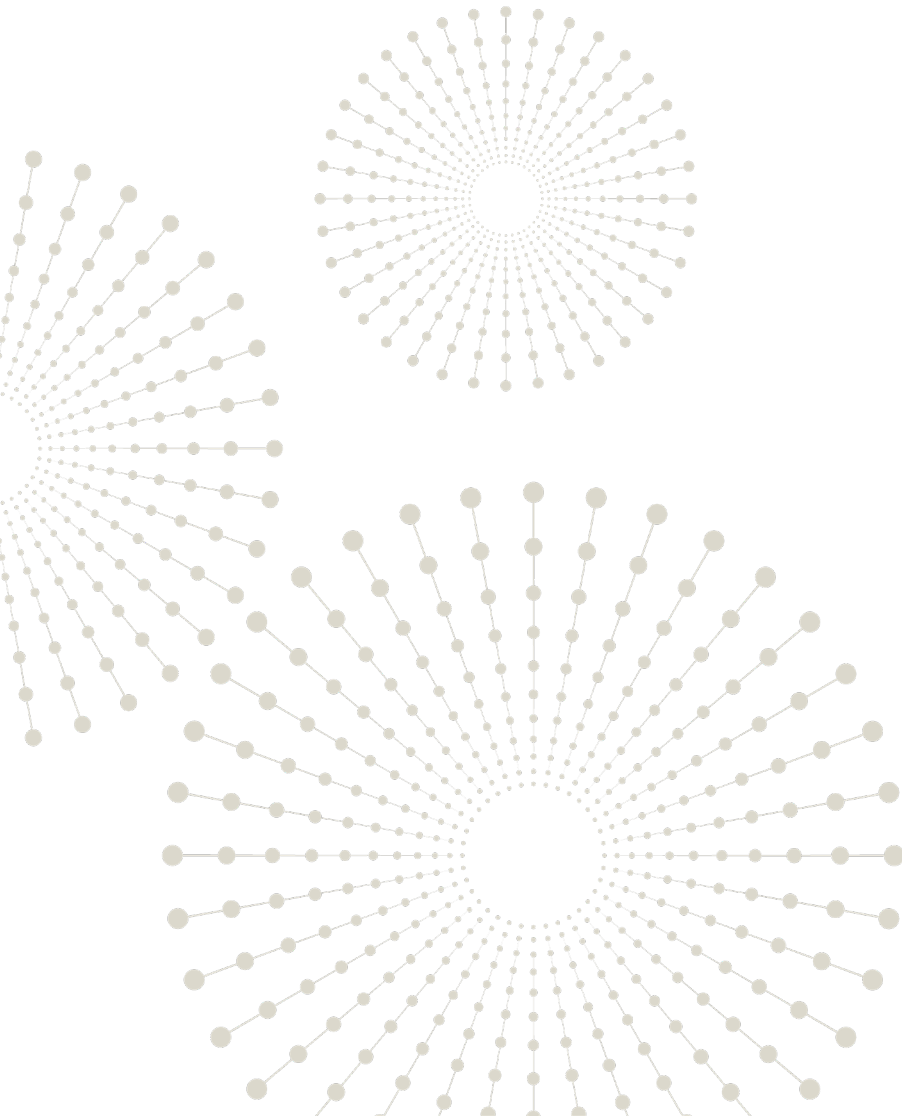


2026/27

# Statement of Performance Expectations

FOR THE PERIOD 1 JULY 2026 TO 30 JUNE 2027



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**21 May 2026**

Prepared in accordance with  
the Crown Entities Act 2004

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## External Reporting Board

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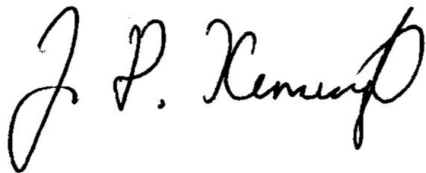
## Statement of responsibility

This is the External Reporting Board's Statement of Performance Expectations (**SPE**) for the period 1 July 2026 to 30 June 2027. It has been prepared in accordance with the Crown Entities Act 2004 (**Crown Entities Act**).

