



**Australian Government**  
**Australian Accounting Standards Board**

AASB 26 October 2011  
Agenda paper 3.4

Level 7, 600 Bourke Street  
MELBOURNE VIC 3000  
**Postal Address**  
PO Box 204  
Collins Street West VIC 8007  
Telephone: (03) 9617 7600  
Facsimile: (03) 9617 7608

11 October 2011

Hans Hoogervorst  
Chairman  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
UNITED KINGDOM

Dear Hans

**AASB comments on IASB Exposure Draft ED/2011/2 *Improvements to IFRSs***

The Australian Accounting Standards Board (AASB) is pleased to provide comments on Exposure Draft ED/2011/2 *Improvements to IFRSs*. In formulating its views, the AASB sought the views of Australian constituents.

The AASB is generally supportive of all the proposed changes, and the reasons for the changes explained in the Exposure Draft. The improvements would clarify requirements and thereby help improve consistency in the application of IFRSs. In particular, the AASB agrees with the clarification of disclosure requirements relating to comparative information.

However, the AASB encourages the IASB to avoid adopting a rules-based approach rather than a principles-based approach when drafting these and future improvements. In that regard, the AASB is particularly concerned that the proposed drafting related to 'servicing equipment' perpetuates a rules-based approach to the issue being addressed. The AASB notes that a more principles-based approach would not make explicit reference to particular types of equipment. Arguably, specific rules for servicing equipment are unnecessary because the general principles for property, plant and equipment and for inventory should be sufficient.

If you have any queries regarding any matters in this submission, please contact me or Robert Keys (rkeys@asb.gov.au).

Yours sincerely

Kevin Stevenson  
Chairman and CEO