



Monday, 4 May 2026

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Submission via website <https://www.ipsasb.org/publications/ipsasb-2025-work-program-consultation>

Dear Thomas

### **IPSASB 2025 Work Program Consultation**

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to provide feedback to the International Public Sector Accounting Standards Board (IPSASB) on the above consultation. We support the IPSASB's initiative to review its work program for 2026 and beyond, to better understand stakeholders' greatest needs and how these can be addressed. We make this submission on behalf of our members and in the public interest.

Australia takes the IFRS<sup>®</sup> Accounting Standards as a base for public sector entities, makes jurisdiction specific amendments and adds sector specific guidance. New Zealand takes the IPSAS<sup>®</sup> as a base for public sector entities and makes modifications to reflect the New Zealand context. This makes us well placed to share relevant experience that we believe will assist the IPSASB in considering its work program.

We strongly support the IPSASB's strategy of maintaining alignment with IFRS Accounting Standards where transactions are the same or similar between the public and private sectors. We also support alignment with the International Sustainability Standards Board's (ISSB) work in developing IPSASB Sustainability Reporting Standards<sup>™</sup> (IPSASB SRS<sup>™</sup>).

In assessing the IPSASB's work program, it is critical to our stakeholders that the IPSASB can complete its existing projects in a timely manner before commencing new projects. To this end it is also important that "completion" of a project does not necessarily end with the release of a standard or amending standard but recognises the need for staff resources to support the ongoing implementation and production of essential educational materials once these standards are issued.

We also believe that, in determining the priorities and allocation of its resources, the overriding factor for the IPSASB should be to focus on the timely development and maintenance of a principles-based comprehensive set of high-quality financial reporting and

sustainability reporting standards. Prioritisation of future work program projects must be performed holistically across financial reporting and sustainability reporting, not in isolation.

### **Architecture research project**

We support the IPSASB's plans to undertake research on the architecture of the existing suite of IPSASB literature. It is fundamental to clarify what pronouncements apply to general purpose financial statements (GPFS), general purpose financial reports (GPFR), and information inside the GPFR but outside the GPFS. The distinction between GPFS and GPFR is crucial and has implications for preparers when making materiality judgements.

This project will need to be undertaken before developing Authoritative Guidance based on RPG 1 Reporting on the Long-term Sustainability of an Entity's Finances; and RPG 3 Reporting Service Performance Information. At present these are framed as being as part of the IPSASB SRS Standards, but neither seem to fit within the sustainability reporting work stream. Although an entity's environmental sustainability can affect its financial viability, the concept extends beyond just environmental considerations. While service performance information is non-financial in nature, it may or may not include sustainability information, and is in any case broader than sustainability information.

Our responses to the specific matters for comment are included in Appendix A to this letter, with the project prioritisation criteria templates in Appendix B. Appendix C provides more information about CA ANZ. If you have any questions about our submission, please contact Amir Ghandar at [Amir.Ghandar@charteredaccountantsanz.com](mailto:Amir.Ghandar@charteredaccountantsanz.com) for financial reporting projects or Karen McWilliams at [Karen.McWilliams@charteredaccountantsanz.com](mailto:Karen.McWilliams@charteredaccountantsanz.com) for sustainability reporting projects.

Yours sincerely

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# Appendix A

## Reponses to Specific Matters for Comment

**Specific Matter for Comment 1 – Which financial reporting projects should the IPSASB prioritize? For each financial reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB’s project prioritization criteria, to support its priority. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents for each project suggested.**

We support the IPSASB’s strategy of maintaining alignment with IFRS Accounting Standards where transactions are the same or similar between the public and private sectors. This approach ensures that IPSAS remain up to date with the latest international thinking and relevant and responsive to evolving economic conditions. It also supports mixed group entities, i.e. groups that encompass both public sector entities that apply IPSAS and for-profit entities that apply IFRS Accounting Standards, by enabling consistent accounting policies and facilitating the preparation of consolidated financial statements across the group.

In our view, the IPSASB should focus its work programme on the following new projects, in order of priority.

### **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Targeted Improvements Project)**

Clarifications to the recognition and measurement provisions would assist public sector entities better assess when to record provisions, and how to measure them. This is becoming a pressing need as government commitments under the Paris Agreement, and other climate-related obligations, are coming under increasing scrutiny. The project prioritisation criteria is in Appendix B.

