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2 December 2011

The Chairman
 Australian Accounting Standards Board
 PO Box 204
 Collins Street West
 Victoria 8007

**Exposure Draft 218 Presentation of Items of Other Comprehensive Income:
 Tier 2 Proposals**

Dear Mr Stevenson

Ernst & Young Australia is pleased to provide our comments on AASB Exposure Draft 218 *Presentation of Items of Other Comprehensive Income: Tier 2 Proposals*.

Comments on the Exposure Draft

We note that in the Exposure Draft requests that only adverse comments on the proposals should be submitted.

While we agree with the conclusion in the Exposure Draft that there should be no difference between the Tier 1 and Tier 2 requirements arising from AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*, we do so for different reasons than those provided in the exposure draft.

In our view AASB 2011-9 deals with matters of presentation of the 'Other Comprehensive Income Section' rather than with disclosures. In our view the Reduced Disclosure Requirements (RDR) which apply under Tier 2 were not intended to lead to differing presentation of the basic financial statements from those presented under Tier 1. As such, we would question whether there was a need to expose Tier 2 proposals in this case. Reference in the Analysis section of the Exposure Draft to 'new or substantively modified disclosure requirements' are not in our view an accurate reflection of the changes made by the IASB, which are to the presentation of the Statement rather than to disclosure requirements of IAS 1.

Please contact either Lynda Tomkins (lynda.tomkins@au.ey.com on (02) 9276 9605) or Peter Gerhardy (peter.gerhardy@au.ey.com on (08) 8417 2057) if you wish to discuss any of the matters raised in this response.

Yours sincerely

Ernst & Young