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13 November 2018

Ms Kris Peach
Chairman
Australian Accounting Standards Board
Level 14, 530 Collins Street
Melbourne VIC 3000

Dear Kris

SUBMISSION – INVITATION TO COMMENT (ITC) 39, PHASE 2: MEDIUM-TERM APPROACH

We appreciate the opportunity to provide comment to the Australian Accounting Standards Board (the AASB) on the AASB's Consultation Paper: *Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems*, as contained in ITC 39 (ITC 39 or the Consultation Paper).

Pitcher Partners is an association of independent firms operating from all major cities in Australia. Firms in the Pitcher Partners network are full service firms and we are committed to high ethical standards across all areas of our practice. Our clients come from a wide range of industries and include listed and non-listed disclosing entities, large private businesses, family groups, government entities, and small to medium sized enterprises.

Overall, we support the proposal to apply the IASB's Revised Conceptual Framework (RCF) to all "other for-profit entities" (that are required by legislation or otherwise to prepare financial statements in accordance with Australian Accounting Standards) in the medium term and to replace the 'Reduced Disclosure Requirements' framework (that would otherwise apply to such for-profit entities) with an alternative 'Specified Disclosure Requirements' framework.

However, in our opinion, the disclosure requirements of each specified accounting standard, under an alternative 'Specified Disclosure Requirements' framework, should not exceed the level of disclosure currently required under the existing 'Reduced Disclosure Requirements' framework. Imposing disclosure requirements of any specified accounting standard that exceed the level of disclosure currently required under the existing 'Reduced Disclosure Requirements' framework goes beyond what is necessary to satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

We believe that preparing Tier 2 general purpose financial statements in accordance with the full recognition and measurement requirements of Australian Accounting Standards and the 'RDR equivalent' disclosure requirements of specified accounting standards will achieve an appropriate balance between the cost of preparation and benefits to users, and satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

We note that the AASB is currently not seeking comments on the application of the RCF to not-for-profit entities, and that a separate consultation paper will be issued by the AASB in due course with targeted proposals for not-for-profit entities. Accordingly, we provide no comments on the application of the RCF to not-for-profit entities at this time.

Our detailed responses to the questions contained in ITC 39 are attached to this letter.

Please contact either myself or Darryn Rundell, Director - Audit & Accounting Technical (03 8610 5574 or darryn.rundell@pitcher.com.au), in relation to any of the matters outlined in this submission.

Yours sincerely

K L Byrne
Partner

D J Rundell
Director, Audit & Accounting Technical

Specific matters for comment:

Question 11
Do you agree with the AASB's Phase 2 approach (described in paragraph 166)? Why or why not?

Response:

As stated in our submission to the AASB on the proposed Phase 1: Short-term approach, in our opinion, it is essential that Australian entities that are currently claiming compliance with IFRS (mandatorily or voluntarily, as the case may be) are able to continue to do so. In order to achieve this outcome under the proposed Phase 1: Short-term approach, in our opinion, the RCF should be applied to:

(a) Australian for-profit private sector entities that have public accountability (consistent with the existing requirements of paragraph 11(a) of AASB 1053 *Application of Tiers of Australian Accounting Standards*); and

(b) other Australian for-profit entities that are voluntarily reporting compliance with IFRS (e.g., Australian for-profit private sector entities, and Australian for-profit public sector entities, that voluntarily elect to apply Tier 1 reporting requirements in the preparation of general purpose financial statements),

with effect no later than the date on which the RCF takes effect internationally.

In contrast to entities that prepare Tier 1 general purpose financial statements (to which the RCF will apply under the proposed Phase 1: Short-term approach), "other for-profit entities" that currently prepare Tier 2 general purpose financial statements or special purpose financial statements, as appropriate, do not (and cannot) claim compliance with IFRS.

Accordingly, in our opinion, it is not essential from the perspective of either financial statement preparers or users that the RCF apply to all "other for-profit entities" under the proposed Phase 2: Medium-term approach.