### **Disclosures about Uncertainties in the Financial Statements**

This project could be undertaken concurrently with the above project. As in the private sector, uncertainties also affect the financial statements of public sector entities. As such, the IPSASB should undertake a similar project leveraging the IASB illustrative examples in addition to considering other public sector specific illustrative examples. The project prioritisation criteria is in Appendix B.

### **Revision of the guidance on the recognition of liabilities in Chapter 6 of the Conceptual Framework**

We continue to urge the IPSASB to prioritise the revision of the guidance on the recognition of liabilities in Chapter 6 of the Conceptual Framework. Currently, there is an inconsistency between the recognition and measurement chapters because the IPSASB has not incorporated all the changes made by the IASB to its Conceptual Framework in 2018. The project prioritisation criteria is in Appendix B.

### **IFRS 17 Insurance Contracts**

We support the addition of a project to develop an IPSAS based on IFRS 17 Insurance Contracts. The absence of such a standard represents a notable gap in the IPSAS literature. Our experience with the ongoing implementation of IFRS 17 in New Zealand and Australia has shown that public sector insurance arrangements differ fundamentally from those in the private sector. This necessitated substantial sector specific amendments to IFRS 17 before domestic equivalents – PBE IFRS 17 and AASB 17 – could be issued, which now apply from 1 January 2026 and 1 July 2026 respectively. The project prioritisation criteria is in Appendix B.

### **IAS 38 Intangible Assets (Comprehensive Review)**

The IASB's Intangible Asset project is still at an early stage. It is important that when the IASB commences work on the revision of IAS 38 Intangible Assets that the IPSASB has the capacity to monitor this project and consider an appropriate public sector response given the importance of the subject matter. The project prioritisation criteria is in Appendix B.

**Specific Matter for Comment 2 – Which IPSAS Standards do you think are the highest priority for the IPSASB to undertake a post implementation review on next? For each post implementation review you suggest, please clearly explain the issues with the existing IPSAS Standard and your priority reasoning using the IPSASB's project prioritization criteria. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents for each PIR suggested.**

We commend the IPSASB for establishing a post-implementation review (PIR) process to gather feedback from stakeholders on potential issues in practice with existing IPSAS. Currently PIRs are only an element of the financial reporting work program, however PIRs will also be important for sustainability reporting projects in the future. In our view, the IPSASB should focus its work programme on the following PIRs, in order of priority.

### **IPSAS 40 Public Sector Combinations**

IPSAS 40 Public Sector Combinations was adopted in New Zealand with several modifications to better suit the New Zealand environment from 1 January 2021. A PIR would be useful to understand whether other jurisdictions have also experienced challenges, and/or made modifications to avoid these challenges, and whether amendments to IPSAS 40 are needed. The project prioritisation criteria is in Appendix B.

### **IPSAS 35 Consolidated Financial Statements**

IPSAS 35 Consolidated Financial Statements was adopted in New Zealand with an effective date of 1 January 2021. Despite expanded the guidance about predetermination, New Zealand entities have still encountered practical difficulties in applying the definition of control. A PIR would be useful to understand whether other jurisdictions have also

experienced challenges, and/or made modifications to avoid challenges in this area, and whether amendments to IPSAS 35 are needed. The project prioritisation criteria is in Appendix B.

### **IPSAS 43 Leases**

IPSAS 43 Leases has not yet been adopted in New Zealand due to concerns from New Zealand public sector entities about significant costs and complexities which are perceived to be disproportionate to the benefits. Furthermore, our [response to the IASB PIR IFRS 16 Leases](#) (on which IPSAS 43 is based) reveals that there is significant concern amongst stakeholders about the cost/benefit of applying IFRS 16. We acknowledge the IPSASB's indication that PIRs will generally not commence until at least five years after the effective date of a standard. However, we recommend making an exception for this PIR due to the pressing nature of the issues that are delaying adoption. The project prioritisation criteria is in Appendix B.

