



Project:	Service Performance Reporting	Meeting:	May 2023 (M195)
Topic:	Implications of Pervasive Issues, and analysis of alternative baselines – cover memo	Agenda Item:	4.1
		Date:	18 April 2023
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		Decision-Making:	High
		Project Status:	Project planning

Objective of this agenda item

1. The objective of this agenda item is for the Board to consider the implications of the Service Performance Reporting project's Pervasive Issues and **decide**:
 - (a) whether and if so what **working assumptions** to make;
 - (b) the **project baseline selection Criteria** to apply;
 - (c) the **alternative baselines** to test against those Criteria;
 - (d) ultimately, the **baseline**; and
 - (e) consequently, the **implications for the Project Plan**.
2. These decisions will help guide staff in drafting a Project Plan for consideration at a future Board meeting. The Project Plan will include an outline of further work to be undertaken (e.g. targeted consultation and other evidence-gathering activities such as research) on the Pervasive Issues, their working assumptions, and the baseline.

Attachments

Agenda Paper 4.2 Implications of the project's Pervasive Issues

Agenda Paper 4.3 Analysis of alternative project baselines

Agenda Paper 4.4 Supplementary information about potential project baselines [supporting documents folder – for information only]¹

Background and introduction

3. The history of the Service Performance Reporting project, including previous Board decisions, is provided in the [Project Summary](#) on the AASB's website. This agenda item follows

1 Given the interrelationship between these Papers, there is some unavoidable repetition. Also, a challenge for staff has been to judge the amount of project work that is reasonable to undertake in the process of determining the baseline and drafting the Project Plan rather than to be undertaken as the project progresses.

Agenda Paper 7.1 *Service Performance Reporting: Background and education session* considered at the Board's December 2022 meeting.²

4. As noted in the Project Summary and the December 2022 Agenda Paper, the Board's Service Performance Reporting project was initiated in 2009 and progressed to the publication of AASB Exposure Draft [ED 270 Reporting of Service Performance Information](#) in August 2015. The project was put on hold after the Board considered the mixed reaction of stakeholders to the Exposure Draft at its December 2016 meeting, and due to higher priorities. Subsequently, after considering the feedback on Invitation to Comment [ITC 46 AASB Agenda Consultation 2022-2026](#) (published in 2021) and as explained in the [Feedback Statement](#), the Board decided to reactivate the project in June 2022.
5. Paragraph 27 of the December 2022 Agenda Paper 7.1 noted that there have been significant developments in practice and regulation of service performance reporting and related fields in the public and private sectors, both domestically and internationally. That paragraph also noted the AASB staff research and other activities and publications that have identified developments in some related areas. The Agenda Paper and the related Board discussion went on to identify Pervasive Issues and possible baselines that need further consideration in determining a starting point for the project.

Summary of the Agenda Papers 4.2 and 4.3

Agenda Paper 4.2 – Implications of the project's Pervasive Issues

6. The project's Pervasive Issues could have implications for the selection of the project's baseline and the Project Plan. The Pervasive Issues discussed in Agenda Paper 4.2 are:³
 - (a) Pervasive Issue A: whether the AASB is a proper and preferred body to determine a service performance reporting pronouncement;
 - (b) Pervasive Issue B: the relationship of service performance information to general purpose financial statements/reports (GPFS/GPFR) and what assurance implications there might be;
 - (c) Pervasive Issue C: the relationship of the Service Performance Reporting project to other AASB projects, particularly the Sustainability Reporting, Management Commentary, Not-for-Profit (NFP) Financial Reporting Framework, and NFP Conceptual Framework projects;
 - (d) Pervasive Issue D: the types of entities that should be subject to a service performance reporting pronouncement (public sector and/or private sector NFPs);
 - (e) Pervasive Issue E: whether differential reporting principles need to be applied, to reflect the capacities of the different Tiers of NFPs (particularly for Tier 2 and the proposed Tier 3 NFPs);
 - (f) Pervasive Issue F: whether a service performance reporting pronouncement should be mandatory or voluntary;
 - (g) Pervasive Issue G: the notion of 'service'; and

² The outcome of the Board's consideration of the December 2022 Agenda Paper 7.1 is recorded in the [minutes](#) of that meeting.

