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Dear Tony

Invitation to Comment: Framework: Public Benefit Entities

Grant Thornton New Zealand Limited (Grant Thornton) is pleased to provide the External Reporting Board (XRB) with its comments on External Reporting Board's Exposure Draft: *Framework: Public Benefit Entities* (the ED). We have considered the ED along with the accompanying Invitation to Comment (ITC) and set out our comments below.

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses as well as Public Benefit Entities (PBEs) in New Zealand.

Summary

The decision to separate out the accounting standards applicable to PBE's makes complete sense after taking into consideration the other planned contemporaneous changes.

We will raise this concern in a subsequent submission to the XRB on proposed changes to Tier 1 PBE's and that is complete rejection of the application of NZ IFRS 8 *Segment Reporting* to this sector of the economy.

We would maintain that there is great information value in segment reporting disclosures, and therefore it is with great reluctance we see it's deletion from this set of standards. Technically it may be the right thing to do, but we believe that something is lost by completely removing the entity-wide disclosures present in Paragraphs 31 to 33 of NZ IFRS 8.

Responses to the two specific questions posed by the Board are answered in Appendix 1 to this letter.

If you have any questions, or wish us to amplify our comments, please contact me in our Auckland office on (09) 308 2534.

Yours sincerely
Grant Thornton New Zealand Ltd

Mark Hucklesby
National Technical Director

Appendix 1

Feedback on specific questions asked

1. **Do you see any application difficulties arising from the establishment of NZ IFRS PBE as a separate suite of standards? If so please outline them (please be specific).**

No.

2. **Do you agree with the minor amendments proposed in Parts A and B of ED 2012-3? If not please outline your reasons (please be specific).**

Yes.