### **IPSAS 41 Financial Instruments**

IPSAS 41 Financial Instruments was adopted in New Zealand with an effective date of 1 January 2022. Despite being implemented for several years, New Zealand entities continue facing range of application issues and a PIR could help identify and address those issues. Again, we acknowledge the IPSASB's indication that PIRs will generally not commence until at least five years after the effective date of a standard. However, we believe that the PIR for IPSAS 41 should commence sooner rather than later. The project prioritisation criteria is in Appendix B.

**Specific Matter for Comment 3 – Which sustainability reporting projects should the IPSASB prioritize? For each sustainability reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB's project prioritization criteria, to support its priority. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents for each project suggested.**

We support alignment with the International Sustainability Standards Board's (ISSB) work when developing IPSASB Sustainability Reporting Standards™ (IPSASB SRS™). We recommend the IPSASB considers the timeline and work plan of the ISSB to shape IPSASB work program. Our comments on the current and proposed future work program are as follows.

## Current work program

### Implementation Support / Education Material (MMJ) for Sustainability: Climate-related Disclosures: Own Operations (Phase 1)

We commend the IPSASB on the issuance of IPSASB SRS 1, Climate-related Disclosures. However, the implementation support / educational materials that will be needed should not be underestimated. The scope of this current work program project appears to be limited to phase 3 of the Making Materiality Judgments (MMJ) project, which in our view will not be sufficient. The ISSB is prioritising implementation support and adoption guidance for its IFRS Sustainability Disclosure Standards. We recommend the IPSASB does the same and prioritises implementation support ahead of Climate-related Disclosures: Public Policy Programs (Phase 2), and any new sustainability reporting projects.

### Climate-related Disclosures: Public Policy Programs (Phase 2)

We have concerns about the feasibility of the current work program project; Climate-related Disclosures: Public Policy Programs (Phase 2). Given its complexity, we have doubts about whether a technically sound solution can be developed within the proposed project timeline without compromising quality and/or adversely impacting the completion of other projects. We continue to encourage early agreement and clarity on the purpose and desired outcomes of a new standard or guidance, identification of the primary user(s), and an appropriate scope.

## Future work program

### General Sustainability-related Disclosures

We have received mixed feedback on the usefulness of a public sector equivalent of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.

However, we agree that there is a need for an overarching framework as other sustainability topics that are material to the public sector are brought into the reporting regime. We note that Appendix B of IPSASB SRS 1 contains conceptual foundations and principles drawn from the Conceptual Framework and IFRS S1. In the absence of an overarching framework, this approach would need to be replicated across all sustainability topic standards, resulting in significant duplication.

As noted below in relation to nature-related disclosures, future thematic areas being considered for standard setting by the ISSB will be incremental to IFRS S1 and S2. As part of the architecture research project, the IPSASB will need to consider whether a public sector equivalent of IFRS S1 is necessary to support ongoing alignment between IPSASB and ISSB Standards.

We recommend a **conceptual framework for sustainability reporting** be integrated into the conceptual framework for financial reporting. This would help organisations understand their dependencies and impacts on natural, social, and human capital, leading to more

holistic, value-driven decisions that benefit society, nature, and the economy. The project prioritisation criteria is in Appendix B.

### **Nature-related Disclosures**

Nature is a very important sustainability topic to the public sector, and its relevance differs to the private sector. Alignment with the IFRS Sustainability Disclosure Standards is crucial to minimise differences between the private and public sector, therefore we agree that the IPSASB should leverage off the ISSB's nature-related disclosures project. However, we note that the ISSB's approach to nature-related disclosures is currently intended to be a Practice Statement, incremental to IFRS S1 rather than a standalone standard similar to IFRS S2. Its approach to future thematic areas is likely to be similar.

We recommend the IPSASB closely monitor the ISSB's project development and approach and consider the implications for their future standard architecture. There is likely to be a market expectation that the IPSASB will issue an Exposure Draft immediately after the ISSB issues its final standard to avoid any lag. If there is still no overarching framework at this time, then the IPSASB would need to consider whether a Practice Statement for nature-related disclosures would be appropriate for the public sector or consider alternative options.

If the IPSASB proceeds with Climate-related Disclosures: Public Policy Programs (Phase 2) it will also need to consider whether to take the same two-phase approach for nature-related disclosures or be explicit that it is only for own operations. In our view, there is strong public policy program angle to nature, but also consideration of the value and contribution of natural capital to the public sector will be key. The project prioritisation criteria is in Appendix B.

