The International Public Sector Accounting Standards Board
277 Wellington St. West
Toronto, ON
M5V 3H2

Dear Sir,

Re: Exposure Draft 78 - PROPERTY, PLANT, AND EQUIPMENT

Please find below our responses to the Exposure Draft named above:

<table>
<thead>
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<th>Specific Matter for Comment 1:</th>
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<td>Property, Plant, and Equipment proposes improvements to the existing requirements in IPSAS 17, Property, Plant, and Equipment by relocating generic measurement guidance to [draft] IPSAS [X] (ED 77), Measurement; relocating guidance that supports the core principles in this Exposure Draft to the application guidance; and adding guidance for accounting for heritage assets and infrastructure assets that are within the scope of the Exposure Draft. Do you agree with the proposed restructuring of IPSAS 17 within [draft] IPSAS [X] (ED 78)?</td>
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<td>If not, what changes do you consider to be necessary and why?</td>
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Response: We agree with the proposed restructuring of IPSAS 17. Relocating the guidance would give the core text within the standard more prominence. Furthermore, it would make it easier to enhance the Guidance section to reflect new developments without requiring an amendment of the main standard.

<table>
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<th>Specific Matter for Comment 2</th>
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<td>Do you agree that when an entity chooses the current value model as its accounting policy for a class of property, plant, and equipment, it should have the option of measuring that class of assets either at current operational value or fair value?</td>
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<tr>
<td>If not, please provide your reasons, stating clearly which current value measurement basis would best address the needs of the users of the financial information, and why</td>
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Response: We agree that there should be an option of measuring the class of assets either at current operational value or fair value. This would enable users utilise the most appropriate measurement basis for each class of assets.
Specific Matter for Comment 3
Are there any additional characteristics of heritage assets (other than those noted in paragraph AG3) that present complexities when applying the principles of [draft] IPSAS [X] (ED 78) in practice? Please provide your reasons, stating clearly what further characteristics present complexities when accounting for heritage assets, and why.

Response: We agree that the two characteristics of heritage assets are sufficient.

We however note that there could be challenges with the determination/estimation of useful lives. It may be helpful to provide more detailed characteristics and examples of assets that fit into the finite and infinite useful life classes of assets respectively whilst providing more detailed guidance and example considerations for estimating useful lives.

We believe that certain heritage assets may also be held for the added intention of meeting rental revenue generation objectives and accordingly such heritage assets should not reside within Property, Plant and Equipment but may be better categorized as Investment Property. We would like the Board to provide Guidance where this type of situation applies.

Specific Matter for Comment 4
Are there any additional characteristics of infrastructure assets (other than those noted in paragraph AG5) that present complexities when applying the principles of [draft] IPSAS [X] (ED 78) in practice? Please provide your reasons, stating clearly what further characteristics present complexities when accounting for infrastructure assets, and why.

Response: We have not identified any additional characteristics of infrastructure assets.

We however note that there could be challenges with ensuring the completeness of the entities listing of infrastructure assets as we suspect that Governments could be sensitive with disclosing certain security assets and systems. We think that these sensitivities should be anticipated and provided for within this standard.

We would also request a review of the text in paragraph BC 50, We are uncertain as to why useful lives would be clarified only to situations where Property Plant and Equipment have indefinite useful lives. Paragraph BC 50 is reproduced here ...

However, the IPSASB further concluded that heritage assets may have very long and even indefinite useful lives, due to factors such as their nature and/or the circumstances in which they are held. On this basis, the IPSASB decided that useful lives should be clarified to apply to situations where property, plant, and equipment have indefinite useful lives.

Specific Matter for Comment 5
This Exposure Draft proposes to require disclosures in respect of heritage property, plant, and equipment that is not recognized in the financial statements because, at initial measurement, its cost or current value cannot be measured reliably. Do you agree that such disclosure should be limited to heritage items? If not, please provide your reasons, stating clearly the most appropriate scope for the disclosure, and why.

Response: We agree with the proposal to require disclosures in respect of heritage property, plant, and equipment that is not recognized in the financial statements because, at initial measurement, its cost or current value cannot be measured reliably. This would provide additional information to users.
We believe that such instances could also occur with infrastructure assets, for instance, those infrastructure assets held for satellite exploration missions that may require complex current value estimations not obtainable at initial recognition or measurement date. We therefore do not agree that such disclosures should be limited to heritage items only.

Specific Matter for Comment 6
Do you agree with the Implementation Guidance developed as part of this Exposure Draft for heritage assets? If not, please provide your reasons, stating clearly what changes to the Implementation Guidance on heritage assets are required, and why.

Response: We agree with the implementation Guidance that was developed for the heritage assets. The implementation guidance enhances preparers understanding and application of the standard regarding heritage assets.

Specific Matter for Comment 7
Do you agree with the Implementation Guidance developed as part of this Exposure Draft for infrastructure assets? If not, please provide your reasons, stating clearly what changes to the Implementation Guidance on infrastructure assets are required, and why.

Response: We agree with the implementation Guidance that was developed for the infrastructure assets. The implementation guidance enhances preparers understanding and application of the standard regarding heritage assets.

We appreciate the privilege to contribute to the Exposure Draft and we are available should there be need for further clarification.

Yours faithfully,
For: Registrar/Chief Executive

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Director, Technical & Education