25 November 2015

Kris Peach
Chair
Australian Accounting Standards Board
Podium Level, Level 14, 530 Collins Street
Melbourne, VIC 3000
Australia

Online submission: www.aasb.gov.au

Dear Kris

Exposure Draft 269: Recoverable Amount of Non-cash-generating Specialised Assets of Not-for-Profit Entities

CPA Australia welcomes the opportunity to respond to the above Consultation. CPA Australia represents the diverse interests of more than 150,000 members in 120 countries. Our vision is to make CPA Australia the global accountancy designation for strategic business leaders. We make this submission on behalf of our members and in the broader public interest.

CPA Australia does not support the proposal to remove from AASB 136 *Impairment of Assets* references to Depreciated Replacement Cost (DRC) as a measure of value in use and introduce the proposed Aus. Paragraph.

We note from the Exposure Draft that constituents have indicated that applying either DRC or Current Replacement Cost (CRC) under AASB 13 would result in values that are materially the same. However, feedback we have received indicates that there may be circumstances where material differences could arise between the two methods, particularly as the DRC method uses entity specific assumptions whilst AASB 13 requires market based assumptions.

We suggest the AASB conducts further research to explore the practical implications and possible consequences of the proposed changes for not for profit entities before progressing with the amendment.

If you require further information on any of our views expressed in this submission, please contact Ram Subramanian, CPA Australia by email at ram.subramanian@cpaaustralia.com.au.

Yours sincerely

Dr Eva Tsahuridu
Manager – Accounting Policy