

IN-CONFIDENCE

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Treasury Circular 2012/06

Unrestricted Distribution

Directors of Finance/Chief Accountants

YEAR END 2012 - DISCLOSURE REQUIREMENTS FOR "OTHER NON-CANCELLABLE OPERATING COMMITMENTS" NO LONGER REQUIRED

1. This circular is to inform you of the removal of two specific disclosure requirements (per Treasury Instructions, section 4.4.5) relating to "other non-cancellable operating commitments".
2. The information we collected on Commitments as at 31 May 2012 from selected entities presented one key theme - that the requirements to disclose "other" commitments were not clear enough and that they were cumbersome to compile.
3. We have reviewed the feedback, and we agree that the cost of compiling the information outweighs the benefits of disclosure. Also, there is no longer any requirement in generally accepted accounting practice (GAAP) or the Public Finance Act 2004 (PFA) for these specific disclosures.
4. We hope that this will result in a reduction in workload for you at what is a busy time of year. However, we realise that this is very late notice and apologise for the timing of this amendment.
5. **The specific disclosures we no longer require are those reported to the Treasury though CFISnet in lines 115 and 120 of schedules 1:54:0 and 1:74:0. These two lines should be entered as zero for all CFISnet exercises from 30 June 2012 onwards.**
6. The requirements have been removed from the Treasury Instructions 2013 (issued on Treasury's website on 2 July 2012) and will, in time, be removed from the CFISnet dataLoad.
7. If you have any queries about the information in this circular please contact Blair Radford on (04) 917 6017 or by email at blair.radford@treasury.govt.nz

Hugh Packer
for Secretary to the Treasury