



Australian Government

**Australian Accounting
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Ms Patrina Buchanan
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Email: CommentLetters@iasb.org

Dear Patrina

***Amendments to IFRS 6 *Exploration for and Evaluation of Mineral Resources* and
IFRS 1 *First-time Adoption of International Financial Reporting Standards****

In response to the IASB's Invitation to Comment on its Exposure Draft on the amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, which resulted from the issuance of IFRS 6 *Exploration for and Evaluation of Mineral Resources*, the Australian Accounting Standards Board (AASB) staff have prepared the following comments.

AASB staff support the proposal to alter the wording in IFRS 1, paragraph 36B to further clarify that first-time adopters of IFRSs are exempt from applying both the recognition and measurement and the disclosure requirements of IFRS 6 to comparative information. AASB staff believe that the proposed amendment is consistent with the intent expressed in the Basis for Conclusions, at paragraphs BC63-BC65 to give first-time adopters that early adopt IFRS 6 relief from restating comparative figures relating to their exploration and evaluation costs.

However, AASB staff disagree with the proposed amendment to the heading that precedes the revised paragraph 36B in IFRS 1. The amended heading "Exemption from the requirement to present comparative information for IFRS 6" could be misread to imply that the exemption grants relief from providing *any* comparative figures in relation to IFRS 6 and not just from restating comparative figures. To avoid this, AASB staff propose that the heading be expressed as "Exemption from the requirement to restate comparative information for IFRS 6". AASB staff believe this added change would fully convey the intended application of paragraph 36B and note that it would be

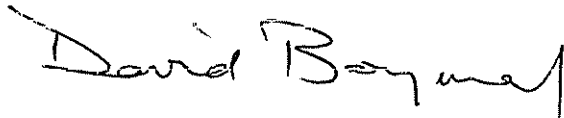
consistent with the heading that precedes paragraph 36A of IFRS 1 "Exemption from the requirement to restate comparative information for IAS 39 and IFRS 4".

AASB staff urge the IASB to formally make these amendments before 30 June 2005 to allow early adopters of IFRS 6, which include all Australian reporting entities engaged in exploration and evaluation activities, to take advantage of the relief from restating comparative information in their 30 June 2005 half-year accounts.

Technical Amendment Process

As a general comment, AASB staff are supportive of the process undertaken to facilitate this amendment. Some constituents may regard the process taken, via an Exposure Draft (with a reduced comment period), as somewhat onerous for what is a minor technical correction. However, AASB staff believe that as IFRSs are effectively legal instruments in many jurisdictions, it is important that a full and transparent due process is followed when amending any of the requirements of an IFRS.

Yours sincerely



David Boymal
Chairman