



Australian Government

Australian Accounting  
Standards Board

---

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

---

30 June 2009

Ms Stephenie Fox  
Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
277 Wellington Street, 4th Floor  
Toronto, Ontario M5V 3H2 CANADA

Dear Stephenie

### **Exposure Draft ED 36 *Agriculture***

The Australian Accounting Standards Board (AASB) staff is pleased to provide comments on Exposure Draft ED 36 *Agriculture*.

The AASB staff supports the development of an IPSAS that is converged with IAS 41 *Agriculture* and generally supports the proposals in ED 36. In particular, it supports including non-exchange transactions within the definition of 'agricultural activity' and excluding the IAS 41 text on government grants relating to biological assets measured at fair value less costs to sell.

The AASB staff's suggested amendments to ED 36 are:

- (a) the text of IAS 41 should not be amended to specifically exclude biological assets held for the supply of services (see paragraph 3(c)), because scope paragraph 2 and the definitions in IAS 41 already exclude them. Biological assets held only for the supply of services are not managed for biological transformation, and therefore do not meet the definition of 'agricultural activity';
- (b) the proposed definition of 'agricultural activity' in paragraph 8 should read: "... biological assets for sale or **distribution**, including exchange ...", as non-exchange transactions (especially those involving no consideration in return) are not normally considered a 'sale'. Such an amendment would be consistent with the reference to inventories "held for sale or distribution" in the definition of 'inventories' in paragraph 9 of IPSAS 12 *Inventories*; and
- (c) in the Appendix ('Amendments to Other IPSASs'), in relation to IPSAS 9 *Revenue from Exchange Transactions*, the proposed amended wording for paragraph 10(e) should be revised to include "... and from changes in fair value **less costs to sell** of ...", for consistency with the measurement basis specified in the body of ED 36.

---

If you have any queries regarding any matters in this submission, please contact me or  
Jessica Lion ([jlion@asb.gov.au](mailto:jlion@asb.gov.au)).

Yours sincerely

A handwritten signature in black ink, appearing to be 'B. Porter', written in a cursive style.

Bruce Porter  
Acting Chairman