³ Pervasive Issues G and H in the list were not explicitly identified in the December 2022 Agenda Paper – they were identified during the related Board discussion. Some of the other Pervasive Issues might be regarded as superficial given previous Board discussions and decisions, and not all of the issues would be expected to have substantial implications for the choice of baseline. However, all of them would be expected to have implications for the Project Plan. Therefore, for completeness, all of the Pervasive Issues are addressed in the attached Agenda Papers, to help ensure there is a comprehensive foundation for any decisions the Board makes about the baseline and what the Board would expect to see reflected in the Project Plan.

- (h) Pervasive Issue H: what the Board's next due process document should be.
7. Agenda Paper 4.2 identifies the particular Pervasive Issues for which staff recommend working assumptions be made at this stage in order to help facilitate timely completion of the project. They are Pervasive Issues A, C, D, E and G, of which D and G would be expected to have the greatest impact on the selection of the baseline (and, to a lesser extent, Pervasive Issue E). The staff view is that it is not yet necessary to make working assumptions about Pervasive Issues B, F and H – insights gained as the project progresses will help inform decisions about those issues.
 8. Paragraph 22 of the December 2022 Agenda Paper indicated that decisions about some of the Pervasive Issues would ultimately depend on the interaction among the Pervasive Issues and the overall approach to specifying service performance reporting principles. Accordingly, this agenda item is predicated on the Project Plan reflecting an iterative approach – starting with reasonably informed working assumptions on the key Pervasive Issues.⁴ The Project Plan could then identify the points at which those assumptions should be reviewed and the other Pervasive Issues resolved, based on the project's progress and as more information is obtained.
 9. A benefit of making working assumptions upfront is that they provide a clear starting point and therefore a reasonable opportunity to make practical, timely progress on the project. By their nature, 'working assumptions' anticipate further work being undertaken, including targeted consultation and other evidence-gathering activities (such as additional research and literature reviews), before there is sufficient rigour to form 'preliminary views'. Therefore, any working assumptions made by the Board as part of this agenda item would not meet the hurdle expected of preliminary views.

Agenda Paper 4.3 – Analysis of alternative project baselines

10. Agenda Paper 4.3 focuses on the selection of the project baseline. It identifies staff-recommended baseline selection Criteria and reasonably feasible alternative baselines (referred to as the alternative baselines in this agenda item) to be tested against those Criteria. The alternative baselines analysed in the greatest detail are:
 - (a) 'Green fields' (i.e. a clean start);
 - (b) AASB ED 270 (issued August 2015);⁵ and
 - (c) other alternative baselines, in particular, the:
 - (i) NZ External Reporting Board's (XRB) Public Benefit Entity Financial Reporting Standard 48 *Service Performance Reporting* ([NZ FRS PBE 48](#) – issued in November 2017) together with any recent implementation experience;
 - (ii) Australian Productivity Commission's Report on Government Services ([RoGS](#) – which, although first published in 1995, has been subject to annual improvements) together with recent implementation experience; and
 - (iii) Chartered Institute of Public Finance and Accountancy's (CIPFA) International Financial Reporting for Non-Profit Organisations (IFR4NPO) initiative: the

4 Preliminary discussions about the Pervasive Issues can be informed by feedback received to date as recorded in relevant sections of the staff analysis of comments on ED 270 in [Agenda Paper 13.1](#) of the December 2016 AASB meeting. Other relevant insights were provided by some stakeholders in response to [ITC 46](#), as summarised in the June 2022 [Agenda Paper 3.2](#).

5 The original project baseline adopted in 2009 was a 'green fields' approach. However, as the project progressed, the Board effectively reoriented the baseline in April 2014 towards building on the then imminent International Public Sector Accounting Standards Board's (IPSASB) Recommended Practice Guide 3 *Reporting Service Performance Information* ([RPG 3](#)) (which was ultimately published in March 2015, in time to be reflected in ED 270) as well as the NZ Accounting Standards Board's (ASB) proposals (which did not result in a NZ Standard until after the publication of ED 270 in August 2015).