The Board is responsible for the content of this document, which comprises the forecast financial and non-financial statements for the year, including the assumptions on which they are based, and the judgements used in preparing them.

This SPE has been prepared in accordance with the Crown Entities Act and the forecast financial statements in accordance with generally accepted accounting practice in New Zealand.

In accordance with the Crown Entities Act, the External Reporting Board (**XRB**) has consulted with the Minister of Commerce and Consumer Affairs in preparing this Statement. As the XRB is an independent Crown entity, the Minister may not direct the XRB to have regard to, or give effect to, a government policy relating to the XRB's standard-setting functions and as a result no such matters are included in this SPE.



**John Kensington**  
Chair  
21 May 2026



**Jacqueline Cheyne**  
Deputy Chair  
21 May 2026

## Overview of the External Reporting Board

The XRB is an independent Crown entity under the Crown Entities Act. The XRB was initially established under the Financial Reporting Act 1993, with continued existence provided for under section 11 of the Financial Reporting Act 2013 (**Financial Reporting Act**).

### We set reporting and assurance standards for New Zealand

Our main statutory functions are to issue:

- Reporting strategies and frameworks for the issue of standards
- Financial reporting standards that describe how to report an entity's financial activities to make financial information meaningful and comparable for users
- Climate reporting standards that describe how to report an entity's climate-related risks and opportunities
- Auditing and assurance standards that establish the objectives and requirements for conducting audits and other assurance engagements
- Professional and ethical standards that apply to assurance practitioners applying the XRB auditing and assurance standards
- Non-binding guidance on a wider range of non-financial matters.

The XRB is not a regulator; monitoring and enforcement functions are carried out by regulators such as the Financial Markets Authority and Charities Services.

### We consult widely and set standards independently, in the public interest

The XRB is required under the Financial Reporting Act to consult affected parties before issuing standards and to act independently. These requirements help ensure that standards are credible, high quality and not unduly influenced by interested parties (for example, the accounting profession, reporting entities and regulators). Independent standard setting has long been accepted as best practice for international and national standard setters.

### Our Board provides strong governance and is supported by three technical boards

The XRB's powers are exercised by, or under the authority of, the XRB Board. The Governor-General appoints up to nine members to the XRB Board on the recommendation of the Minister of Commerce and Consumer Affairs.

The XRB Board is responsible for the overall governance of the organisation, reporting and standard-setting strategy and oversight of its subsidiary technical boards (see below). The Board has appointed a Chief Executive responsible for the management of the organisation. The XRB Board used its powers under the Crown Entities Act to establish three subsidiary boards as committees of the XRB Board (technical boards), and has delegated the following functions to these technical boards under the Act:<sup>1</sup>

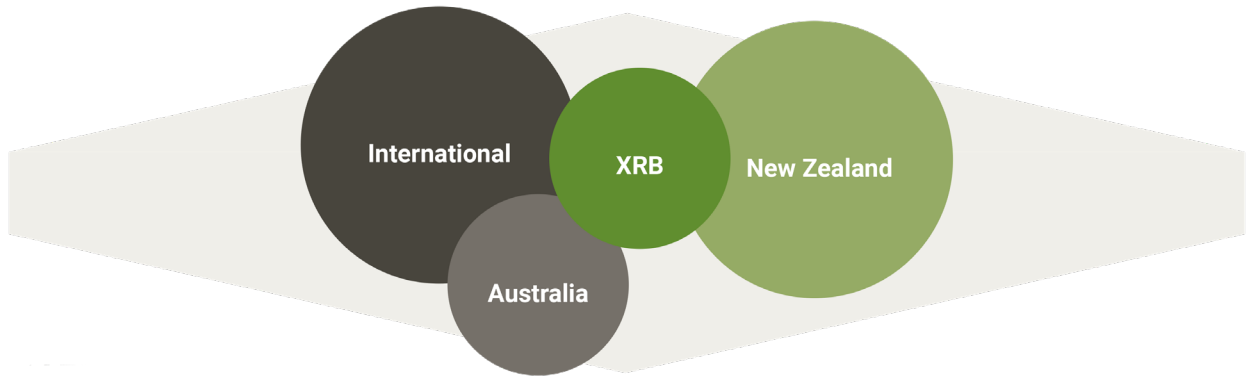
- New Zealand Accounting Standards Board (**NZASB**): prepare and issue financial reporting<sup>2</sup> standards and authoritative notices
- New Zealand Auditing and Assurance Standards Board (**NZAuASB**): prepare and issue auditing, assurance, professional and ethical, and other related services standards
- Sustainability Reporting Board (**SRB**): prepare and issue climate standards, authoritative notices and non-binding guidance on non-financial reporting.