However, after considering the discussion and analysis contained in ITC 39, subject to the comments made in response to the other questions (see below), we support the application of the RCF to all "other for-profit entities" (that are required by legislation or otherwise to prepare financial statements in accordance with Australian Accounting Standards) in the medium term (under the proposed Phase 2: Medium-term approach).

Question 12
Which of the AASB's two GPFS Tier 2 alternatives (described in paragraphs 167-170) do you prefer? Please provide reasons for your preference.

Response:

Applying the RCF to all "other for-profit entities" (that are required by legislation or otherwise to prepare financial statements in accordance with Australian Accounting Standards) in the medium term (under the proposed Phase 2: Medium-term approach) will result in a significantly greater number of Australian entities that do not have public accountability being required to prepare Tier 2 general purpose financial statements.

It is important to consider that those entities affected by the proposals will include a significant number of for-profit entities that have solely a 'non-legislative' requirement to prepare financial statements in accordance with Australian Accounting Standards. Such a requirement commonly arises under trust deeds, constitutional documents, financing facility agreements, other funding agreements or grant acquittal requirements, business sale and purchase agreements, and other similar contractual arrangements.

To mitigate the increased financial reporting burden on many affected entities, in our opinion, a significant reduction in the current level of mandatory disclosure for Tier 2 general purpose financial statements is justified on cost-benefit grounds.

We believe that limiting the mandatory disclosure requirements for Tier 2 general purpose financial statements to the disclosure requirements specified by some, but not all, Australian Accounting Standards is an effective and pragmatic approach to achieve an appropriate balance between the cost of preparation and benefits to users.

In this regard, we note that the AASB is proposing to introduce a new 'Specified Disclosure Requirements' framework (to replace the existing 'Reduced Disclosure Requirements' framework) that will require Tier 2 general purpose financial statements to comply with the full recognition and measurement requirements of Australian Accounting Standards, and the disclosure requirements of the following specified accounting standards:

- AASB 15 *Revenue from Contracts with Customers* (AASB 15)
- AASB 101 *Presentation of Financial Statements* (AASB 101)
- AASB 107 *Statement of Cash Flows* (AASB 107)
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108)
- AASB 112 *Income Taxes* (AASB 112)
- AASB 124 *Related Party Disclosures* (AASB 124)
- AASB 136 *Impairment of Assets* (AASB 136)
- AASB 1048 *Interpretation of Standards* (AASB 1048)
- AASB 1054 *Australian Additional Disclosures* (AASB 1054)

Although we support the proposed reduction in the level of mandatory disclosure for Tier 2 general purpose financial statements, we have a fundamental concern with the AASB's proposal.

Other than referring to the Australian Securities and Investments Commission (ASIC) Regulatory Guide 85 *Reporting Requirements for Non-reporting Entities*, there is little information in ITC 39 as to the basis on which the AASB concluded that compliance with the disclosure requirements of the above specified accounting standards is necessary to satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

Notwithstanding the limited information in ITC 39, we agree that Tier 2 general purpose financial statements should at least comply (subject to materiality) with those Australian Accounting Standards that address the general presentation of financial statements, or include Australian specific disclosure requirements (i.e., AASB 101, AASB 107, AASB 108 and AASB 1054). We would also support expanding the specified accounting standards to also include compliance with AASB 110 *Events after the Reporting Period* and AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, as we believe that such disclosure requirements are an important element of general purpose financial reporting.

However, in the absence of sufficient discussion and analysis within ITC 39, we question the basis on which the AASB concluded that it is necessary for Tier 2 general purpose financial statements to comply with the disclosure requirements of the specified 'specific topic' standards (i.e., AASB 15, AASB 112, AASB 124 and AASB 136). In the event that the AASB proceeds with the development of an accounting exposure draft on the proposed Phase 2: Medium-term approach, we encourage the AASB to provide further information about the basis of its conclusions in this regard.

We also note that a central aspect of the proposed 'Specified Disclosure Requirements' framework is that all the disclosure requirements of the specified accounting standards will mandatorily apply to Tier 2 general purpose financial statements. We disagree with this aspect of the proposal.