International Non-Profit Accounting Guidance Part 1 Invitation to Comment
([INPAG ED 1](#) – issued in November 2022).

The reasons for focusing on these alternative baselines from a range of potential baselines are explained in Appendix A of Agenda Paper 4.3. For completeness, other potential baselines are described without detailed discussion in Agenda Paper 4.4 in the supplementary folder. That Paper is for information only, as a resource for reference as the project progresses – it provides an overview and a database of useful and relevant links to various potential baselines that can be used and updated as the project progresses.

11. The fundamental objective underpinning this agenda item is to identify a baseline that would best help facilitate the efficient and timely progress of the project and lead to a high quality (including cost-effective) service performance reporting pronouncement consistent with the AASB Conceptual Framework. Accordingly, the staff recommended baseline selection Criteria reflect that the preferred baseline is one that is, relative to other potential baselines, most:
- (a) consistent with the Pervasive Issues working assumptions (Criterion 1);
 - (b) contemporary in its thinking (Criterion 2);
 - (c) informed by implementation experience (Criterion 3);
 - (d) reflective of Australian-specific circumstances (Criterion 4);
 - (e) focused on ‘service’ performance reporting (Criterion 5);
 - (f) cohesive as a service performance reporting framework (Criterion 6);⁶ and
 - (g) helpful in facilitating an efficient and timely project (Criterion 7).

It is unlikely that any alternative baseline would satisfy all the Criteria to the same extent. Therefore, assessments of alternative baselines involve judgement, including judgement in weighting the various Criteria.

12. From the analysis in Agenda Paper 4.3, the main decisive factors for selecting from among the five alternative baselines of ‘green fields’, AASB ED 270, NZ PBE FRS 48, RoGS and INPAG ED1 are:
- (a) Criterion 1: consistency with the Pervasive Issues working assumptions. As noted in paragraph 7 above, of the Pervasive Issues for which staff recommend a working assumption be made, Pervasive Issue D (public and/or private sector NFPs) and Pervasive Issue G (level of focus on ‘service’) are expected to have the greatest impact on the choice of baseline. Pervasive Issue E (differential reporting) might also be influential, particularly in the context of Tier 3 NFPs;
 - (b) Criterion 2: contemporary thinking;
 - (c) Criterion 3: implementation experience;
 - (d) Criterion 4: Australian-specific circumstances; and
 - (e) Criterion 7: helpfulness in facilitating an efficient and timely project.

Overall staff recommendation

13. Staff do not recommend adopting ‘green fields’ or AASB ED 270 as the baseline, primarily on the grounds of the weight given to project efficiency and timeliness of outcome (Criterion 7).

⁶ The term ‘framework’ is used to refer to a potential baseline that has been or is being developed by an authority. Other types of potential baselines, such as current practice or implementation experience, are not referred to as frameworks in this paper.

Those baselines would be expected to result in a less efficient and timely project than the alternative baselines. After weighing the other Criteria, on balance, staff also do not recommend adopting RoGS or INPAG ED1. Accordingly, on balance, consistent with the recommended working assumptions for Pervasive Issues D and G that a 'service' performance reporting pronouncement will be developed for both public and private sector NFPs, staff recommend adopting **NZ PBE FRS 48 together with any implementation experience** as the preferred baseline (shaded green in the Tables below).⁷ NZ's treatment of Tier 3 NFPs could inform the Board's decisions about Tier 3 in the Australian context as the project progresses.

