

11 May 2026

Thomas Müller-Marqués Berger
 Chair
 International Public Sector Accounting Standards Board
 70 York Street, Suite 710,
 Toronto, ON M5J 1S9, Canada

Via online submission: [website](#)

Dear Thomas,

International Public Sector Accounting Standards Board (IPSASB)’s Strategy and Work Program 2024-2028 Consultation

As one of the largest professional accounting bodies in the world, CPA Australia represents the diverse interests of more than 175,000 members working in over 100 jurisdictions and regions around the world, working in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally. We provide the following feedback on the IPSASB’s Strategy and Work Program 2024-2028 Consultation (the “Work Program”).

Overall, we support the Work Program in prioritising projects where there is clear user demand, demonstrable public sector relevance, and meaningful potential to enhance accountability and decision-making, while also recognising the importance of avoiding unnecessary duplication with existing reporting mechanisms or ongoing international standard-setting work.

Our comments and suggested positions on each project are set out in the summary table below:

Projects	Prevalence	Consequences	Urgency	Feasibility	Comment
Disclosure of Tax Expenditures					Agree, with no changes.
IFRS 17 Insurance contracts					Agree, with no changes.
Better Communication in Financial Reporting (Potential Disclosure Project)		Change to Low			From Australian and New Zealand experience, users are supported by a broader public sector accountability framework
Rate-regulated activities					Agree, with no changes. Affected entities are typically for-profit providers of utilities, who may be using for-profit standards frameworks like IFRS Accounting Standards
IAS 37 Provisions, Contingent liabilities and assets					Agree, with no changes. We would like to highlight the relevance of climate-related factors in the assessment of provisions.
IAS 38 Intangible Assets					Agree, with no changes. Significant role of technology and Artificial Intelligence (AI) in public sector entities like the

Projects	Prevalence	Consequences	Urgency	Feasibility	Comment
					taxation and defence agencies. Agree with the proposal to monitor International Accounting Standards Board (IASB) developments in this area.
Climate-related and Other Uncertainties in the Financial Statements	Change to High				We believe the prevalence of this should be high given the widespread impact of climate-change related uncertainties on public sector entities.
POST-IMPLEMENTATION REVIEW					
IPSAS 18, Segment Reporting					Agree, with no changes.
IPSAS 35, Consolidated Financial Statements					Agree, with no changes.
SUNSTAINABILITY AND OTHER REPORTING PROJECTS					
General Sustainability-related Disclosures			Change to Medium		We support leveraging IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> as a unified framework for sustainability disclosures, enhancing comparability while complementing established public sector reporting practices.
Developing Authoritative Guidance based on RPG 1, Reporting on the Long-term Sustainability of an Entity's Finances					Agree, with no changes.
Developing Authoritative Guidance based on RPG 3, Reporting Service Performance Information					Feedback noted mixed views in Australia, concluding that while service performance reporting is common, there is little demand for a new standard.
Nature-related Disclosures					We note the growing importance of nature-related disclosures but suggest pausing further IPSASB work until the International Sustainability Standards Board's (ISSB) approach, including alignment with IFRS S1 and Taskforce for Nature-related Financial Disclosures (TNFD), has further developed.
OTHER ADDITIONAL PROJECTS NOT MENTIONED IN THE CONSULTATION					
Nil					

Further detail on our above comments, including our responses are included in the Attachment. If you require further information, please contact me at ram.subramanian@cpaaustralia.com.au.

Yours sincerely

Ram Subramanian FCPA
Financial Reporting Lead
CPA Australia

ATTACHMENT – CPA AUSTRALIA’S RESPONSES

Project - Better Communication in Financial Reporting (Potential Disclosure Project)

We suggest that the consequence rating for this project be assessed as low, rather than medium. Based on the experience of mature public sector reporting systems such as Australia and New Zealand, we do not consider the issue to currently impair, to a significant extent, the ability of public sector financial statements or general-purpose financial reports to provide useful information for accountability and decision-making purposes.

While better communication in financial reporting remains an important objective, users in these jurisdictions are supported by a broader public sector accountability framework, including budget papers, annual reports, audit reports, performance reporting, parliamentary scrutiny processes and other fiscal transparency mechanisms. Key users (e.g. Parliament, Treasury departments, Auditors-General, credit rating agencies, citizens and service users etc.) therefore do not rely solely on financial statement disclosures to meet their information needs. Accordingly, although improvements arising from the IASB’s Disclosure Initiative may be useful and should continue to be considered by the IPSASB where relevant, we consider the consequences of this issue to be lower than assessed and recommend revising the rating to low.

Project - IAS 37 Provisions, Contingent liabilities and assets

We highlight the increasing relevance of climate-related commitments and their potential interaction with provisions in the public sector, noting that IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets* (IPSAS 19) is based on IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (IAS 37) and that any amendments arising from the IASB’s project will be relevant.

We note the [IFRS Interpretations Committee’s April 2024 agenda decision on Climate-related Commitments \(IAS 37\)](#), which considered whether an entity’s public commitment to reduce or offset greenhouse gas emissions creates a constructive obligation and gives rise to a provision. While we understand the interpretation is mostly focused on the for-profit private-sector, we consider the principles-based analysis, particularly when a present obligation arises only when triggered by a past event (e.g. as emissions are generated) appears applicable to public sector entities also.

