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Dear Kevin

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Australian Accounting Standards Board (AASB) with its comments on Exposure Draft ED 179 Superannuation Plans and Approved Deposit Funds (the ED). We have considered the ED 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, and this submission has benefited with input from our clients, discussions with key constituents and the roundtable discussions held by the AASB in August 2009 on this ED.

Support for the ED

We broadly support the thrust of the ED however we have two observations that we believe the AASB needs to further consider.

1 Primary Users of the Financial Statements

The Basis for Conclusions (BC 10) states that a primary user would be members of superannuation funds and their beneficiaries. We question whether this is so, as members receive a summary of their own holdings and we are not aware of the members accessing or reading the actual financial statements, instead they mainly rely upon a summary of the performance of the superannuation fund. This is particularly so with most superannuation funds having a multiple of different sub plans or funds which are consolidated into the final group fund. On that basis there may be less of a need for the level of complexity that has been built into ED 179.

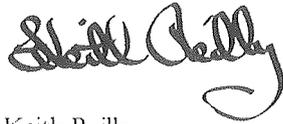
2 Consolidated Financial Statements

We question whether it is reasonable to require a superannuation fund to consolidate an investment where the acquisition of a majority ownership in that investment was other than

on the basis of being in a position to control the financial and operating policies of that investment, and there is no intention that control will be exercised. This can occur for example when a fund acquires a holding in investment A and it at some later time finds that another investment B has acquired a holding in investment A that on 'grouping' would entitle the fund to more than 50% of the interest in investment A. We would prefer, given that the AASB has already determined that departures from IFRS are necessary in certain circumstances (BC 12-13), for a suitable exemption from consolidation in such an instance, or more preferably provide guidance on what constitutes control in the superannuation industry, given the 'exceptional circumstances' exception in AASB 127 Consolidated and Separate Financial Statements (paragraph 13).

If you require any further information or comment, please contact me.

Yours sincerely
GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly
National Head of Professional Standards