14. Specific staff recommendations that led to the overall staff recommended baseline are provided at discrete points throughout Agenda Papers 4.2 and 4.3. Because of the interrelationship between the Agenda Papers and their respective structures, there are no explicit 'Questions for the Board' about those staff recommendations in those Agenda Papers. Instead, staff intend using the Tables and questions that follow below to help structure the Board discussion during the meeting.
15. The following two Tables summarise the:
 - (a) **Pervasive Issues** (Table 1) and **baseline selection Criteria** (Table 2, which is linked to Table 1 by virtue of Criterion 1) — Column 1;
 - (b) staff **recommendations on:**
 - (i) **the Pervasive Issues**, including any recommended working assumptions (Table 1); and
 - (ii) **the baseline selection Criteria** (Table 2)
— Column 2;
 - (c) staff **recommendations for the content of the Project Plan** (Tables 1 and 2) — Column 3;⁸ and
 - (d) staff **assessment of the level of consistency of the alternative baselines** with the staff recommendations in (b) (YES = consistent; NO = inconsistent; NA = not applicable) — (Tables 1 and 2) — Columns 4–8.

7 Otherwise, the balance could be in favour of, for example: INPAG ED 1, if working assumptions are made for the project to be broader than 'service' and/or to focus on private sector NFPs; or RoGS, if a working assumption is made to focus on public sector NFPs.

8 As noted in paragraph 8 above, the Project Plan could also include a plan for all of the substantive Pervasive Issues and working assumptions to be subject to review as issues become clearer.

Table 1: Summary of staff recommendations relating to the Pervasive Issues

(1) Pervasive Issue (Agenda Paper 4.2)	(2) Staff recommendation for the Pervasive Issue (Agenda Paper 4.2)	(3) Staff recommendation for the Project Plan (Agenda Paper 4.2)	(4–8) Staff assessment of alternative baselines: consistency with the staff recommendation in Column 2 (Agenda Paper 4.3)				
			<i>Green fields</i> (see paras 13–15)	<i>AASB ED 270</i> (see paras 16–18)	<i>NZ PBE FRS 48</i> (see paras 19–21)	<i>RoGS</i> (see paras 22–25)	<i>INPAG ED1</i> (see paras 26–30)
A: AASB’s role (see paras 6–8 & Appendix A)	Working assumption: AASB should undertake the project and play a leading role in collaborating with other regulators and relevant stakeholders.	Describe how the AASB will undertake targeted outreach, including consultation through a draft of the next due process document (see Pervasive Issue H) with other regulators (including ACNC and regulators in the public sector) and relevant stakeholders to help identify and remove unnecessary duplication.	YES, on the basis that it could result in a conclusion that is consistent with the working assumption	YES	YES, NZ PBE FRS 48 was developed by an accounting standard setter	YES, although RoGS was developed by the Productivity Commission, which is not an accounting standard setter	YES, INPAG ED1 was developed by an accounting standard setter
B: Relationship of service performance information to GPFS/GPFR and assurance (see paras 9–13)	No need to make a working assumption at this stage. Instead, resolve the issue as the project progresses and more insights are gained, in conjunction with the: (a) NFP Conceptual Framework and Management Commentary projects, in addressing the question of the relationship of service performance information to GPFS/GPFR (see also Pervasive Issue C); and (b) AUASB, in addressing the question of the relationship of service performance information to assurance/assurability.	(a) Outline the work to be undertaken to determine the relationship of service performance information to GPFS/GPFR; and (b) Contemplate the AASB working closely with the AUASB as any new proposals are developed.	YES	YES, albeit that, in contrast with the alternative baselines, ED 270 possibly excludes service performance information from scope of GPFS and audit (see paragraphs 17-19 & BC 19 of ED 270)	YES, albeit that, in contrast with the alternative baselines except INPAG ED1, NZ PBE FRS 48 includes service performance information within scope of GPFR Also, it is notable that NZ has NZ AS 1 <i>The Audit of Service Performance Information</i>	YES, albeit that, in contrast with the alternative baselines, RoGS is presented in a web-based report separate from financial statements	YES, albeit that, in contrast to the alternative baselines except NZ PBE FRS 48, INPAG ED1 includes service performance information within scope of GPFR
C: Relationship of the Service Performance Reporting (SPR) project to the Sustainability Reporting, Management Commentary, NFP Financial Reporting Framework, and NFP Conceptual Framework projects (see paras 14–25)	Working assumptions: (a) Consistent with Pervasive Issue B, address the question of the relationship of service performance information to GPFS/GPFR in conjunction with the NFP Conceptual Framework and Management Commentary projects; and (b) Except as noted in (a), proceed separately with each project, keeping each other informed (and thereby avoid further delay in addressing SPR).	(a) Describe how the SPR project will be kept informed of progress in related projects; (b) Clarify that the intent is to avoid developing disclosure requirements or guidance that would conflict with the work being considered by the Sustainability Reporting or Management Commentary projects; and (c) Consistent with project work anticipated for Pervasive Issue B, outline the work to be undertaken to determine the relationship of service performance information to GPFS/GPFR in conjunction with the NFP Conceptual Framework and Management Commentary projects.	YES	YES	YES	YES	YES

