



20 March 2013

Mr K Stevenson  
Chairman  
Australian Accounting Standards Board  
PO Box 204  
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**The Group of 100 Incorporated**

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Dear Mr Stevenson

**ED 233 'Australian Additional Disclosures –  
Investment Entities**

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 respond to the issues raised in ED 233.

*Q1. The appropriateness of the proposed Australian additional disclosures and whether such disclosures are warranted.*

**The G100 supports the approach that IFRSs adopted for use in Australia should be as drafted by the IASB. However, in the rare and exceptional circumstances where changes are made by the AASB, in response to matters which are peculiar or specific to Australia, those changes should be included in a separate standard.**

**The G100 considers that the proposed disclosures are not justified. We do not consider that the consolidated information proposed for disclosure provides relevant information for decision making relating to the investments of the entity because investment entities measure the performance of their investments and emphasize the use of information on current values. In addition, in deciding to provide the exemption the IASB was responding to the concerns of users of financial statements who expressed a preference for fair value information.**

**Although investment entities currently consolidate controlled investments, compliance with AASB 10 is likely to result in more investments being regarded as controlled and as such investment entities would be required to incur additional costs to satisfy the Australian disclosure requirement and on a continuing basis to determine whether such investments are controlled for the purposes of the Standard.**

**However, if the AASB proceeds with the proposals we agree, as outlined in BC 18, that the form of the disclosures is best left to directors to determine in the light of the particular circumstances of the entity.**

*Q2. Whether there are any alternative approaches/disclosure strategies that can be employed to minimize the adverse impact on decision-making of the loss of consolidation information.*

**The G100 disagrees with the AASB's presumption that there is an adverse impact on the decision-making from the removal of consolidated information. As noted in the response to Q1 above, fair values and distributions are generally the principal information used by fund investors. Removal of less relevant clutter from the financial statements can improve decision-making by allowing users to more easily focus on the relevant information.**

**In addition, inclusion of consolidated financial information in the notes to the financial statements makes Australian fund accounts less comparable with foreign funds and is potentially confusing to users who understand IFRS but are not familiar with the specific AASB requirements.**

*Q3. If the AASB's proposals proceed, whether you agree with not providing relief to Tier 2 entities from any of the proposed Australian additional disclosure requirements.*

**The G100 believes that if the proposed additional disclosures are so important that it is necessary to depart from the requirements of an IFRS as drafted by the IASB then, if the AASB proceeds with the proposals, there should be no relief for Tier 2 entities.**

*Q4. Whether there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, particularly any issues relating to:*

- a. Not-for-profit entities; and*
- b. Public sector entities*

**No comment.**

*Q5. Whether, overall, the proposals would result in financial statements that would be relevant to users.*

**The G100 does not believe that the proposed disclosures would result in relevant information to users. Rather, information based on fair values provides useful information for management and investor decisions relating to the investments of these entities.**

*Q6. Whether the proposals are in the best interests of the Australian economy.*

**The G100 does not consider that best interests are achieved by imposing disclosure requirements which do not meet an information need of investors.**

**Consolidated financial information is not generally used for any other purposes (such as unit pricing and performance reporting) and, as such, would need to be prepared solely for the purpose of preparing the note disclosure proposed in the ED. There does not appear to be any significant benefit to users of this information which would justify imposing this cost and impact adversely on the competitiveness of Australian investment entities.**

Yours sincerely  
**Group Of 100 Inc**

A handwritten signature in black ink, appearing to read 'Terry Bowen', is written over a large, faint, circular watermark or stamp.

**Terry Bowen**  
President