



Australian Government
**Australian Accounting
Standards Board**

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

Dear Hans

AASB comments on IASB Exposure Draft ED/2011/5 *Government Loans* (proposed amendments to IFRS 1)

The Australian Accounting Standards Board (AASB) is pleased to provide comments on Exposure Draft ED/2011/5 *Government Loans* (proposed amendments to IFRS 1). In formulating its views, the AASB sought and considered the views of Australian constituents. The comment letter received is published on the AASB's website.

The AASB supports the proposed changes contained within the Exposure Draft. The changes would effectively provide first-time adopters with the same accounting treatment as existing preparers when IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* was amended in relation to government loans with below-market rates of interest and thereby help improve consistency in the application of IFRSs.

The AASB encourages the IASB to continue its efforts in identifying and amending inconsistencies to improve the overall quality of IFRS.

If you have any queries regarding this submission, please contact me or Sue Lightfoot (slightfoot@asb.gov.au).

Yours sincerely

A handwritten signature in black ink that reads "K. M. Stevenson".

Kevin Stevenson
Chairman and CEO