(1) Pervasive Issue (Agenda Paper 4.2)	(2) Staff recommendation for the Pervasive Issue (Agenda Paper 4.2)	(3) Staff recommendation for the Project Plan (Agenda Paper 4.2)	(4–8) Staff assessment of alternative baselines: consistency with the staff recommendation in Column 2 (Agenda Paper 4.3)				
			<i>Green fields</i> (see paras 13–15)	<i>AASB ED 270</i> (see paras 16–18)	<i>NZ PBE FRS 48</i> (see paras 19–21)	<i>RoGS</i> (see paras 22–25)	<i>INPAG ED1</i> (see paras 26–30)
D: Scope of the project: public sector vs private sector NFPs (see paras 26–32)	Working assumption: On balance, at least initially, pursue a single SPR pronouncement that is applicable to both sectors. Consider the need for separate sector-specific guidance in due course. (This is despite some strong arguments in favour of addressing the sectors separately, or public or private sector issues first.)	(a) Describe how the project will take account of the needs of both sectors, with the experience/frameworks in each sector informing considerations in relation to the other; (b) Anticipate research into Australian state, territory and local government public sector SPR frameworks, and updating consideration of current practice and NFP private sector and Commonwealth government frameworks; and (c) Anticipate finalising an investigation into whether there is any direct or indirect implementation experience with IPSASB RPG 3.	YES, on the basis that it could result in a pronouncement that is suitable for both sectors	YES, addresses both sectors	YES, addresses both sectors	NO, focuses on public sector	NO, focuses on private sector, although has been informed by public sector
E: Differential reporting for Tiers 1, 2 & 3 (see paras 33–36)	(a) Working assumption: Differential reporting will not be needed for Tiers 1 & 2 if workable generic and scalable principles or an 'undue cost or effort' criterion can be developed; and (b) No need to make a working assumption about Tier 3 differential reporting issues at this stage. Instead, resolve the issues as the project progresses and more insights are gained.	(a) Describe the nature of targeted outreach that would address Tiers 2 and 3 NFPs; (b) Anticipate the testing of different ways of expressing generic scalable SPR principles with stakeholders; and (c) Anticipate the possible need to consider relief based on an 'undue cost or effort' criterion, depending on whether generic scalable SPR principles can be developed.	YES, on the basis that it could result in a pronouncement that does not adopt differential reporting principles for Tier 2 and could cater for Tier 3 needs	YES, ED 270 did not propose differential reporting for Tier 2, and did not contemplate Tier 3	YES, in relation to Tiers 1 & 2. NO, in relation to Tier 3, which is subject to simpler requirements than PBE FRS 48. However, in principle, the requirements are broadly consistent and similar across all Tiers. NZ is considering amendments that would bring the requirements in Tier 3 even more in line with Tiers 1 & 2 requirements.	YES, RoGS does not contemplate differential reporting for Tier 2, and is unlikely to have contemplated Tier 3	YES, in relation to Tier 2. INPAG ED1 does not contemplate differential reporting (its proposals relate to private sector NFPs that adopt an accrual basis of financial reporting and do not contemplate Tier 3 differential reporting)

