

**AASB/NZASB Staff Paper (for information)**  
**Joint Statement of Intent: Single Economic Market Outcomes**



**JOINT STATEMENT OF INTENT:**  
**SINGLE ECONOMIC MARKET OUTCOMES FRAMEWORK**

We, the Prime Ministers of Australia and New Zealand, signalled last March that we are committed to accelerating regulatory harmonisation and alignment in order to stimulate business and create jobs.

To that end, we have agreed on a framework of principles and a range of shared medium term practical outcomes for developing cross border economic initiatives.

The outcomes framework supports an aspirational Single Economic Market (SEM) agenda, and will in the short-term drive pragmatic initiatives and set clear timelines for the work programme. A key element within the framework is a deliberate move from consideration purely of national benefits in policy development, to consideration of the net trans-Tasman benefit.

The outcomes we seek to achieve complement and build on the extensive work already underway under the SEM. They will accelerate and deepen trans-Tasman regulatory integration as part of a broader SEM.

The outcomes framework articulates the goals we seek to achieve in specific areas while keeping open the range of options for achieving these outcomes. These options need not necessarily involve harmonisation of law or the creation of joint institutions but may take other pragmatic approaches.

We have agreed the principles to guide the identification and analysis of options to achieve the agreed outcomes.

These principles are:

1. Persons in Australia or New Zealand should not have to engage in the same process or provide the same information twice.
2. Measures should deliver substantively the same regulatory outcomes in both countries in the most efficient manner.
3. Regulated occupations should be able to operate seamlessly between each country.
4. Both Governments should seek to achieve economies of scale and scope in regulatory design and implementation.
5. Products and services supplied in one jurisdiction should be able to be supplied in the other.
6. The two countries should seek to strengthen joint capability to influence international policy design.

7. Outcomes should seek to optimise net Trans-Tasman benefit.

We have already identified a range of shared outcomes in the areas of insolvency law, financial reporting policy, financial services policy, competition policy, business reporting, corporations law, personal property securities law, intellectual property law, and consumer policy. The Australian Treasury and the New Zealand Ministry of Economic Development will make available electronically copies of this shared list of outcomes.

We will establish a joint Trans-Tasman outcomes implementation group comprising senior officials from relevant agencies to carry this agenda forward. The implementation group will be jointly chaired by the Australian Treasury and the New Zealand Ministry of Economic Development and will report regularly to our respective Governments.

This outcomes framework represents the next phase in a substantive and long term commitment by our two countries to remove the barriers that stand in the way of our aspiration of an SEM.

The full text of the work program is available at [www.treasury.gov.au](http://www.treasury.gov.au) and [www.med.govt.nz](http://www.med.govt.nz).

**Financial Reporting Policy Outcomes**

<b>Trans-Tasman Outcome Proposals</b>	<b>Benefit to be achieved/problem being addressed</b>	<b>Timeframe Short term: within 2 years Medium term: within 5 years</b>	<b>Trans-Tasman Outcomes Implementation Group Report</b>
For-profit entities (including both groups and individual subsidiaries) are only required to prepare a single set of financial statements to meet the requirements in both countries:			
For-profit entities are able to use a single set of accounting standards and prepare only one set of financial statements.	This would allow a reduction in compliance costs for entities operating across the Tasman. It would support trans-Tasman investment through the consistency of financial statements.	For-profit entities that are publicly accountable Short term  For-profit entities that are not publicly accountable Medium term	The Outcome is complete for for-profit publicly accountable entities and non-publicly accountable entities operating across the Tasman.
Not-for-profit entities are able to use a single set of accounting standards and prepare only one set of financial statements.	This would allow a reduction in compliance costs for entities operating across the Tasman.	Medium term	The Trans-Tasman Accounting and Auditing Standards Advisory Group noted at its December 2011 meeting that there are very few entities that would benefit from harmonisation and agreed to recommend to TTOIG that it be removed as an Outcome. At TTOIG's June 2012 meeting it agreed to remove the Outcome, subject to Ministerial agreement.

Source: Trans-Tasman Outcomes Implementation Group Report May 2013