In our opinion, the disclosure requirements of each specified accounting standard, under a new 'Specified Disclosure Requirements' framework, should not exceed the level of disclosure currently required by Australian Accounting Standards – Reduced Disclosure Requirements (in relation to each specified accounting standard).

Imposing disclosure requirements of any specified accounting standard that exceed the level of disclosure currently required under the existing 'Reduced Disclosure Requirements' framework goes beyond what is necessary to satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

As explained in the Basis for Conclusions of AASB 1053 *Application of Tiers of Australian Accounting Standards*, in determining the 'Reduced Disclosure Requirements' framework, the AASB sought to balance the need to reduce disclosures with the need to satisfy the objectives of general purpose financial statements. From amongst a number of possible approaches to determining disclosure requirements under the 'Reduced Disclosure Requirements' framework, the AASB decided to adopt an approach that:

(a) draws on the *IFRS for SMEs* to identify disclosures in cases where the recognition and measurement accounting policy options available or requirements under the 'Reduced Disclosure Requirements' framework align with those under the *IFRS for SMEs*; and

(b) applies 'user need' and 'cost-benefit' principles (that is, the same basic principles used by the IASB in determining disclosures under the *IFRS for SMEs*) to arrive at reduced disclosure requirements in cases where the recognition and measurement accounting policy options or requirements under the 'Reduced Disclosure Requirements' framework differ from those under the *IFRS for SMEs*.

To establish the level of disclosure under the existing 'Reduced Disclosure Requirements' framework, the AASB applied this approach to <u>each</u> disclosure requirement in <u>each</u> Australian Accounting Standard.

On this basis, the reduced disclosure requirements of each Australian Accounting Standard, on a standard-by-standard basis, satisfies the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

Having previously determined the level of disclosure, on a standard-by-standard basis, that satisfies the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting (at the time of developing Australian Accounting Standards – Reduced Disclosure Requirements), in our opinion, it is now difficult to justify raising the level of disclosure for any specified accounting standard above the level currently required under the existing 'Reduced Disclosure Requirements' framework.

We believe that preparing Tier 2 general purpose financial statements in accordance with the full recognition and measurement requirements of Australian Accounting Standards, and the 'RDR equivalent' disclosure requirements of specified accounting standards will achieve an appropriate balance between the cost of preparation and benefits to users, and satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

In addition, if the disclosure requirements of each specified accounting standard did align, on a standard-by-standard basis, with the level of disclosure currently required under the existing 'Reduced Disclosure Requirements' framework, it would largely alleviate the concerns expressed above regarding the proposal for Tier 2 general purpose financial statements to comply with the disclosure requirements of AASB 15, AASB 112, AASB 124 and AASB 136, as the level of disclosure under each of these specified accounting standards would be significantly reduced.

Our comments on consolidating subsidiaries and equity accounting associates and joint ventures are outlined in our response to Question 16.

Question 13
Do you agree that we only need one Tier 2 GPFS alternative in Australia (either Alternative 1 GPFS – RDR or the new Alternative 2 GPFS – SDR described in paragraphs 167-170)? Why or why not?

Response:

We support the retention of a single Tier 2 general purpose reporting framework that requires compliance with the full recognition and measurement requirements, and some 'reduced' or 'specified' disclosure requirements, of Australian Accounting Standards.

In our opinion, a single Tier 2 general purpose reporting framework would promote consistency, transparency and comparability in financial reporting (for those for-profit entities preparing Tier 2 general purpose financial statements). A single framework would also provide certainty to governing bodies, preparers, auditors and regulators.

Question 14
Do you agree with the AASB's decision that GPFS – IFRS for SMEs (outlined in Appendix C paragraphs 18 to 36) should not be made available in Australia as a Tier 2 alternative for entities to apply? Please give reasons to support your response, including applicability for the for-profit and not-for-profit sectors.

Response:

We support the AASB's decision that *IFRS for SMEs* should not be made available in Australia as an alternative Tier 2 general purpose reporting framework.

As a country that has adopted full IFRS recognition and measurement, in our opinion, the adoption of *IFRS for SMEs* would be a significant step backwards for Australian financial reporting.