All three technical boards liaise with international or national organisations that perform corresponding or similar functions.

<sup>1</sup> Subject to the requirements and expectations in the respective terms of reference for each board. These are available on our [website](#).

<sup>2</sup> Financial reporting includes service performance reporting.

## Our ecosystem



### New Zealand stakeholders

#### Regulatory and other bodies

- Charities Services
- Commerce Commission
- Financial Markets Authority (**FMA**)
- Ministry of Business, Innovation and Employment (**MBIE**)
- NZX
- Professional bodies
- Reserve Bank of New Zealand (**RBNZ**)
- The Audit Office

#### Information users

- Funders
- Investors, lenders and other creditors
- Parliament
- Public

#### Information preparers

- Governance and management
  - For-profit organisations
  - Not-for-profit organisations
  - Public sector organisations

- Accounting and other advisers
- Other third-party preparers (eg bookkeepers)

#### Audit and assurance practitioners

- Audit firms
- Other assurance practitioners

### International standard-setting bodies

#### International

- International Accounting Standards Board (**IASB**)
- International Auditing and Assurance Standards Board (**IAASB**)
- International Ethics Standards Board for Accountants (**IESBA**)
- International Public Sector Accounting Standards Board (**IPSASB**)
- International Sustainability Standards Board (**ISSB**)
- National standard setters

#### Australia

- Accounting Professional and Ethical Standards Board (**APESB**)
- Auditing and Assurance Standards Board (**AUASB**)
- Australian Accounting Standards Board (**AASB**)
- Financial Reporting Council (**FRC**)

## Our strategic framework

### Our purpose is to promote trust in external reporting and assurance

Promoting trust and confidence, transparency and accountability through high-quality external reporting and assurance.

We do this by establishing and maintaining robust frameworks and standards that are internationally credible and relevant to New Zealand.

### The outcome we seek is that New Zealand benefits from trusted, informative and integrated reporting



#### Trusted

Reporting and assurance that promotes confidence, transparency and accountability across all sectors of the economy



#### Informative

Reporting and assurance that generates relevant and useful information to support informed decision making



#### Integrated

Reporting that encompasses financial and non-financial information that supports good governance, stewardship and intergenerational wellbeing

### We aim to build a trusted external reporting and assurance system that supports transparency, accountability and informed decision making

Our ultimate objective is an external reporting and assurance system in New Zealand that enables sustainable economic growth, transparency, accountability and informed decision making through the provision of trusted, integrated information that meets users' needs.

We enable trust and confidence in the external reporting and assurance system by setting high-quality standards that are internationally credible and locally relevant.

### The work we deliver

Reporting strategies and frameworks

Financial reporting standards

Climate standards

Auditing and assurance standards

### How we deliver our work

Our governance, people and ways of working

Our relationships and how we engage and influence

Our financial and physical resources and use of natural resources

### How we approach our work

- Open, engaging and transparent
- Attuned to user needs, costs and benefits
- Agile and pragmatic
- Responsive to changing global and local context

## Our SPE and Statement of Intent

This SPE needs to be read in conjunction with our Statement of Intent (**SOI**), is in line with our Letter of Expectations from our Minister, and contributes to wider Government priorities.

All the planned work set out in this SPE contributes to achieving our strategy and strategic priorities as set out in our SOI. A summary of our strategy and key planned areas of work in 2026/27 to achieve our strategic priorities is outlined below.

### Our strategy: internationally aligned, locally relevant

The XRB works in a fast-changing environment, shaped by evolving stakeholder expectations, legislative change, rapid shifts in technology, and a demand for clear, trusted decision-useful reporting.

