

29 April 2013

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

Dear Ms Fox

**IPSASB Conceptual Framework Exposure Draft 3: Measurement of
Assets and Liabilities in Financial Statements**

The Australasian Council of Auditors-General (ACAG) welcomes the opportunity to comment on the above Exposure Draft.

ACAG strongly supports the alternative view of Mr Ken Warren. In essence, the Exposure Draft lists a number of possible measurement bases for assets and liabilities and discusses their advantages and disadvantages. However, it does not establish any overall measurement objective. One of the purposes of a conceptual framework should be to explain what it is that financial statements are trying to measure. ACAG supports Mr Warren's proposition to include a measurement objective and that financial assets and liabilities should be measured using the fair value model, and that operational assets should be measured using the deprival value model.

The views expressed in this submission represent those of all Australian members of ACAG.

Yours Sincerely



Simon O'Neill
Chairman
ACAG Financial Reporting and Auditing Committee