(1) Pervasive Issue (Agenda Paper 4.2)	(2) Staff recommendation for the Pervasive Issue (Agenda Paper 4.2)	(3) Staff recommendation for the Project Plan (Agenda Paper 4.2)	(4–8) Staff assessment of alternative baselines: consistency with the staff recommendation in Column 2 (Agenda Paper 4.3)				
			<i>Green fields</i> (see paras 13–15)	<i>AASB ED 270</i> (see paras 16–18)	<i>NZ PBE FRS 48</i> (see paras 19–21)	<i>RoGS</i> (see paras 22–25)	<i>INPAG ED1</i> (see paras 26–30)
F: Status of the resulting SPR pronouncement: mandatory vs voluntary (see paras 37–41)	No need to make a working assumption at this stage. Instead, resolve the issue as the project progresses and more insights are gained. Apply the same level of rigour throughout the project irrespective of whether a mandatory or voluntary pronouncement is to be issued.	Contemplate a significant amount of targeted consultation including field testing of alternative possible requirements/guidance to fully assess cost/benefit issues. The Plan should also note the Board’s intention to explore possible ways to mitigate concerns about undue costs, such as by providing relief (or combination thereof) through: (a) differential reporting requirements, potentially providing blanket relief to Tiers 2 and/or 3 NFPs (although, see Pervasive Issue E); (b) entity-specific relief if the entity is able to satisfy certain criteria, such as a ‘relief due to undue cost or effort’ criterion, to justify non-compliance (also see Pervasive Issue E); (c) phased adoption, on whatever basis is determined to be most suitable in light of the challenges faced by the sector; and (d) an extended transition period, with early adoption allowed (e.g. NZ PBE FRS 48 provided a five-year lead time).	YES, on the basis that it could result in either a mandatory or voluntary pronouncement	YES, on the basis that even though it proposed a mandatory pronouncement, it could form the foundation for either a mandatory or voluntary pronouncement	YES, on the basis that even though it is a mandatory pronouncement, it could form the foundation for either a mandatory or voluntary pronouncement	YES, on the basis that even though it is mandatory, it could form the foundation for either a mandatory or voluntary pronouncement	YES, on the basis that even though it proposes a mandatory pronouncement, it could form the foundation for either a mandatory or voluntary pronouncement
G: The notion of ‘service’ (see paras 42–49)	Working assumption: On balance, exclude other aspects of performance, including ‘fundraising’ and ‘management expense’ performance (to help avoid project-scope creep and thereby ensure more timely completion of the project to meet important stakeholder needs).	(a) Contemplate work being undertaken to circumscribe the nature of ‘service’; and (b) Acknowledge the range of other performance matters in which stakeholders are interested and refer to work that is going on in those areas (including the IASB’s Primary Financial Statements project) separately from the SPR project.	YES, on the basis that it could result in a pronouncement that is limited to service performance reporting	YES	YES	YES, although focused on ‘social services’	NO, given the broad notion of ‘performance information’ related to ‘performance objectives’ referred to by INPAG ED1
H: The next due process document (see paras 50–55)	No need to make a working assumption at this stage. Instead, resolve the issue as the project progresses and more insights are gained.	(a) Identify the work needed to be undertaken before the question of the next due process document is to be considered by the Board, including the level of stakeholder engagement; and (b) Describe targeted outreach to inform an ultimate decision on the next due process document.	NA	NA	NA	NA	NA

Table 2: Summary of staff recommendations relating to the baseline selection Criteria