In addition, in our opinion, the simplified recognition and measurement requirements of *IFRS for SMEs* would provide little real benefit to Australian entities that do not have public accountability and would potentially increase the complexity and cost of moving from one tier of general purpose reporting to another.

Question 15
If the AASB implements one of the two proposed alternatives (described in paragraphs 167-170) as a GPFS Tier 2, what transitional relief do you think the AASB should apply (in addition to what is available in AASB 1) Should AASB 1 be applied, or simpler relief provided? Please provide specific examples and information.

Response:

We note that AASB 1053 *Application of Tiers of Australian Accounting Standards* is accompanied by *Appendix D – Transition Scenarios*, which summarises the application of AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* in common scenarios. This includes scenarios involving an entity moving from the preparation of special purpose financial statements in a previous reporting period to the preparation of 'Tier 1' or 'Tier 2' general purpose financial statements in the current reporting period.

In our opinion, the guidance contained in Appendix D of AASB 1053, and the existing requirements of AASB 1 and AASB 108, are sufficient to enable the 'first-time' preparation of general purpose financial statements following the removal of the Australian 'reporting entity concept' from Australian Accounting Standards.

Question 16
What concerns do you have on consolidating subsidiaries and equity accounting associates and joint ventures as proposed in the AASB's medium-term approach? What transitional relief do you think the AASB should apply? Please provide specific examples and information.

Response:

As outlined in ITC 39, the preparation of Tier 2 general purpose financial statements will include consolidating subsidiaries and equity accounting associates and joint ventures where applicable.

In our opinion, this may have a significant impact on many for-profit entities, as it is currently common practice for non-reporting entities with subsidiaries, associates and/or joint ventures to prepare special purpose 'parent entity' (i.e., 'separate') financial statements, rather than consolidated financial statements or equity accounted financial statements.

Although this aspect of the proposed Phase 2: Medium-term approach will give rise to increased costs to preparers, we accept that consolidating subsidiaries and equity accounting associates and joint ventures are necessary to satisfy the objectives of general purpose financial statements.

In relation to transitional relief for consolidating subsidiaries and equity accounting associates and joint ventures, further to our response to Question 15, we note that AASB 1 *First-time Adoption of Australian Accounting Standards* permits an entity to elect not to apply the requirements of Australian Accounting Standards retrospectively to past business combinations, and past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in AASB 3 *Business Combinations* and, instead, to apply a simplified approach to the measurement of assets and liabilities arising from such transactions. This includes, for example, the situation in which a parent entity did not previously prepare consolidated financial statements.

In our opinion, the exemptions currently available in AASB 1 are sufficient to enable the consolidation of subsidiaries and equity accounting of associates and joint ventures in the 'first-time' preparation of general purpose financial statements following the removal of the Australian 'reporting entity concept' from Australian Accounting Standards.

Question 17
If the new Alternative 2 GPFS – SDR described in paragraphs 167-170) is applied, do you agree that the specified disclosures would best meet users' needs? If not, please explain why and provide examples of other disclosures that you consider useful.

Response:

As outlined in our response to Question 12, having previously determined the level of disclosure, on a standard-by-standard basis, that satisfies the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting (at the time of developing Australian Accounting Standards – Reduced Disclosure Requirements), in our opinion, it is now difficult to justify raising the level of disclosure for any specified accounting standard above the level currently required under the existing 'Reduced Disclosure Requirements' framework.

In our opinion, imposing disclosure requirements of any specified accounting standard that exceed the level of disclosure currently required under the existing 'Reduced Disclosure Requirements' framework goes beyond what is necessary to satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

We believe that preparing Tier 2 general purpose financial statements in accordance with the full recognition and measurement requirements of Australian Accounting Standards, and the 'RDR equivalent' disclosure requirements of specified accounting standards will achieve an appropriate balance between the cost of preparation and benefits to users, and satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

Question 18
Do you have any other suggested alternatives for the AASB to consider as a GPFS Tier 2 and whether this would be applicable for for-profit and not-for-profit sectors? Please explain rationale (including advantages and disadvantages and the costs and benefits expected).

