

From: David Maxwell [mailto:davemax@ozemail.com.au]
Sent: Wednesday, 22 April 2009 9:03 AM
To: Robert Keys
Subject: ED 174

Robert,

I have had a very quick look at ED 174 and its associated illustrative example.

There are a number of issues which appear to cut across the approaches being taken in at least the NSW, NT and SA jurisdictions.

In particular, SA has been giving heavy concentration on presenting their Financial Statements in a format that facilitates assessment of the long term sustainability of Councils. At first glance, adoption of the format in the illustrative examples will severely prejudice these efforts.

I suggest that the ABS is one user, and has the necessary statutory powers to require the preparation of **special purpose financial statements**. On the contrary, there are many more users in all jurisdictions, including those in SA seeking to use the general purpose financial statements for sustainability assessment purposes, who do not have the powers to require the preparation of special purpose statements.

Unfortunately I am so heavily committed in the coming weeks that I cannot reasonably offer the prospect of being able to thoroughly research the implications of ED 174 in time to make a formal submission before the closing date. I am finalising the SA Model Statements this week, the NSW Code of Accounting Practice comments close on 6 May, and I have annual financial statements training commitments in SA from 29 April to 7 May. And all this follows the local government accounting conference season from late February, which saw 4 conferences over six weeks!

I will try to prepare more comprehensive comments as soon as I can, but it will also be necessary for me to download the ABS Manual and study it, before I can then move to the specific proposals of ED 174. In the meantime, would you please report my concerns to the Board in such sense as you see fit.

Cheers,

David

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