Our underpinning strategy is to ensure that our reporting frameworks and standards are aligned with international standards and function effectively in the New Zealand context. We recognise the importance of capital flows and global trade to the New Zealand economy. This approach ensures the credibility of our standards, and the consistency, and comparability of financial and non-financial information across borders, fosters investor and user confidence and supports efficient capital markets.

We engage with our stakeholders to ensure the requirements of standards meet user needs and strike the right balance between the benefits of the reporting and the costs of preparing it. This engagement underpins the work we do in developing and issuing frameworks and supporting their effective implementation; and ensuring that the New Zealand context is reflected in global standard setting through our membership and involvement in international bodies and forums.

Our tiered financial reporting framework allows us to take a tailored approach to different sectors and sizes of entities to meet user needs and appropriately balance cost and benefit. Our auditing and assurance standards enable mutual recognition of audits and build a more resilient audit market by having audit standards that are harmonised with standards used in other jurisdictions. In climate reporting we are taking a dynamic and adaptive approach to respond to stakeholder feedback about implementation challenges and the changing international landscape.

## In 2026/27 we will deliver key projects aligned with our strategic priorities

We outline below our key projects which we will be carrying out in 2026/27 in line with our strategic priorities. Our core work developing, consulting on, and issuing standards, as well as supporting their adoption and implementation is set out on pages 12 to 13.

### Our strategic priorities

### Specific 2026/27 activities



#### Fit for purpose

Ensure our reporting strategies, frameworks and standards remain fit for purpose through a focus on user needs, costs and benefits

- Key strategic projects focused on external reporting strategies and frameworks:
  - Progressing our accounting standards framework review to assess whether New Zealand's tiered, multi-standard, sector-based framework remains fit-for-purpose, internationally aligned and locally relevant
  - Consulting on a draft climate reporting roadmap to provide clarity on the future direction of climate reporting in New Zealand, balancing international alignment and local relevance.
- Other projects advancing our work to better understand user needs, benefits and costs:
  - Implementing and monitoring compliance with the Regulatory Standards Act 2025
  - Conducting planned post-implementation reviews of our standards.
- Understanding and responding to technology impacts on external reporting and assurance:
  - Consulting on revisions to auditing standards on audit evidence, risk response and analytical procedures and later inventory counts and external confirmations
  - Convening stakeholder engagement opportunities on key technology topics.
- Continuing international engagement and specifically:
  - Working with other jurisdictions to explore mid-tier sustainability reporting
  - Hosting The Asian-Oceanian Standard-Setters Group (AOSSG), which brings together national standard setters from across +/- 30 jurisdictions.



#### Supporting adoption and implementation

Support the effective adoption and implementation of our standards

- Supporting adoption and implementation of key new standards and providing guidance, specifically:
  - Incorporated societies financial reporting requirements
  - NZ IFRS 18, *Presentation and disclosure in financial statements* applicable to all for-profit entities
  - ISA (NZ) 240, *The Auditor's Responsibilities Relating to Fraud in the Audit of Financial Statements*
  - ISA (NZ) 570, *Going Concern*
  - ISSA (NZ) 5000, *General Requirements for Sustainability Assurance Engagements*

**Our strategic priorities**

**Specific 2026/27 activities**



**Integrated reporting**

Continue the focus on integrated reporting, and coherence in sustainability reporting and assurance



**Public benefit entities**

Contribute to the evolution and enhancement of public benefit entity performance reporting and assurance

- International Ethics Standards for Sustainability Assurance (including International Independence Standards) (New Zealand) within PES 1
- *ISA (NZ) for Audits of Financial Statements of Less Complex Entities*.
- Ensuring our standards are accessible and our processes comply with recent legislative requirements:
  - PCO website accessibility standards incorporated in a website upgrade
  - Regulatory Standards Act 2025 (as per above).
- Supporting adoption and implementation of He Tauira (a new voluntary conceptual reporting framework).
- Continuing to monitor and respond to the Parliamentary inquiry on public sector performance reporting.

## Measuring our performance

This section outlines our approach to measuring our outcome and output performance.

