

From: Peter Batten
Sent: Monday, 30 August 2010 3:51 PM
To: Dean Ardern
Cc: Angus Thomson; Steve Mitsas; Sue Eddy; Julie Osborn
Subject: ED 195 Defined Benefit Plans - Staff views re Q11

Dear Dean,

Victoria is concerned if the AASB responds to the IASB regarding question 11 along the lines proposed by the staff in Agenda paper 11.2.

Victoria is committed to open and transparent financial reporting, and as a consequence of the current proposals in the Public Finance and Accountability Bill, between about 40 and 50 public bodies may be required to prepare general purpose Financial Statements complying with Australian Accounting Standards. While some of these public bodies may be allowed to use the Reduced Disclosure Regime (RDR) for tier 2 entities, the possibilities for reduction in disclosure cannot yet be considered because the AASB has not yet considered this exposure draft in the context of RDR.

If the IASB revises IASB 119 to require all entities under common control that participate in defined benefit plans to make all of the disclosures required by paragraphs 125A -125K, this will be a significant additional burden, resulting in excessive disclosure. The issue is not so much that all of these 40-50 entities might have to make the disclosures required in their audited financial statements, but that all of these entities would be unable to finalise their audited financial statements until this information was available. This may well delay matters. The additional disclosures may also confuse readers of those financial statements as to the total obligations held by those subsidiary entities.

Victoria would strongly support the proposal made by the Australasian Council of Auditor Generals as summarised in paragraph 47 of Agenda paper 11.2. That is, to permit each participating entity in a group's defined benefit plan to include a reference in its financial statements to the disclosures in the sponsoring (parent) entity's financial statements.

Best regards,

Peter Batten
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