# Appendix B

## Project prioritisation criteria

### SMC 1: Financial reporting projects

#### IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Targeted Improvements Project)

##### Project Description:

- This is a current ongoing [IASB project](#). The IASB issued an exposure draft in November 2024 proposing to make targeted improvements to three aspects of IAS 37 Provisions, Contingent Liabilities and Contingent Assets:
  - Updating the criteria for recognising a provision—aligning with the conceptual framework and clarifying the requirement for the entity to have a present obligation as a result of a past event (the present obligation recognition criterion); and
  - Two aspects of the requirements for measuring a provision—those relating to:
    - The costs an entity includes in estimating the future expenditure required to settle its present obligation; and
    - The rate an entity uses to discount that future expenditure to its present value.
- Comments closed 12 March 2025, and the IASB is currently working through feedback received.
- Maintaining alignment with IFRS Accounting Standards where transactions are the same or similar between the public and private sector would be beneficial.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – Provisions impact public sector entities widely.
<b>Consequences</b>	<b>High</b> – Aligning the definition of a liability in IPSAS 19 to the Conceptual Framework definition, and aligning the wording of the present obligation recognition criterion with the updated definition of a liability, would contribute to more accurate and reliable financial reporting and promote global consistency on this important issue.
<b>Urgency</b>	<b>Medium</b> – The IASB is due to decide the project direction in March 2026. We agree that the IPSASB should wait until after the IASB's project is finished before it begins a similar project.

<b>Feasibility</b>	<b>Medium</b> – The IPSASB could draw from the work of the IASB. However, there are public sector specific issues that the IPSASB would need to consider as part of such a project, such as the timing of when the recognition criteria are met for Government climate commitments under the Paris Agreement.
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## Disclosures about Uncertainties in the Financial Statements

### Project Description:

- Stakeholders noted that the information companies provide about the effects of uncertainties is sometimes insufficient or appears inconsistent with the information provided outside their financial statements.
- On 28 November 2025, the IASB issued [Disclosures about Uncertainties in the Financial Statements](#), which added illustrative examples to the guidance accompanying several IFRS Accounting Standards.
- The objective of those examples is to illustrate how an entity applies the requirements in the IFRS Accounting Standards to report the effects of uncertainties in its financial statements.
- The need to establish connectivity and alignment between financial reporting and sustainability reporting is growing. Providing examples will aid in improving reporting of the effects of climate-related and other uncertainties in the financial statements.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – Uncertainties impact public sector entities widely.
<b>Consequences</b>	<b>Medium</b> – These illustrative examples were developed to provide practical insights to support clearer and more consistent application of existing IFRS Accounting Standards.
<b>Urgency</b>	<b>Medium</b> – As accompanying materials to IFRS Accounting Standards, these illustrative examples are non-authoritative. They demonstrate the application of existing disclosure requirements.
<b>Feasibility</b>	<b>Medium</b> – The IPSASB could draw from the work of the IASB. However, the IPSASB should consider whether it needs to modify the illustrative examples for the public sector and/or develop additional public sector specific illustrative examples.

## Revision of the guidance on the recognition of liabilities in Chapter 6 of the Conceptual Framework

### Project Description:

- In 2023, the IPSASB updated the definition of a liability, and the guidance that accompanies this definition, in [Chapter 5 of the Conceptual Framework](#). These changes align with the changes made by the IASB to its Conceptual Framework in 2018.
- In updating its Conceptual Framework in 2018, the IASB also updated the guidance on the recognition of liabilities. The IASB's updated guidance clarifies that when the likelihood of a transfer of resources is low, an item may meet the definition of a liability but might not meet the criteria for recognition. However, the IPSASB did not make the equivalent amendments to Chapter 6 of the Conceptual Framework to clarify and align the recognition criteria for liabilities.
- We recommend that the IPSASB enhances the guidance on the recognition of liabilities in Chapter 6 of the Conceptual Framework – consistent with the IASB's Conceptual Framework – to clarify that when the likelihood of a transfer of resources is low, an item may meet the definition of a liability but might not meet the criteria for recognition.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>Medium</b> – Liabilities impact public sector entities widely, but those where the likelihood of a transfer of resources is low is a subset.
<b>Consequences</b>	<b>Medium</b> – Currently, there is an inconsistency between the recognition and measurement chapters because the IPSASB has not taken in all the changes made by the IASB to its Conceptual Framework in 2018. We acknowledge that under the accounting hierarchy, an accounting standard requirement overrides the concepts in the Conceptual Framework. Nevertheless, we are concerned that this inconsistency may lead to a lack of clarity as to whether obligations with a low probability of resource transfer should be recognised in the financial statements.
<b>Urgency</b>	<b>Medium</b> – The requirements in accounting standards should be developed based on consistent concepts described in the Conceptual Framework.
<b>Feasibility</b>	<b>High</b> – The IPSASB could draw from the work of the IASB.

