



## Department of Treasury and Finance

1 Treasury Place  
 GPO Box 4379  
 Melbourne Vic 3001  
 Australia  
 Telephone: (+61 3) 9651 5111  
 Facsimile: (+61 3) 9651 5298  
 DX 210759

Contact: Kevin Lee  
 Phone: 03 9651 5565

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

Dear Kevin

### **ED 247 ANNUAL IMPROVEMENTS TO IFRSs 2012-14 CYCLE**

The Heads of Treasuries Accounting and Advisory Committee (HoTARAC) welcomes the opportunity to provide comments to the Australian Accounting Standards Board Exposure Draft *247 Annual Improvements to IFRSs 2011-2014 Cycle*.

Overall, we are supportive of the proposals but would like to draw your attention to the proposed changes in *IAS 34 Interim Financial Reporting: Disclosure of information elsewhere in the interim financial report* where the benefit of reducing duplication of information with the use of cross referencing may be lost as interpretation of the current legislation for reporting by auditors may still require the information to be contained within the financial statements and notes. This would also apply to other public sector bodies and entities that comply with other legislation that still requires the information to be reported within the financial statements and notes.

Further detailed comments are attached. If you have any queries regarding HoTARAC's comment, please contact Kevin Lee from the Department of Treasury and Finance on (03) 9651 5565.

Yours sincerely

  
 Steve Mitsas  
 On behalf of  
 HEADS OF TREASURIES ACCOUNTING AND REPORTING ADVISORY COMMITTEE

28 February 2014

Encl



**HoTARAC Response to AASB ED247 *Annual Improvements to IFRSs 2011-2014 Cycle***

**IASB: Questions raised in the Exposure Draft**

**Question 1 – Proposed Amendment**

Do you agree with the IASB's proposal to amend the Standards as described in the Exposure Draft?

If not, why and what alternative do you propose?

and

**Question 2 – Transition provisions and effective date**

Do you agree with the proposed transition provisions and effective date for the issue as described in the Exposure Draft?

If not, why and what alternative do you propose?

Our responses to the above questions in relation to each of the proposed amendments are as follows:

***IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal***

We agree with the proposal.

***IFRS 7 Financial Instruments: Disclosure – Servicing contracts***

We agree with the proposal.

***IFRS 7 Financial Instruments: Disclosure – Applicability of the amendments to IFRS 7 to condensed interim financial statements***

We agree with the proposal.

***IAS 19 Employee Benefits: Discount rate: regional market issue***

We agree with the proposal.

***IAS 34 Interim Financial Reporting: Disclosure of information 'elsewhere in the interim financial report'***

While we support the proposal as it provides an expedient way to reduce duplication of information, the current definition of a half-year financial report defined by s.303 of the *Corporations Act 2001* may be interpreted by auditors still requiring the information to be included within the financial statements and notes, hence limiting the opportunity to cross reference outside the financial statements. This change may not be available to other public sector bodies and entities that comply with other legislation that still require the information to be reported within the financial statements and notes. The revised paragraph 16A is verbose and unwieldy and it is preferable for it to be reworded before it becomes a standard.



**AASB: Specific matters for comment**

1. *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, including GAAP/GFS implications.*

None noted except for IAS 34 *Interim Financial Reporting: Disclosure of information 'elsewhere in the interim financial report'* where interpretation of the *Corporations Act 2001* requirements by auditors may still require the information to be included in the financial statements and notes. This change may not be available to other public sector bodies and entities that comply with other legislation that still require the information to be reported within the financial statements and notes.

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

We agree that overall the proposals would result in financial statements that would be useful to users.

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

No comments

4. *Unless already provided in response to specific matters for comment above, the costs and benefits of the proposals relative to the current requirements, whether quantitative (financial or non-financial) or qualitative.*

No comments