However, public sector entities may also make climate-related commitments through government policy, legislation, budget measures, whole-of-government net zero targets or agency-specific transition plans. These features may give rise to practical considerations in applying judgement under IPSAS 19, particularly in assessing constructive obligations and the timing of recognition. While we do not consider this to indicate a gap in the existing requirements, we encourage the IPSASB to consider climate-related factors as part of this project, including whether any targeted clarification or illustrative guidance would assist public sector entities as such commitments become more prevalent.

Project - Climate-related and Other Uncertainties in the Financial Statements

We suggest that the prevalence rating for this project be assessed as high, rather than medium. We would like to highlight our submission to the IASB on its [Exposure Draft Climate-related and Other Uncertainties in the Financial Statements](#) where we highlight the importance of this topic. We consider some of our previous comments remain relevant to the IPSASB’s consideration of whether, and how, similar guidance should be developed for the public sector. While we support the use of illustrative examples and educational material to help entities apply existing requirements, we encourage the IPSASB to adapt any such material to reflect public sector-specific circumstances, including the broader accountability framework, public policy settings, legislative mandates, appropriations, service delivery obligations and whole-of-government commitments.

Relevant points for consideration include:

- Developing illustrative examples that reflect common public sector activities, e.g. infrastructure, transport, health, education, water, energy, local government and whole-of-government reporting
- Identifying and providing more complex and judgement-based examples, rather than simple fact patterns with predetermined conclusions, to demonstrate how preparers should apply judgement in areas such as impairment, provisions, measurement uncertainty and disclosures
- Considering walk-through examples or decision trees to help preparers identify which IPSAS requirements may be relevant to climate-related and other uncertainties
- Clarifying the connectivity between financial statements, sustainability reporting, budget papers, service performance reporting and broader fiscal accountability documents
- Addressing constructive obligations and provisions, for details please see our comment on Project - IAS 37 Provisions, Contingent liabilities and assets above

- Considering aggregation and disaggregation of public sector assets, particularly where climate-related risks affect infrastructure or service delivery assets differently by geography, function, age, condition or exposure to physical climate risks.

Project - General Sustainability-related Disclosures

We agree with the rating of this project. We also note the intent to leverage from IFRS S1 as a baseline consideration for public sector circumstances. From our engagement with public sector entities, we note that social impact assessment of funding decisions is established practice. The reporting pillars under IFRS S1 would therefore act as a unified reference point for comparable reporting globally. Social impact, outside of the public sector, suffers from a lack of an overarching approach to reporting with various legislative reporting requirements leading to a fragmented landscape (i.e. Modern Slavery, Equity and wellbeing).

In the Australian context the Commonwealth Government has prioritised an amended IFRS S2 ([interpreted as AASB S2](#)) in line with its own policy intent of 'climate first, but not climate only'. The phased roll-out of reporting requirements would ultimately encapsulate [two main streams](#):

- Stream 1: Commonwealth companies that are required to prepare a sustainability report under Section 292A of the *Corporations Act 2001*.
- Stream 2: Non-corporate Commonwealth entities (NCEs), corporate Commonwealth entities (CCEs), and Commonwealth companies that are not required to prepare a sustainability report under Section 292A of the *Corporations Act 2001*.

Project - Developing Authoritative Guidance based on RPG 3 Reporting Service Performance Information

We agree that service performance reporting has high prevalence, given service delivery is a core function of public sector entities. We also acknowledge that RPG 3 provides a useful principles-based foundation and that jurisdictions such as New Zealand have demonstrated the feasibility of developing authoritative requirements in this area. However, based on our stakeholder engagement in Australia, including feedback considered as part of our response to the [AASB's 2027–2031 Agenda Consultation](#), we consider there is insufficient evidence of strong user demand for a new authoritative standard or pronouncement on service performance reporting in the Australian context. In practice, many public sector entities already provide service performance information through established reporting channels aligned with their operational, budgetary and accountability frameworks.

Accordingly, while we agree with the IPSASB's assessment that the project has medium consequence and urgency and high feasibility, we recommend that the IPSASB reassesses the underlying problem definition and user needs before progressing this project. Further consideration should be given to the identification of primary users, the specific information gaps that remain unaddressed, and whether authoritative guidance would meaningfully enhance accountability and decision-making without duplicating or replacing existing well-established public sector reporting practices. While improving consistency and comparability is a valid objective, it remains important to assess whether the benefits of standardisation would outweigh the costs and implementation challenges across different jurisdictions.

Project - Nature-related Disclosures

The reporting on nature-related risks and opportunities has evolved as the next point of concern globally, particularly if gauged against the World Economic Forums 2025 Risk Assessment matrix.

We however note that unlike the response to climate, nature would differ as both the impact and requisite response would be highly jurisdiction and location specific.

While we note the interconnectedness between climate and nature, we would point to the following key points.

- The ISSB's intent to provide a practice statement to accompany IFRS S1 for nature based on,
- The Taskforce for Nature-related Financial Disclosures' (TNFD) framework.

We would therefore advise pausing any further work on the interpretation of existing work for the public sector until such a time as the ISSB's position has crystallised.

We also note the IPSASB has issued IPSAS 51 *Tangible Natural Resources Held For Conservation*. The requirements and other material incorporated in this standard may also be relevant to any future considerations in relation to this project.