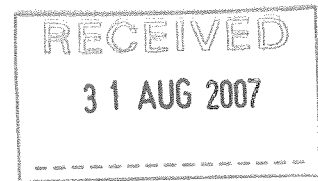


30 August 2007



The Chairman  
Australian Accounting Standards Board  
PO Box 204  
COLLINS STREET WEST 8007

Dear Sir

**RE: EXPOSURE DRAFT – ED 156 (PROPOSED NEW STANDARD – AASB 10XY)**

Whitehorse City Council is generally supportive of the proposals contained with ED 156 but would like to take the opportunity to comment directly on AASB 10XY.

As a matter of principle, Council does not believe that recognition of land under roads as an asset will assist in delivering more relevant and reliable information within local council's financial statements.

There is a major concern regarding the methodology and consistency of valuing the land under roads. In the absence of a recognised and adopted standard, there is a high likelihood of inconsistent treatment across the sector. The issue of reliable assessment and appropriate valuation techniques is fundamental to accurate financial reporting. Council does not believe that the sector or relevant professional associations have completed any detailed analysis of valuation techniques, in line with transitional provisions. Guidance is critical to ensuring relevant and reliable financial statements.

Council believes the better approach would be to continue the existing exemption from applying AASB 116 to land under roads.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Smith".

**PETER SMITH**  
**GENERAL MANAGER CORPORATE SERVICES**

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