Response:

As outlined in our response to Question 12, having previously determined the level of disclosure, on a standard-by-standard basis, that satisfies the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting (at the time of developing Australian Accounting Standards – Reduced Disclosure Requirements), in our opinion, it is now difficult to justify raising the level of disclosure for any specified accounting standard above the level currently required under the existing 'Reduced Disclosure Requirements' framework.

In our opinion, imposing disclosure requirements of any specified accounting standard that exceed the level of disclosure currently required under the existing 'Reduced Disclosure Requirements' framework goes beyond what is necessary to satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

We believe that preparing Tier 2 general purpose financial statements in accordance with the full recognition and measurement requirements of specified accounting standards will achieve an appropriate balance between the cost of preparation and benefits to users, and satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

We note that the AASB is currently not seeking comments on the application of the RCF to not-for-profit entities, and that a separate consultation paper will be issued by the AASB in due course with targeted proposals for not-for-profit entities. Accordingly, we provide no comments on the application of the RCF to not-for-profit entities at this time.

Question 19
Do you think service performance reporting, fundraising and administration cost disclosures for NFP private sector entities should be included as part of the chosen GPFS Tier 2 alternative? Please explain rationale (including advantages and disadvantages).

Response:

We note that the AASB is currently not seeking comments on the application of the RCF to not-for-profit entities, and that a separate consultation paper will be issued by the AASB in due course with targeted proposals for not-for-profit entities. Accordingly, we provide no comments on the application of the RCF to not-for-profit entities at this time.

Question 20
Are you aware of any legislation that refers to SPFS that might be impacted by these proposals? If yes, please provide specific information.

Response:

We are not aware of legislation that refers to special purpose financial statements that might be impacted by the proposed Phase 2: Medium-term approach.

General matters for comment:

Question 21
Whether the AASB's Standard-Setting Frameworks for For-Profit and Not-for-Profit Entities have been applied appropriately in developing the proposals in Phase 2 regarding the reporting entity problem (note the AASB will consult further on other NFP amendments required for the RCF).

Response:

In our opinion, the AASB's Standard-Setting Framework for For-Profit Entities has been appropriately applied in developing the Phase 2 proposal to apply the RCF to all "other for-profit entities" in the medium term.

We note that the AASB is currently not seeking comments on the application of the RCF to not-for-profit entities, and that a separate consultation paper will be issued by the AASB in due course with targeted proposals for not-for-profit entities. Accordingly, we provide no comments on the application of the RCF to not-for-profit entities at this time.

Question 22
Whether there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals.

Response:

We are not aware of any regulatory issues or other issues, as such, arising in the Australian environment that may affect the implementation of the Phase 2 proposal to apply the RCF to all "other for-profit entities" in the medium term.

However, as outlined in our response to Question 12, those entities affected by the proposals will include a significant number of for-profit entities that have solely a 'non-legislative' requirement to prepare financial statements in accordance with Australian Accounting Standards. Such a requirement commonly arises under trust deeds, constitutional documents, financing facility agreements, other funding agreements or grant acquittal requirements, business sale and purchase agreements, and other similar contractual arrangements.

Such entities must be given sufficient time to review and assess, and seek to amend where necessary, existing 'non-legislative' financial reporting requirements following the finalisation of amendments to Australian Accounting Standards.

In this regard, we understand that it is the current tentative position of the AASB that the amendments to Australian Accounting Standards arising from the proposed Phase 2: Medium-term approach will mandatorily apply to annual reporting periods beginning on or after 1 January 2020 (which aligns with the date on which the RCF will take effect internationally and the proposed mandatory application date of the amendments to Australian Accounting Standards arising from the proposed Phase 1: Short-term approach).

We are concerned that a mandatory application date of 1 January 2020 (for the application of the RCF to "other for-profit entities") will not enable sufficient time for affected entities to review and assess, and seek to amend where necessary, existing 'non-legislative' financial reporting requirements following the finalisation of amendments to Australian Accounting Standards.

