

19 December 2007

Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UNITED KINGDOM

Dear Sir David

Exposure Draft of Proposed Improvements to International Financial Reporting Standards

General Comments

We are pleased to respond to your invitation to comment on the above exposure draft.

We support the International Accounting Standards Board's (IASB) annual improvements program to streamline non-urgent but necessary minor amendments to International Financial Reporting Standards (IFRS). Overall we agree with the proposed amendments and as such will only comment on those questions raised by the IASB where we have specific issues to raise.

Our comments to the specific questions outlined in the exposure draft are detailed below.

Request for comments

Question 4 – Do you agree with the proposal to require an entity that cannot make an unreserved statement of compliance with IFRSs to describe how its financial statements would have been different if prepared in full compliance with IFRSs? If not, why?

We agree in principle with the proposal that if an entity refers to IFRS as the basis on which its financial statements are prepared, then departures from IFRS application should be disclosed. This supports the objective of having one set of truly global accounting standards. However, we have some concerns regarding the effectiveness of this proposed change as there is nothing to prevent countries that use modified versions of IFRS from eliminating this paragraph from their version of the standard.

Question 10 – Do you agree with the proposal to amend paragraph 68 of IAS 16 and paragraph 14 of IAS 7? If not, why?

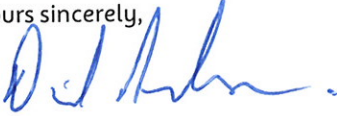
This amendment addresses presentation issues associated with assets held for rental that are routinely sold in the ordinary course of business. The amendment requires these sales to be regarded as an inventory sale rather than an asset sale, to better reflect the ordinary activities of the business. We agree with this proposal, but believe that the paragraph should clarify that the asset would still be required to satisfy the definition of inventory prior to being sold. The exercise of a purchase option within a lease agreement should not automatically be treated as an inventory sale.

Question 35 – The exposure draft proposes to include property under construction or development for future use as an investment property within the scope of IAS 40. Do you agree with the proposal? If not, why?

This amendment requires investment property under construction or development to be accounted for in accordance with the general provisions of IAS 40. We do not support this amendment as paragraph 20 of IAS 40 requires an investment property to be initially measured at cost. However, this proposed amendment removes the guidance regarding how to measure cost for internally constructed investment properties. There is no further clarification of what constitutes cost when the investment property is being internally constructed. Without this guidance it is likely to result in divergence and inconsistency in application. We recommend that the current reference to IAS 16 be retained.

Please contact me on +61(3) 9634 6470 if you need any further explanation on any of the comments made in this submission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D. Anderson', with a stylized flourish at the end.

David Anderson
Director Corporate Accounting and Planning