### We assess our contribution to outcomes using research and outcome indicators

The outcomes we seek are subject to many external factors and influences. These include economic and financial conditions, policy and regulatory trends in major markets, the activities of international standard setters, and how the ecosystem of all those involved in reporting and assurance operates in practice, such as reporting entities, audit and assurance practitioners, investors, regulators.

We use research and outcome indicators to assess our contribution to the achievement of these outcomes. We use research to inform our standard-setting activities and future agenda priorities, and to monitor our contribution to achieving desired outcomes. We undertake our own research, leverage research undertaken by others, and from time-to-time commission external research.

We directly engage with our stakeholders, as part of our due process requirements, to gather evidence and information so that we develop evidence-informed standards. We also conduct post-implementation reviews to assess whether our standards are achieving the desired outcomes and objectives.

Several external indicators and reports have a natural correlation to the outcomes we seek and will form part of our evaluation process. The external indicators and stakeholder survey results will be reported in our annual report. We use the following sources (reports completed annually):

1. **New Zealand's ranking in Transparency International's Global Corruption Perceptions Index:** this index ranks countries by their perceived levels of public sector corruption. High rankings are an indicator of strong transparency.
2. **Chartered Accountants Australia and New Zealand Investor Confidence Survey:** this survey monitors retail investor's confidence in financial markets and provides insights in investors' views to help understand what is needed to ensure investors have the information and confidence to make informed decisions.
3. **The FMA's Audit Quality Monitoring Report:** this annual report provides findings from the FMA's reviews of registered audit firms and licensed auditors and trends in audit quality.
4. **The FMA's Consumer Confidence Survey:** this survey provides insights into New Zealanders level of confidence in financial markets, amongst other things.

We will also monitor for other surveys / reports published in 2026/27 that provide insight into outcome performance.

### We gather stakeholder feedback to assess our performance

We undertake a stakeholder survey every three years of all our key stakeholder groups to get insight into stakeholder opinions and perceptions of organisational performance,<sup>3</sup> strengths and areas for improvement. We will undertake such a survey in 2026/27, having last done one in June 2024.

In the intervening years we obtain annual feedback from the External Reporting Advisory Panel (XRAP)<sup>4</sup> about their perceptions of our performance, what we are doing well and what we can do better.

The forecast service performance section on pages 12 to 13 details our approach to measurement.

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<sup>3</sup> Such as advocacy or net promoter score measures.

<sup>4</sup> As part of its constituent engagement activities, the XRB Board has established an XRAP. This panel is a forum for the XRB Board and its technical boards to consult individuals and representatives of organisations affected by its work. The terms of reference for XRAP are available at [External Reporting Advisory Panel: Terms of Reference](#)

## Our appropriation

### We are funded through a single appropriation that funds one reportable output class

The XRB is funded by an appropriation, Commerce and Consumer Affairs: External Reporting and Assurance Standard Setting under Vote Business, Science, Innovation administered by MBIE.

The XRB does not have any reportable class of outputs for which an exemption has been granted under section 149F of the Crown Entities Act. The XRB does not intend to supply any class of outputs in the 2026/27 financial year that is not a reportable class of outputs.

The appropriation funds one reportable output class that is limited to the development and issuing of accounting standards, climate standards, auditing and assurance standards, non-financial reporting guidance, and associated activities.

### 2026/27 appropriation and cost breakdown:

	<b>2026/27 Forecast \$000</b>	<b>2025/26 Estimated actual<sup>5</sup> \$000</b>
Revenue from the Crown	8,153	8,319
Revenue from others	140	168
Costs	(8,692)	(8,669)
Operating surplus/(deficit)	<b>(399)</b>	<b>(182)</b>

The planned deficit, funded through the use of retained earnings, is for specific projects that align to our key strategic priorities this year (detailed on pages 8 to 9). For 2026/27 key areas of spend will include:





- Undertaking work to:
  - ensure that we continue to align XRB's standards with the legislation, Parliamentary Counsel Office's (PCO) requirements and best practice guidelines, and upcoming changes in the Legislation Amendment Act 2026.
  - implement and monitor ongoing compliance with the Regulatory Standards Act 2025.
- Reviewing our tiered and sector-based accounting standards framework to make sure the framework is effective and meets user needs.
- Undertaking work on our draft climate reporting roadmap for the direction for climate reporting in New Zealand.
- Hosting an Asian-Oceanian Standard-Setters Group meeting in line with our international strategy.