Entities that prepare Tier 2 general purpose financial statements under the proposed Phase 2: Medium-term approach will not (and cannot) claim compliance with IFRS. Accordingly, in our opinion, it is not essential from the perspective of either financial statement preparers or users that the RCF mandatorily apply to "other for-profit entities" at 1 January 2020. In our opinion, this is especially the case for those for-profit entities that have solely a 'non-legislative' requirement to prepare financial statements in accordance with Australian Accounting Standards

In our opinion, there is sufficient justification to defer the mandatory application date of the RCF to "other for-profit entities" (under the proposed Phase 2: Medium-term approach), especially for those for-profit entities that have solely a 'non-legislative' requirement to prepare financial statements in accordance with Australian Accounting Standards.

This could be effectively achieved by, for example:

(a) deferring the mandatory application date beyond 1 January 2020 for all "other for-profit entities" that are required by legislation or otherwise to prepare financial statements in accordance with Australian Accounting Standards;

(b) adopting a mandatory application date of 1 January 2020 for those "other for-profit entities" that have a legislative requirement to prepare financial statements in accordance with Australian Accounting Standards and deferring the mandatory application date beyond 1 January 2020 for those "other for-profit entities" that have solely a 'non-legislative' requirement to prepare financial statements in accordance with Australian Accounting Standards; or

(c) adopting a mandatory application date of 1 January 2020 for those "other for-profit entities" that have a legislative requirement to prepare financial statements in accordance with Australian Accounting Standards and exempting/grandfathering those "other for-profit entities" that have solely a 'non-legislative' requirement to prepare financial statements in accordance with Australian Accounting Standards from applying the RCF (so long as the 'non-legislative' requirement continues to apply and is not otherwise amended).

For simplicity, and for ease of understandability by preparers and auditors, we favour approach (a) in preference to approach (b).

To enable sufficient time to review and assess, and seek to amend where necessary, existing 'non-legislative' financial reporting requirements following the finalisation of amendments to Australian Accounting Standards, we believe that the effective date should be deferred to at least 2 years after the issue date of such amendments. Based on the AASB's current work programme, this would most likely result in a mandatory application date of 1 January 2022, with early application permitted.

We do not support approach (c). In our opinion, such approach would perpetuate the preparation of special purpose financial statements and result in the operation of two conceptual frameworks for a single set of Australian accounting pronouncements in the medium term (so long as the 'non-legislative' requirement continues to apply and is not otherwise amended). The creation of a quasi 'dual' financial reporting framework for "other for-profit entities" would, in our opinion, undermine consistency, transparency and comparability in financial reporting.

Question 23
Whether, overall, the proposals would result in financial statements that would be useful to users.

Response:

As outlined in our response to Question 12, having previously determined the level of disclosure, on a standard-by-standard basis, that satisfies the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting (at the time of developing Australian Accounting Standards – Reduced Disclosure Requirements), in our opinion, it is now difficult to justify raising the level of disclosure for any specified accounting standard above the level currently required under the existing 'Reduced Disclosure Requirements' framework.

In our opinion, imposing disclosure requirements of any specified accounting standard that exceed the level of disclosure currently required under the existing 'Reduced Disclosure Requirements' framework goes beyond what is necessary to satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

We believe that preparing Tier 2 general purpose financial statements in accordance with the full recognition and measurement requirements of Australian Accounting Standards, and the 'RDR equivalent' disclosure requirements of specified accounting standards will achieve an appropriate balance between the cost of preparation and benefits to users, and satisfy the objectives of general purpose financial statements in the context of Tier 2 general purpose reporting.

Question 24
Whether the proposals are in the best interests of the Australian economy.

Response:

In our opinion, the proposals are in the best interests of the Australian economy.

Question 25
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. In relation to quantitative financial costs, the AASB is particularly seeking to know the nature(s) and estimated amount(s) of any expected incremental costs, or cost savings, of the proposals relative to the existing requirements.

Response:

We have no additional comments in relation to the costs and benefits of the proposals relative to the current requirements.