## IFRS 17 Insurance Contracts

### Project Description:

- Develop an IPSAS based on IFRS 17 Insurance Contracts as the IPSASB does not have a specific IPSAS for insurance accounting.
- New Zealand and Australia have already developed and are in the process of implementing public sector insurance contract standards (PBE IFRS 17 and AASB 17, respectively).
- Our experience in New Zealand and Australia demonstrates that public sector insurance arrangements differ fundamentally from those in the private sector, necessitating substantial amendments to IFRS 17 to ensure that the standard is fit for purpose in the public sector and avoids unintended consequences or excessive implementation costs.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>Low</b> – While limited to those public sector entities issuing insurance contracts, which may be few, insurance arrangements tend to be material once public sector entities enter into these type of contracts.
<b>Consequences</b>	<b>Medium</b> – We disagree with the assertion that the nature of insurance contracts in the scope of IFRS 17 is the same in the public and the private sector. Feedback from our stakeholders is that applying the IFRS 17 requirements in the public sector as written produced outcomes that were impractical, excessive or expensive, with the result that both Australia and New Zealand made modifications to address these concerns.
<b>Urgency</b>	<b>Medium</b> – Should other jurisdictions proceed to develop their own public sector insurance standards in the absence of an IPSAS, there is a real risk that global comparability and consistency will be undermined.
<b>Feasibility</b>	<b>High</b> – We disagree that IFRS 17 can be adopted in the public sector without significant modifications. However, New Zealand and Australia have already jointly completed the process of adapting IFRS 17 for the public sector. The IPSASB can leverage this work, including the detailed public sector amendments and implementation guidance, significantly reducing the development effort.

## IAS 38 Intangible Assets (Comprehensive Review)

### Project Description:

- This is a current ongoing [IASB project](#). The IASB is due to decide the project direction in H2 2026.
- The IASB has started its review in a focused way, exploring two initial streams:
  - Assessing user needs for information about recognised and unrecognised intangible assets and expenditure associated with them in the financial statements; and
  - Considering whether to update the definition of an intangible asset, associated guidance and some aspects of the recognition criteria, by initially using, as test cases, application issues related to newer types of intangible assets and new ways of using them; and then considering the effects of any potential amendments on the broader population of intangible assets.
- Maintaining alignment with IFRS Accounting Standards where transactions are the same or similar between the public and private sector would be beneficial.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – Intangibles impact public sector entities widely.
<b>Consequences</b>	<b>High</b> – The recent growth in the variety of intangible assets, and the ways entities use them, has led many stakeholders to express concern about the usefulness of the information entities can provide about intangible items in their financial statements.
<b>Urgency</b>	<b>Low</b> – The IASB’s project is still in the early stages and the scope of the project is still unclear. We agree that the IPSASB should wait until after the IASB’s project is finished before it begins a similar project.
<b>Feasibility</b>	<b>Low</b> – The IPSASB could draw from the work of the IASB. However, there may be additional public sector specific considerations for intangible assets that need to be taken into account. This is likely to be a complex project.

