



Australian Government
**Australian Accounting
Standards Board**

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30 November 2015

Mr John Stanford
Deputy Director, IPSASB
International Public Sector Accounting Standards Board
277 Wellington Street
Toronto, Ontario, M5V 3H2
CANADA

Dear John

IPSASB ED 56 The Applicability of IPSASs

The Australian Accounting Standards Board (AASB) is pleased to provide comments on the IPSASBs Exposure Draft ED 56 *The Applicability of IPSASs*.

In response to the Specific Matter for Comment, the AASB agrees with the approach taken to delete the defined term “Government Business Enterprise” and to remove any reference to ‘Government Business Enterprise’ or ‘GBE’ within the suite of International Public Sector Accounting Standards (IPSASs) and Recommended Practice Guidelines (RPGs).

However, we note that as a replacement for the term ‘GBE’ both ‘commercial public sector entity’ and ‘commercial entity’ have been used, however, there does not appear to be any rationale to determine when either term should be used. Regardless, we consider that only the term ‘commercial public sector entity’ should be used as a replacement for ‘GBE’ to avoid any confusion that the entity in question is a public sector entity, rather than a private sector entity.

We also note the following drafting issues:

- IPSAS 4 *The Effects of Changes in Foreign Exchange Rates*, paragraph 13(a) includes a reference to ‘GBEs’ that has not been identified as an amendment;
- RPG 1 *Reporting on the Long-Term Sustainability of an Entity’s Finances*, Appendix A – the defined term of a Government Business Enterprise has not been identified as a deletion; and
- RPG 2 *Financial Statement Discussion and Analysis*, Appendix A - the defined term of a Government Business Enterprise has not been identified as a deletion.

If you have any queries regarding any matters in this submission, please contact Joanna Spencer (jspencer@aab.gov.au).

Yours sincerely,

A handwritten signature in blue ink that reads "K. E. Peach".

Kris Peach
Chair and CEO