21 March 2025

Wendy Venter
Chief Executive
External Reporting Board
Level 6
154 Featherston Stret
Wellington

via email: accounting@xrb.govt.nz

Dear Wendy,

Reporting and Assurance of Service Performance Information – Tier 1 & 2 NFP Entities

The National Council of YMCA's of New Zealand Inc is the national body representing the YMCA Associations across New Zealand. We are a Tier 2 Charity.

Collectively the YMCA Associations are a network of ten independent regionally based charities with a diverse range of offerings including low-cost accommodation, fitness & recreation centres, gyms, outdoor education camps, childcare services, youth development, social services, tertiary education, alternative education and employment support'. We have been operating in New Zealand for over 150 years, supporting communities across the country.

Collectively our national turnover is around $60 million per annum, and serveral of our members as well as ourselves are in the Tier 1 and 2 category.

Please find attached our feedback to the questions raised in the Consultation Paper issued in June 2025.

Best Regards,

Paul Dalton
Secretary- General

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Feedback on the Questions Raised

Q1: Do you agree that the root causes described above are contributing to the key challenges in preparing and assuring service performance information?

- Yes, we can see those factors being challenging from some NFP entities.
- Having said that, they are not a particular problem for us, and we have found the existing guidance material from XRB to be adequate for our needs so far.

Do you have any other feedback on the challenges?

- We think it would be good to get a sense of the scale of those who are having real issues, so that a whole lot of work isn't done (and more obligations added) if the vast majority of Tier 1 & 2 NFP's and Assurers are actually OK with the status quo and the information already available.

- It may be too soon, but it could be useful to assess whether the requirement to have audited Service Performance measures is actually making a difference to the quality of Tier 1 & 2 reporting. Are they adding value for the readers of those reports, or is it simply another level of bureaucracy that has been imposed for all the right theoretical reasons but in reality hasn't made a material difference to their understanding or wasn't actually needed in the first place?

Q2: Do you agree that amending the requirements of PBE FRS 48 at this time would help address current challenges?

- If the changes are the most effective way to help those that are struggling, then yes.
- The only thought here is whether there are alternative ways to address the issues some NFP's are having, or is it case of "if the only tool you have in the toolbox is a hammer, everthing looks like a nail"? For example is a specialist helpdesk/team a viable option to assist organisations on a 1 to 1 basis for a limited time while everyone gets up to speed.

Do you anticipate additional costs will be incurred if requirements are amended?

- It depends on what the amendments are. For clarificantions and guidance, it would not be anticipated, but if there are adding additional requirements then yes.

Q3: Do you agree with the proposed targeted amendments in (a) to (d)?

- (a), (b) and (d) look OK from the point of view as they are simply clarifications.
- (c) looks to be adding more obligations and extra work for reporters and assurers so would less keen on this. Would question whether this is really necessary?

Are there other areas that may need clarifying and why?

- Nothing from our perspective, but then again we are OK with the status quo.

Q4: Do you consider that adding an appendix to PBE FRS 48 for the not-for-profit sector in (e) would be beneficial to address some challenges experienced by not-for-profit entities?

- If clarifications and guidance alone will solve people's problems, we don't have a view on whether an Appendix is the best way to deliver that, or some other approach to included it in the documentation would be better. If it is, then great!

- Our question would be that if some NFP entities are struggling with the existing documentation, then will adding more pages of text fix it, or do they need some other form of help?

Q5: Do you agree with the topics for the proposed not-for-profit appendix in (e)?

- Not sure – if those topics are the ones that people are requesting more clarification and guidance on then yes.
- From our own perspective we aren't looking for that information, but as above, we find the existing guidance information adequate for our needs.

If not, please explain the areas that could be clarified?

- Whatever the big issues are that are concerning/ confusing people.

Q6: Do you agree that XRB hosting workshops for significant sub-sector preparers to develop further supplementary material for service performance reporting would be beneficial?

- Yes, they could be.
- Whether it is through such workshops or via other means, we would suggest finding out the scale of the issue before doing any more work. If there are 900 Tier 1 Charities and a few thousand Tier 2's, how many of those actually have a problem? If it is less than 100, is a more targeted approach better?

What other material or approaches to guidance would be beneficial?

- This would depend on the actual scale of the problem.
- It would also depend on whether more documentation is the best solution (see comment on the hammer earlier), or does it just add to the problem for those in need?
- Whatever the path chosen, we would recommend some solid pre-testing and revision with a group of NFP's who are experiencing issues, so that they can provide feedback before launching to the masses.

Questions 7 to 9 are outside of our scope as a reporting entity