

Ms Kris Peach
The Chair
Australian Accounting Standards Board
PO Box 204
Collins Street West
Victoria 8007

19 June 2015

Our comments on AASB Exposure Draft *Effective Date of AASB 15 Revenue from Contracts with Customers* (ED 263)

Dear Kris

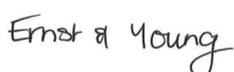
Ernst & Young Australia is pleased to provide comments on the AASB's Exposure Draft 263 *Effective Date of AASB 15 Revenue from Contracts with Customers* (the 'ED'). As usual, we will forward to the AASB (when available) our global submission on the related IASB Exposure Draft ED/2015/2 *Effective Date of IFRS 15 (Proposed Amendments to IFRS 15)* that proposes a one-year deferral of the effective date of IFRS 15 to annual reporting periods beginning on or after 1 January 2018. This letter therefore only provides comments on an Australian specific matter raised in the ED, which is whether the effective dates of other AASB proposals (such as ED 260 *Income of Not-for-Profit Entities* and ED 261 *Service Concession Arrangements: Grantor*) should be revised to align with a revised AASB 15 effective date.

We are still consulting within the firm and with our clients on the proposals in ED 260 and ED 261, and as such we will provide our views on the effective date of those proposals in our comment letters on those exposure drafts, respectively. However, as a general indication of our views, if a decision is made to defer the effective date of AASB 15, we would support setting the effective date of the accounting standard and amendments arising from ED 260 to be no earlier than the revised effective date of AASB 15. This is because under the proposals in ED 260 the timing of income recognition by a not-for-profit entity is dependent on the existence of a 'performance obligation', which is a concept from AASB 15. We note that the importance of the linkage between the income recognition proposals of ED 260 and AASB 15 is already acknowledged in paragraph 4 of draft AASB 10XX *Income of Not-for-Profit Entities*, which proposes that the draft Standard could only be applied earlier if AASB 15 is also applied for the same period.

In contrast, because the proposals in ED 261 are not directly linked to or reliant on the requirements of AASB 15, we would support the AASB setting the effective date of those requirements independently from its decision on the effective date of AASB 15.

We would be pleased to discuss our comments further with you. Please contact Tracey Waring (tracey.waring@au.ey.com or (03) 9288 8638) or Glenn Brady (glenn.brady@au.ey.com or (03) 8650 7311) if you wish to discuss any of the matters in this response.

Yours sincerely



Ernst & Young