(1) Baseline selection Criterion (Agenda Paper 4.3)	(2) Staff recommendation for a preference for the selection Criterion (Agenda Paper 4.3)	(3) Staff recommendations for the Project Plan	(4–8) Staff assessment of alternative baselines: consistency with the staff recommendation in Column 2 (Agenda Paper 4.3)				
			<i>Green fields</i> (see paras 13–18)	<i>AASB ED 270</i> (see paras 16–18)	<i>NZ PBE FRS 48</i> (see paras 19–21)	<i>RoGS</i> (see paras 22–25)	<i>INPAG ED1</i> (see paras 26–30)
1: Consistency with the working assumptions in Column 2 of Table 1 above (see para 10(a))	The greater consistency, the better	See Table 1 above	5 out of 5	5 out of 5 (although not informative re Tier 3)	5 out of 5 (and informative re Tier 3)	4 out of 5 (failing D, and also not informative re Tier 3)	3 out of 5 (failing D & G, and also not informative re Tier 3)
2: Contemporary thinking (see para 10(b))	The more contemporary, the better	The content of the Project Plan specifically relating to this selection Criterion would depend on the baseline that is chosen. In addition, the Project Plan could note how the project would undertake timely consultation and other research to be kept informed by contemporary thinking.	YES	NO	YES, although not as much as 'green fields' or INPAG ED1	NO, although subject to annual improvements since 1995	YES
3: Implementation experience (see para 10(c))	The more implementation experience, the better	The content of the Project Plan specifically relating to this selection Criterion would depend on the baseline that is chosen. In addition, the Project Plan could anticipate the need to update a review of current practice.	NO	NO	YES, emerging	YES, significant	NO
4: Australian-specific circumstances (see para 10(d))	The more the chosen baseline reflects Australian-specific circumstances, the better	The content of the Project Plan specifically relating to this selection Criterion would depend on the baseline that is chosen. In addition, the Project Plan could note how this Criterion would be applied during the project, including through a review of current practice noted under Criterion 3 immediately above.	YES	YES	NO, although NZ has many similarities to Australia, and both jurisdictions operate under the Trans-Tasman Protocol	YES, although only public sector	NO, although the AASB has had some limited input during the development of INPAG ED1
5: Focus on SPR (see para 10(e))	The more focused on SPR, the better	The content of the Project Plan specifically relating to this selection Criterion would depend on the baseline that is chosen. See also Pervasive Issue G.	YES	YES	YES	YES	NO, INPAG ED1 addresses narrative reporting and, within that, performance reporting more generally
6: Cohesiveness (see para 10(f))	The more cohesive, the better	Irrespective of the chosen baseline, the Project Plan could note how the project work would ensure a cohesive framework is developed.	YES, on the basis it could result in a cohesive framework	YES	YES	YES	YES
7: Prospect of facilitating an efficient project with a timely outcome (see para 10(g))	The more a baseline could facilitate efficiency and timeliness, the better	Irrespective of the chosen baseline, the Project Plan could note how the project will be progressed in an efficient and timely manner.	NO	NO	YES	YES	YES

Questions for the Board

1. Does the Board agree with the list of Pervasive Issues and baseline selection Criteria in Column 1 of the above Tables? Are there any other substantive baseline selection Criteria that need to be considered at this stage of the project?
2. For each Pervasive Issue/selection Criterion in Column 1, does the Board agree with the staff recommendation about the:
 - (a) Pervasive Issue/selection Criterion (Column 2);
 - (b) content of the Project Plan (Column 3); and
 - (c) alternative baselines (Columns 4–8)?
3. Does the Board agree with the staff recommendations that the preferred baseline is one:
 - (a) that would best help facilitate the efficient and timely progress of the project and lead to a high-quality (including cost-effective) service performance reporting pronouncement consistent with the AASB Conceptual Framework (paragraph 8 of Agenda Paper 4.3);
 - (b) that is reasonably consistent with the agreed working assumptions/selection Criteria (paragraph 10 of Agenda Paper 4.3); and
 - (c) of 'green fields', AASB ED 270, NZ PBE FRS 48, RoGS, and INPAG ED1 (consistent with the discussion in Agenda Paper 4.3)? Are there any other potential baselines the Board wishes staff to undertake further analysis of (for example, any one of those referred to in Appendix A of Agenda Paper 4.3)?
4. Does the Board agree with the overall staff recommendation that, on balance, **NZ PBE FRS 48 together with any implementation experience is the preferred baseline**, and that NZ's treatment of Tier 3 entities can inform the Board's decisions about Tier 3 in the Australian context as the project progresses?

Next steps

16. Subject to the Board's decisions, staff will proceed to draft a Project Plan that builds upon the chosen baseline and that is consistent with the Board's decisions about the suggested content listed in Column 3 of the above Tables.

Question for the Board

5. Does the Board agree with paragraph 16 above that the next step is for staff to draft a Project Plan that builds upon the chosen baseline and has regard to the Board's decisions about the staff suggested content of the Project Plan, for consideration by the Board at a future meeting?