



7 August 2013

Mr K Stevenson
Chairman
Australian Accounting Standards Board
PO Box 204
COLLINS STREET WEST VIC 8007

The Group of 100 Incorporated

Level 20, 28 Freshwater Place
Southbank VIC 3006 AUSTRALIA
www.group100.com.au
Telephone: (03) 9606 9661
Facsimile: (03) 9670 8901
Email: g100@group100.com.au
ABN: 83 398 391 246

Dear Kevin

ED 243 'Withdrawal of AASB 1031 Materiality'

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises with the purpose of advancing Australia's financial competitiveness. The G100 is pleased to support the withdrawal of AASB 1031 for the reasons stated in ED 243.

We do not believe that withdrawal of AASB 1031 would result in the omission of disclosures that might otherwise be made because the application of materiality is well-entrenched and is applied by directors and managers in exercising their judgment whether or not to disclose a particular item or group of items.

Approaches to addressing issues relating to the volume, complexity and detail of disclosures in accounting standards and other regulatory requirements emphasize the importance of providing information to users of financial reports that is both relevant and material while at the same time avoiding disclosures of immaterial items. These responses rely heavily on the application of materiality and directors and managers exercising their professional judgment in relation to the disclosures made. It is suggested that given the extent of judgment required it is preferable that the application of materiality is best achieved through the issue of guidance rather than in an accounting standard.

From a G100 perspective the proposals which reflect the adoption of application guidance or educational material developed by the IASB for use internationally are in the best long term interests of the Australian economy.

Yours sincerely

Group of 100 Inc

Terry Bowen
President



10 Shelley Street
Sydney NSW 2000

PO Box H67
Australia Square 1213
Australia

ABN: 51 194 660 183
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

The Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West Victoria 8007

Our ref Submission – ED 243

14 August 2013

Dear Sir

Submission – ED 243 – Withdrawal of AASB 1031 Materiality

We are pleased to have the opportunity to comment on the ED 243 – Withdrawal of AASB 1031 *Materiality*.

KPMG agrees with the AASB proposal to withdraw AASB 1031 *Materiality*, as it reduces the risk of inadvertent non-compliance with IFRS. We agree that it is unlikely to change practice regarding the application of materiality in financial reporting.

Internationally, KPMG has supported the provision of additional guidance regarding the application of materiality, specifically in relation to disclosures, in-line with the IASB Discussion Paper (DP/2013/1) *A Review of the Conceptual Framework for Financial Reporting*.

We would be pleased to discuss our comments with members of the AASB or its staff. If you wish to do so, please contact Adi Galimidi on (02) 9335 7380, or Kris Peach on (03) 9288 5297.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M. McGrath'.

Martin McGrath
Partner in charge, Department of Professional
Practice