



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

7 October 2010

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

Dear Mr Stevenson

Exposure Drafts 200 A and 200 B

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 provide comment on these Exposure Drafts.

QUESTIONS APPLICABLE TO ALL PROPOSALS

- a. *Do you agree with the concept of harmonizing the reporting requirements in Australia and New Zealand in relation to for-profit entities applying IFRSs as adopted in Australia and New Zealand.*

Yes. While supportive, the G100 does not consider this to be a high priority project.

- b. *Should the retained additional disclosures be contained in a separate disclosure standard (as proposed) or contained with each Standard relevant to the topic of the disclosures (which is the current practice)?*

Yes. Separation enables greater clarity in respect of identifying Australian-specific requirements and will help in minimizing any confusion about Australian compliance with IFRSs. The G100 believes that additional Australian-specific disclosures should be subject to a rigorous process of assessment.

The separation should also be of benefit to the Standard Business Reporting Regime as the IFRS XBRL Taxonomy can be used with a separate Australian supplement addressing domestic requirements.

- c. *Do you agree with the specific proposals in this ED regarding alignments, deletions, relocations and relocation and harmonisations? Please provide reasons supporting your response.*

Yes. The G100 believes that although the Board proposes to adopt the New Zealand requirements for imputation credits the appropriate description in the Australian environment is 'franking credits' and that term should be used in the Australian Standard.

- d. Which of the disclosures proposed to be included in separate disclosure standards AASB ED 200B/FRSB ED 122 should be required of entities applying differential reporting requirements, namely:
- i. in Australia, the proposed Reduced Disclosure Requirements for general purpose financial statements; and
 - ii. in New Zealand, qualifying entities. Please provide reasons for your response.

Since proposals are essentially about the location of requirements if an entity is presently required to make a disclosure it should continue to do so.

- e. Are there any regulatory issues or other issues arising in the Australian or New Zealand environment that may affect the implementation of the proposals? Please provide reasons for your response.

We are not aware of any regulatory impediments in Australia.

- f. Do you consider that the proposed amendments are in the best interests of users of general purpose financial statements of entities in Australia and New Zealand? Please provide reasons for your response.

Yes. As indicated in (b) above.

QUESTIONS APPLICABLE TO SPECIFIC PROPOSALS

- a. The Boards note that the proposed auditor remuneration disclosure requirements in AASB ED 200B/FRSB ED 122 are simplified and do not include the existing requirements in AASB 101 Presentation of Financial Statements in respect of 'related practice'. Do you agree with the Boards' proposals?

The G100 supports the simplification of the auditor disclosure requirements.

- b. In relation to the proposed deletion of paragraph Aus7.1 of Interpretation 113 Jointly Controlled Entities – Non Monetary Contributions by Venturers, if this causes an entity to change its accounting policy, do you agree that it should be applied retrospectively?

Yes. Changes in accounting policies should be treated in accordance with the requirements of AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

OTHER QUESTIONS

Although not dealt with in this ED, the AASB is taking the opportunity to seek constituent views on whether it should retain disclosure requirements (AASB 124 Related Party Disclosures paras Aus25.2 to Aus 25.6, Aus25.7.1 and Aus25.7.2) related to the compensation of individual key management personnel of managed investment schemes that are disclosing entities.

The G100 believes that these requirements should be withdrawn as information required to be included in the remuneration report meets the corporate governance obligations of the entity. In addition, the G100 believes that director and executive remuneration is a corporate governance issue best addressed in Corporations Law rather than in Accounting Standards.

The G100 considers that the key management personnel disclosures in AASB 124 and compliance with AASB 2 Share-based Payment are all that is necessary to achieve comparability with financial statements of entities based in other jurisdictions that have adopted IFRSs. As indicated above, any further disclosures are a domestic issue which should be addressed in the Corporations Law.

Yours sincerely
Group of 100 Inc

A handwritten signature in blue ink, appearing to read 'Peter Lewis', with a long horizontal flourish extending to the right.

Peter Lewis
President