

2-Dec-15

www.aasb.gov.au/comment

To whom it may concern

Re: ED 270 Reporting Service Performance Information Comment

In response to the AASB's request for comment I wish to provide the following responses:

Specific matters for comment

1. Vision Australia agrees with the principles noted in the ED largely because of the benefits of showing that an organisation is accountable for achieving outcomes is necessary to prove relevance. Vision Australia receives a number of government and private sector funding streams, each requiring an acquittal of service outcomes or inputs so to a large extent this reporting occurs, albeit to the funding body and not to the public at large. Because each funding stream requires different reporting, the standard will need to consider the additional effort to provide consolidated performance reports without requiring additional resources to prepare.
2. Vision Australia agrees with the proposal to apply the standard to both public and private NFP entities. Given the commonalities of NFP's generally in terms of how they are funded lends itself to proving to funders that outcomes have actually been achieved.
3. Vision Australia does not agree that extending the reporting requirements to for-profit entities unless those activities are being conducted for public good as the funders of for-profit entities are motivated differently as to the performance of those entities – that is, they are looking for a return on their investment rather than a contribution to society in general.
4. Vision Australia considers it appropriate to apply the standard only to the consolidated entity to avoid omission or misstatement of the organisation's performance by only reporting subsidiary data.
5. All data presented should be applicable to the consolidated entity's financial reporting period to ensure that financial and non-financial data can be used to satisfy the reason for the proposed standard, being accountability and decision making. It will also allow the information to be used to calculate broad efficiency measures of the reporting organisation.
6. Vision Australia considers that the (draft) standard should specify where this information is reported and would be typically reported in a section in the financial report. By being non-prescriptive, users will not have a central place to view performance statistics or be guaranteed that what they are looking at includes all the relevant measures which could otherwise be reported in disparate areas and methods.

7. Vision Australia does not agree that the (draft) standard allows for performance information to be reported for a different time period as the financial information for the reasons stated in 5 above.
8. Appendix A
 - a. The present defined terms do explain the significant terms of the (draft) standard. However other defined terms could also include the definition of a public and private NFP entity and society and segments of society..
 - b. Vision Australia agrees with the defined terms
 - c. Defined terms should also include the definition of both what is considered to be a public sector and private sector NFP entity.
9. Vision Australia believes that while there is some merit to making the (draft) standard mandatory, issues around comparability, consistent definitions being applied to the whole sector, funders taking disclosed measures out of context and the sheer number of performance measures that apply to larger and more complex not for profit entities will mean additional resources and cost will be required to satisfy the standard.
10. Vision Australia believes that an implementation date, even a proposed implementation date, is premature and unachievable given the issues noted in 9 above.
11. Vision Australia notes the following:
 - a. We are not aware of any regulatory or other issue that will affect the implementation of the (draft) standard.
 - b. Performance reporting will provide users additional information but in the absence of benchmarks or comparators, or the inclusion of context (for example, funder v's actual targets) it cannot provide useful information, only interesting information. The issue of consistent definitions that are easily applied to all entities is not an insignificant task in itself and, in the writer's opinion, warrants a separate project to establish feasibility of the current proposal.
 - c. If properly adopted and consistently applied across all Australian not for profit entities, such information will be in the interests of the Australian economy and also will encourage not for profit entities to maximise outcomes at the lowest price.
12. It is not possible to provide cost estimates for this proposed standard however in the spirit of attempting realistic estimates, in an environment where:
 - a. Organisations report their existing performance information incremental costs would amount to less than \$50,000 p.a. and will consist of collation and presentation using existing staff.
 - b. Organisations report to a standard set of consolidated performance information, set up costs for data extraction, data base construction and the employment of appropriate reporting skills could exceed \$150,000 (\$100,000 p.a. and c. \$50,000 setup).

Regards,

Stephen Crook

Financial Controller and Company Secretary