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To: AASB Mailbox
Subject: Objection to Exposure Draft 148

I am an accountant in Public Practice, dealing with small and medium businesses on a daily basis.

I support the reporting entity concept, because it provides a mechanism for small & medium businesses to keep appropriate records on an appropriate basis, without the expense and complexity that would be required if they were reporting entities.

With my clients, who are good employers making valuable contributions to the economic life of the community, the additional cost and record-keeping involved in further reporting requirements would :-

1. add nothing to their knowledge of their business operations
2. provide no information of better use to stakeholders than is currently provided
3. be a considerable disincentive to business expansion
4. be an imposition similar to the current additional reporting already required (on a variety of bases) for GST, PAYG Withholding, PAYG instalments, Payroll Tax, FBT, WorkCover, Income Tax, and superannuation

We strongly object to the proposed amendment as set out in Exposure Draft 148, paragraph 7 which states: "General purpose financial statements include those that are presented separately or within other public documents such as a regulatory filing or reporting to shareholders." This indicates a lack of understanding of the balance between cost and benefits in financial reporting, and a lack of awareness of the practical problems and costs to small and medium business of moving away from the "reporting entity" concept.

We believe that the existing application requirement of only 'reporting entities' needing to apply all of the AASB Standards, should remain applicable. The Reporting Entity Concept is a superior differential system that appropriately reflects the costs and benefits of financial reporting in Australia, and any change to the Reporting Entity Concept would not be in the best interests of the Australian economy, or of my business clients who represent the engine of economic activity in our community.

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