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Sent: Monday, 26 June 2006 11:57 AM
To: AASB Mailbox
Subject: Objection to ED148

To whom it may concern

I write to raise my concerns in relation to ED 148. In particular - I STRONGLY OBJECT to the proposed amendment as set out in paragraph 7 which states: "General purpose financial statements include those that are presented separately or within other public documents such as a regulatory filing or reporting to shareholders."

I believe that the existing application requirement of only 'reporting entities' needing to apply all of the AASB Standards, should remain applicable. The Reporting Entity Concept is a superior differential system that appropriately reflects the costs and benefits of financial reporting in Australia, and any change to the Reporting Entity Concept would not be in the best interests of the Australian economy.

By way of example - for the year ended 30 June 2005, the Australian Govt required all aged care providers to prepare audited general purpose financial reports. This has had significant ramifications on both aged care providers and their accountants. The providers have had a significant increase in their accounting fees (eg as a result of going from special purpose financial reports to GPFRs). This increase in compliance costs has not assisted these providers in provide better reports (+ they don't even understand half the standards anyway!!!!). From their accountants perspective - this has required more time to be spent on the compliance side of their client's affairs + half the accountants out there never even have to prepare a set of GPFRs anyway so they don't know what to do to comply with the disclosure requirements of the standards.

Please contact me if you have any queries.

Heath Shonhan