## SMC 2: Post-implementation reviews

### IPSAS 40 Public Sector Combinations

#### Project Description:

- This project would evaluate the operation of IPSAS 40 Public Sector Combinations, in practice to assess whether it is operating as intended.
- Several modifications were made to the standard when it was adopted in New Zealand, including:
  - Modifications to the definitions of ‘equity interests’ and ‘owners’ to reflect the New Zealand public benefit entities’ broader view of equity interests and owners;
  - Additional guidance on how to apply the modified pooling of interests method if one of the combining operations had not applied the New Zealand equivalents of the IPSAS prior to the amalgamation; and
  - Requiring recognition of previously unrecognised assets and liabilities of the combining operations (which is not permitted under IPSAS 40).
- A PIR would be useful to understand whether other jurisdictions have also experienced challenges and/or made modifications to avoid challenges in this area and whether amendments to IPSAS 40 are needed.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>Medium</b> – Central and local governments continue to introduce initiatives aimed at improving the efficiency and effectiveness of public services which often result in restructurings and amalgamations within the scope of IPSAS 40.
<b>Consequences</b>	<b>Medium</b> – If other jurisdictions have also experienced challenges and/or made modifications, there is a real risk that global comparability and consistency will be undermined.
<b>Urgency</b>	<b>Medium</b> – New Zealand has made changes to IPSAS 40 for local adoption, so it is possible that other jurisdictions have too.
<b>Feasibility</b>	<b>Medium</b> – The IPSASB can leverage the work that has already been conducted in New Zealand (and any other jurisdictions) as a starting point.

### IPSAS 35 Consolidated Financial Statements

#### Project Description:

- This project would evaluate the operation of IPSAS 35 Consolidated Financial Statements, in practice to assess whether it is operating as intended.
- The New Zealand experience is that the guidance about predetermination in IPSAS 35 has not led to consistent and appropriate assessments of control.
- New Zealand entities have encountered practical difficulties in applying the definition of control, especially where statutory or regulatory frameworks intersect with operational realities.
- A PIR would be useful to understand whether other jurisdictions have also experienced challenges and/or made modifications to avoid challenges in this area and whether amendments to IPSAS 35 are needed.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – The majority of public sector entities are part of a consolidated group.
<b>Consequences</b>	<b>Medium</b> – Inconsistent and inappropriate assessments of control impairs the ability of the financial statements/general purpose financial reports to provide useful information for accountability and decision making.
<b>Urgency</b>	<b>Medium</b> – New Zealand entities have encountered practical difficulties in applying the definition of control, so it is possible that other jurisdictions have too.
<b>Feasibility</b>	<b>Low</b> – Some jurisdictions have noted applying control in determining whether or not to consolidate in the public sector is not an appropriate factor to consider. It may be challenging to develop another consolidation principle, and one supported by broadly by stakeholders internationally.

## IPSAS 43 Leases

### Project Description:

- This project would evaluate the operation of IPSAS 43, Leases, in practice to assess whether it is operating as intended.
- The IASB is currently conducting a [PIR of IFRS 16](#), on which IPSAS 43 is based.
- [Feedback](#) we have received from both the Australian private and public sector, and the New Zealand for-profit sector, indicates that IFRS 16 results in significant costs and complexities for many preparers which are perceived to be disproportionate to the benefits.

- IPSAS 43 Leases has not yet been adopted in New Zealand due to concerns from New Zealand public sector entities about significant costs and complexities which are perceived to be disproportionate to the benefits.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – Leases impact public sector entities widely.
<b>Consequences</b>	<b>Medium</b> – Delayed or non adoption of IPSAS 43 amongst some jurisdictions risks undermining global comparability and consistency. Improvements in several areas of IPSAS 43 that will likely be identified by a PIR could enhance the usefulness of the information in the financial statements resulting from this standard, and reduce the cost burden for most preparers. This may address the reticence to adopt in some jurisdictions.
<b>Urgency</b>	<b>Low</b> – The IPSASB should wait until after the IASB’s project is finished before it begins a similar project, to avoid two separate rounds of amendments.
<b>Feasibility</b>	<b>Low</b> – The IPSASB could draw from the work of the IASB. However, there may be public sector specific issues that the IPSASB would need to consider as part of such a project. However, a PIR of IPSAS 43 is likely to be a resource-intensive project.