<sup>5</sup> Actuals are up to 31 January 2026 and estimated to year end.

## Forecast service performance

### We use performance measures to assess our work and track performance over time


For 2026/27, we have streamlined our performance measures to ensure consistency across all functions, making them simpler to understand and enabling comparison over time.

Performance measure	Strategic priority	2026/27 Performance Target
<p>Issue all relevant<sup>6</sup> international consultation and exposure drafts</p> <p>Make submissions on the IASB, IPSASB, ISSB, IAASB and IESBA international exposure drafts as relevant</p>	 <p>Fit for purpose</p>	<p><b>Timing:</b> Issued within 3 weeks of international release</p> <p><b>Quality:</b> Issued in line with due process requirements<sup>7</sup></p> <p><b>Timing:</b> Submissions before the comment period closes internationally</p>
<p>Issue all relevant<sup>5</sup> international standards in line with the XRB's convergence and harmonisation policy<sup>8</sup></p>	 <p>Fit for purpose</p>	<p><b>Timing:</b> Issued a minimum of 6-12 months, depending on the significance, before the effective date</p> <p><b>Quality:</b> Issued in line with due process requirements<sup>7</sup></p>
<p>Consult on and issue new and amendments to domestic standards where required</p> <p>For FY26/27 this includes:</p> <ul style="list-style-type: none"> <li>Aotearoa New Zealand Climate Standards (<b>NZ CS</b>) relating to scope 3 GHG emissions to achieve greater international alignment</li> </ul>	 <p>Fit for purpose</p>	<p><b>Quality:</b> Issued in line with due process requirements<sup>7</sup></p> <p><b>Timing:</b> December 2026</p>
<p>Support the adoption and implementation of key frameworks and standards through consultation outreach activities and implementation support</p>	 <p>Supporting adoption and implementation</p>	<p><b>Quality:</b> 75% of survey respondents are satisfied with the quality of the XRB's consultation outreach, adoption, and implementation support.</p>

<sup>6</sup> Relevant means that the international consultation and exposure draft is within the XRB mandate and applicable in the New Zealand context.

<sup>7</sup> Section 22 of the Financial Reporting Act requires the XRB to take reasonable steps to consult the persons who would be substantially affected by the issue of a standard, amendment or revocation. The XRB Board has a set of due process guidelines which must be followed. An explanation of our standard-setting process and due process guidelines can be accessed at [How are our standards set? » XRB](#).

<sup>8</sup> The XRB convergence and harmonisation policy is detailed in the XRB governance manual and referred to in the Explanatory Guide A1, *Guide to application of the accounting standards framework (EGA1)*

Performance measure	Strategic priority	2026/27 Performance Target
<p>As appropriate we will consult on and issue amendments to our reporting strategies and frameworks where required</p> <p>For FY26/27 this includes:</p> <ul style="list-style-type: none"> <li>• Complete a consultation on the draft climate reporting roadmap</li> <li>• Commence the consultation process of the accounting standards framework review by issuing a discussion paper</li> </ul>	<div style="text-align: center;">  <p>Fit for purpose</p> </div>	<p><b>Quality:</b> Issued in line with due process requirement<sup>9</sup></p> <p><b>Timing:</b> December 2026</p> <p><b>Timing:</b> May 2027</p>

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<sup>9</sup> Section 22 of the Financial Reporting Act requires the XRB to take reasonable steps to consult the persons who would be substantially affected by the issue of a standard, amendment or revocation. The XRB Board has a set of due process guidelines which must be followed. An explanation of our standard-setting process and due process guidelines can be accessed at [How are our standards set? » XRB](#).

## Forecast financial statements

The forecast financial statements for the year ending 30 June 2027 have been prepared in accordance with generally accepted accounting practice in New Zealand.

They have not been audited and should not be relied upon for any other purpose.

