



Mr Kevin Stevenson

Chairman

Australian Accounting Standards Board

By Email: standard@asb.gov.au

4 October 2013

Dear Kevin,

Macquarie University's Department of Accounting and Corporate Governance is pleased to provide the Australian Accounting Standards Board (AASB) with its comments on ED 245 Agriculture: Bearer Plants which is a re-badged copy of the International Accounting Standards Board's (the Board) Exposure Draft ED/2013/8 (the ED). We have considered the ED, as well as the accompanying draft Basis for Conclusions.

Macquarie University's response reflects our position as a leading educator to the Australian and global community. This submission has benefited with input from discussions with key constituents.

We broadly support the proposals in the ED, although we believe that the IASB should do a thorough review of IAS 16 Property, Plant and Equipment, and IAS 41 Agriculture and allow entities to be able to make more detailed disclosures on their website, with the disclosures in the financial statements being limited to summarised financial position, financial performance, cash flow and notes that are significant to or are judgmental as to estimations for the basic financial statements. This in our view would significantly reduce the current clutter in the financial statements that makes them difficult to understand.

Our specific comments on the ED are as follows:

Question 1—Scope of the amendments

We support the limited scope of the amendments as a means of quickly dealing with the particular issues of bearer plants. However we believe that the project should then be broadened to require a review of all agriculture producers.



Question 2—Accounting for bearer plants before maturity

We agree with the proposal to use accumulated cost for plants before production.

Question 3—Accounting for bearer plants before maturity

We agree that no additional guidance is needed for perennial plants.

Question 4—Accounting for bearer plants after maturity

We support using the cost or revalued model.

Question 5—Additional guidance

We agree that no additional guidance is needed.

Question 6—Fair value disclosures for bearer plants

We don't support additional disclosures for other assets such as property, plant and equipment. Such additional disclosures are contrary to the principles for reducing clutter in the financial statements.

Question 7—Additional disclosures

Again we do not support any additional disclosures as it would be contrary to the principles for reducing clutter in the financial statements.

Question 8—Transition provisions

We support retrospective application where it is practical to do so, or use deemed cost. We also support early adoption.

Question 9—First-time adopters

We agree with the deemed cost exemption.

Question 10—Other comments

We have no other comments to make.



AASB Questions

Given that it is Government policy that Australian accounting standards are required to conform to international accounting standards issued by the IASB, we have no further comments to make.

If you require any further information or comment, please contact me.

A handwritten signature in black ink that reads "Keith Reilly". The signature is written in a cursive, flowing style.

Keith Reilly

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