## IPSAS 41 Financial Instruments

### Project Description:

- This project would evaluate the operation of IPSAS 41, Financial Instruments, in practice to assess whether it is operating as intended.
- The IASB is currently conducting a PIR of IFRS 9, on which IPSAS 41 is based, in three stages:
  1. The IASB has completed its PIR of the [classification and measurement](#) requirements of IFRS 9 resulting in a project to clarify the requirements, and adding a research project on amortised cost measurement to its work plan.
  2. The IASB has completed its PIR of the [impairment](#) requirements of IFRS 9 resulting in exploring whether the requirements for modification, derecognition and write-off of financial instruments, and the consequential effects on recognition of expected credit losses, can be clarified, and investigating targeted improvements to the credit risk disclosure requirements in IFRS 7

3. The IASB started a PIR of the [hedge accounting](#) requirements of IFRS 9 in the first quarter of 2026.

- A PIR would be useful to understand whether other jurisdictions have also experienced challenges and/or made modifications to avoid challenges in this area and whether amendments to IPSAS 41 are needed.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – Financial instruments impact public sector entities widely.
<b>Consequences</b>	<b>Medium</b> – Improvements in several areas of IPSAS 41 could enhance the usefulness and comparability of the information in the financial statements resulting from this standard, and reduce the cost burden for most preparers.
<b>Urgency</b>	<b>Low</b> – The IPSASB should wait until after the IASB’s project is finished before it begins a similar project.
<b>Feasibility</b>	<b>Low</b> – The IPSASB could draw from the work of the IASB. However, a PIR of IPSAS 41 is likely to be a substantial resource-intensive project. This is demonstrated by the IASB splitting its PIR of IFRS 9 into three stages due to its size and complexity.

### SMC 3: Sustainability reporting projects

#### Conceptual Framework for Sustainability Reporting

##### Project Description:

- There is a need for an overarching framework as other sustainability topics that are material to the public sector are brought into the reporting regime.
- The absence of an overarching framework means that conceptual foundations and principles need to be included in all sustainability topic standards, resulting in duplication and unnecessary length added to standards.
- We recommend a conceptual framework for sustainability reporting be integrated into the conceptual framework for financial reporting.
- We encourage the IPSASB to engage with the IASB and the ISSB to prioritise this project.

Prioritization Criteria	Analysis
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<b>Prevalence</b>	<b>Low</b> – Only one public sector sustainability reporting standard currently means there is no duplication. However, as additional sustainability topic standards are added to the suite, the prevalence will increase.
<b>Consequences</b>	<b>High</b> – An integrated conceptual framework would help organisations understand their dependencies and impacts on natural, social, and human capital, leading to more holistic, value-driven decisions that benefit society, nature, and the economy.
<b>Urgency</b>	<b>Low</b> – With only one public sector sustainability reporting standard, the project is not urgent. However, as additional sustainability topic standards are added to the suite, the urgency will increase.
<b>Feasibility</b>	<b>Medium</b> – The ISSB has no plans to conduct this project. However, Appendix B of IPSASB SRS 1 contains conceptual foundations and principles drawn from the Conceptual Framework and IFRS S1 which can form the basis of material added to the conceptual framework.

## Nature-related Disclosures

### Project Description:

- There is yet to be an international nature-related disclosures standard that addresses the public sector context.
- The ISSB is drawing on the Taskforce on Nature-related Financial Disclosures (TNFD) framework to introduce [nature-related disclosure requirements](#) and plans to publish an Exposure Draft by October 2026 for the private sector.
- The ISSB will introduce incremental disclosure requirements on nature-related risks and opportunities not already reflected in explicit requirements in IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.
- Minimising differences between the private and public sector would be beneficial.

Prioritization Criteria	Analysis
<b>Prevalence</b>	<b>High</b> – The public sector often holds natural resources to protect, preserve, and/or restore them for future generations rather than for financial gain.

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<b>Consequences</b>	<b>Medium</b> – More information on the maintenance and consumption of such natural resources could help inform management decisions and government policy making that could drive more sustainable practices.
<b>Urgency</b>	<b>Low</b> – There are global concerns around natural resource depletion, overconsumption, and the public sector management of natural resources. There is increasing demand for information on the sustainable consumption of natural resources. The ISSB’s project is still in the early stages, and we agree that the IPSASB should wait until after the ISSB’s project is finished before it begins a similar project.
<b>Feasibility</b>	<b>Low</b> – The IPSASB could draw from the work of the ISSB. However, there will be additional public sector specific considerations for nature-related disclosures that need to be taken into account. Plus, a public sector equivalent of IFRS S1 may be necessary to support a nature-related disclosures standard.

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# Appendix C

## About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 140,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.