

27 February 2014

Ms Stephenie Fox
Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West
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Email: stepheniefox@ifac.org

Dear Stephenie

Exposure Draft ED 51 Joint Arrangements

Thank you for the opportunity to comment on the above Exposure Draft (ED). CPA Australia and the Institute of Chartered Accountants in Australia (the Institute) have considered the proposals and our comments follow.

CPA Australia and the Institute represent over 210,000 professional accountants. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

We were pleased to read that the International Public Sector Accounting Standards Board (IPSASB) has reaffirmed its policy of converging the International Public Sector Accounting Standards (IPSAS), to the extent appropriate, with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). Therefore, it is our expectation that IPSASB will only modify IFRS when there are unique public sector issues that would warrant such modifications. Such an approach promotes the goal of global standard setting and provides national standards setters such as Australia with financial reporting standards that can be used to support their reporting frameworks for both 'non-profit' entities and 'for profit' entities.

We support the proposals contained in the ED.

The Appendix to this letter contains our response to the question for comment. If you require further information on any of our views, please contact Mark Shying, CPA Australia at mark.shying@cpaaustralia.com or Kerry Hicks, the Institute at kerry.hicks@charteredaccountants.com.au.

Yours sincerely



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Appendix

Specific Matter for Comment 1:

Do you agree that joint arrangements should be classified as joint ventures or joint operations based on whether an entity has (i) rights to assets and obligations for liabilities, or (ii) rights to net assets?

Yes, we agree with the proposal.

Specific Matter for Comment 2:

Do you agree that joint ventures should be accounted for in consolidated financial statements using the equity method?

Yes, we agree that joint ventures should be accounted for in consolidated financial statements using the equity method.