October 2023 is a full-day in-person meeting held in Auckland.

Meeting closes

**CONFIRMED as a true record**

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**Carolyn Cordery**

Chair