### Statement of forecast comprehensive revenue and expense

#### For the year ending 30 June 2027

	Notes	2026/27 Forecast \$000	2025/26 Estimated actual <sup>10</sup> \$000
Revenue from the Crown	7	8,153	8,319
Interest income		140	168
<b>Total revenue</b>		<b>8,293</b>	<b>8,487</b>
Board meeting expenses	8	(319)	(280)
Technical board expenses	8	(556)	(522)
Communication and engagement	9	(164)	(59)
Depreciation		(62)	(69)
Contributions to international bodies	10	(423)	(524)
Personnel costs	11	(5,574)	(5,608)
Travel costs	12	(569)	(564)
General operating costs	13	(1,025)	(1,043)
<b>Total expenses</b>		<b>(8,692)</b>	<b>(8,669)</b>
(Deficit) and total comprehensive revenue and expense		<b>(399)</b>	<b>(182)</b>

<sup>10</sup> Actuals are up to 31 January 2026 and estimated to year end.

## Statement of forecast changes in equity

For the year ending 30 June 2027

	Contributed capital \$000	Accumulated surplus \$000	Total equity \$000
Estimated actual balance at 1 July 2026	725	3,420	4,145
Total comprehensive revenue and expense	-	(399)	(399)
Forecast balance at 30 June 2027	725	3,021	3,746

## Statement of forecast financial position

As at 30 June 2027

	Notes	30 June 2027 Forecast \$000	30 June 2026 Estimated actual <sup>11</sup> \$000
<b>Equity</b>			
Contributed capital		725	725
Accumulated surplus		3,021	3,420
<b>Total equity</b>		<b>3,746</b>	<b>4,145</b>
Current assets			
Cash and cash equivalents		518	450
Receivables and prepayments		-	9
Investments		3,716	4,237
<b>Total current assets</b>		<b>4,234</b>	<b>4,696</b>
Current liabilities			
Payables and accruals		(420)	(400)
Other payables		(282)	(257)
<b>Total current liabilities</b>		<b>(702)</b>	<b>(657)</b>
Non-current assets			
Property, plant and equipment	14	134	146
Intangible assets	14	120	-
<b>Total non-current assets</b>		<b>254</b>	<b>146</b>
Non-current liabilities			
Provisions		(40)	(40)
<b>Total non-current liabilities</b>		<b>(40)</b>	<b>(40)</b>
<b>Total net assets</b>		<b>3,746</b>	<b>4,145</b>

<sup>11</sup> Actuals are up to 31 January 2026 and estimated to year end.

## Statement of forecast cash flows

For the year ending 30 June 2027

	<b>2026/27 Forecast \$000</b>	<b>2025/26 Estimated actual<sup>12</sup> \$000</b>
<b>Cash flows from operating activities</b>		
Cash was provided from:		
Revenue from the Crown	8,153	8,319
Interest received from investments	140	168
	<b>8,293</b>	<b>8,487</b>
Cash was disbursed to:		
Payments to employees	(5,550)	(5,577)
Payments to suppliers	(2,603)	(2,328)
Contributions to international standards boards	(423)	(524)
	<b>(8,576)</b>	<b>(8,429)</b>
<b>Net cash flow from operating activities</b>	<b>(283)</b>	<b>58</b>
<b>Cash flows from investing activities</b>		
Cash was provided from:		
Investments	521	-
Cash was disbursed to:		
Investments	-	(684)
Purchase of property, plant and equipment	(170)	(20)
<b>Net cash flow from investing activities</b>	<b>351</b>	<b>(704)</b>
Net increase/(decrease) in cash and cash equivalents	68	(646)
Add opening cash and cash equivalents	450	1,096
<b>Closing cash and cash equivalents</b>	<b>518</b>	<b>450</b>

<sup>12</sup> Actuals are up to 31 January 2026 and estimated to year end.

## Reporting entity, basis of preparation and summary of significant accounting policies

### 1. Reporting entity

The XRB is an independent Crown entity under the Crown Entities Act. We are responsible under the Financial Reporting Act for preparing and issuing accounting, auditing and assurance, and climate standards and the issue of non-binding guidance on a wider range of non-financial matters.

