

12 November 2012

The Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West Vic 8007

Dear Mr Stevenson

Exposure Draft AASB ED 227 Proposed Amendments to AASB 1049 - Extension of Transitional Relief for the Adoption of Amendments to the ABS GFS Manual relating to Defence Weapons Platforms

The Australian firm of Ernst & Young is pleased to submit our comments on Exposure Draft AASB ED 227 - *Extension of Transitional Relief for the Adoption of Amendments to the ABS GFS Manual relating to Defence Weapons Platforms*.

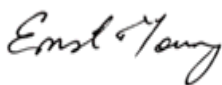
Overall, we support the proposal in ED 227 to amend AASB 1049 *Whole of Government and General Government Sector Financial Reporting* (as amended), to provide a government with the option for a further 2-year period of transitional relief from the requirement to adopt Chapter 2 *Amendments to Defence Weapons Platforms* of the Australian Bureau of Statistics (ABS) publication '*Amendments to Australian System of Government Finance Statistics, 2005*' (ABS Catalogue No. 5514.0) - published on the ABS website on 5 April 2011 - in the financial statements of the Whole of Government and General Government sectors prepared in accordance with AASB 1049.

In addition to the above proposed amendment, we recommend that where a government has elected to apply the transitional relief, this fact is required to be disclosed under AASB 1049. As such, paragraph 39(c) should be amended to require disclosure that the government has not adopted Chapter 2 *Amendments to Defence Weapons Platforms* of the Australian Bureau of Statistics (ABS) publication '*Amendments to Australian System of Government Finance Statistics, 2005*' (ABS Catalogue No. 5514.0) - published on the ABS website on 5 April 2011.

We are not aware of any regulatory or other issues arising in the Australian environment that may affect this proposal.

We would be pleased to discuss our comments further with you. Please contact Georgina Dellaportas on (03) 9288 8621 or Lynda Tomkins on (02) 9276 9605 if you wish to discuss any of the matters raised in this response.

Yours sincerely



Ernst & Young