### 2. Statement of compliance

These forecast financial statements have been prepared in accordance with the requirements of the Crown Entities Act, which includes the requirement to comply with generally accepted accounting practice in New Zealand (**NZ GAAP**).

The forecast financial statements have been prepared in accordance with Tier 2 PBE Standards, and disclosure concessions have been applied (**PBE Standards RDR**). This includes PBE FRS 42 *Prospective Financial Statements*. They have been prepared on a going concern basis.

The forecast financial statements were approved by the XRB Board on 16 April 2026.

### 3. Measurement basis

The forecast financial statements have been prepared on a historical cost basis, unless otherwise specified.

### 4. Functional, presentation currency and rounding

The forecast financial statements are presented in New Zealand dollars, which is also the functional currency of the XRB. All values are rounded to the nearest thousand dollars (**\$000**) unless otherwise specified.

### 5. Significant accounting policies

#### Revenue from the Crown

The XRB is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the XRB meeting its objectives as specified in the Statement of Intent. The XRB considers that there are no other conditions attached to the Crown funding and as such it is recognised as revenue at the point of entitlement and is measured at the fair value of consideration received or receivable.

#### Goods and services tax (GST)

Items in the forecast financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the forecast statement of financial position.

#### Income tax

The XRB is a public authority and consequently is exempt from the payment of income tax under the Income Tax Act 2007. Accordingly, no provision has been made for income tax.

#### Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the XRB are classified as operating leases. Payments are recognised as an expense on a straight-line basis over the term of the lease in the statement of forecast comprehensive revenue and expense.

## Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and impairments. Depreciation is provided on a straight-line basis over their useful lives.

## Investments

Investments consist of term deposits. These are initially measured at the amount invested. After initial recognition, investments in term deposits are measured at amortised cost using the effective interest rate method, less any provision for impairment. The carrying amount of term deposits approximates their fair value.

## Changes in accounting policies

The accounting policies set out above have been applied consistently to all periods presented in these forecast financial statements.

## Significant assumptions and explanatory notes relating to the forecast financial statements

### 6. General

The following assumptions have been used in preparing these forecast financial statements:

- The XRB will continue to operate in its current structure and form.
- The XRB's statutory functions will remain unchanged.
- Externally driven costs have been adjusted based on known actuals or estimated based on inflation.
- There will be no unexpected external events (such as a natural disaster) that will require significant operating or capital expenditures to be incurred.

Should any of these factors change this could lead to a material difference in the forecasted results.

### 7. Revenue from the Crown

The Crown appropriation for 2026/27 is \$8,152,620<sup>13</sup>.

### 8. Board and technical board expenses

The fee rates for the XRB Board members and our technical board members are set by the Remuneration Authority. The increase in budgeted costs reflects the changes in board members including appointments made during 2025/26. The boards are planned to operate at or below maximum numbers in 2026/27.

### 9. Communication and engagement

The communication and engagement costs for 2026/27 include the hosting of the AOSSG and a full stakeholder survey (completed every three years).

### 10. International contributions

Contributions are made to various international organisations such as the IFRS Foundation and the IPSASB. International contributions are budgeted to be lower than 2025/26. However, there is uncertainty and risk about future contribution levels as international standard setters determine sustainable funding models and appropriate levels of contributions from jurisdictions.

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<sup>13</sup> Not rounded

**11. Personnel costs**

The budget reflects lower staffing levels than the 2025/26 year offset by estimated pay increases.

**12. Travel costs**

Travel costs reflect similar levels to the current year. This includes continuing our international engagement to influence and provide thought leadership on the development of standards by international standards boards, and collaborating closely with Australian standard setters, such as through reciprocal membership arrangements.

**13. General operating costs**

Budgeted costs are similar to 2025/26 and include rent, ICT costs and engaging additional legal and professional support for key projects.

**14. Capital expenditure**

The capital expenditure budget for 2026/27 is \$170,000<sup>14</sup> being \$120,000<sup>14</sup> for a website upgrade and \$50,000<sup>14</sup> for replacement of old assets (primarily computer equipment).

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<sup>14</sup> Not rounded