



Australian Accounting Standards Board
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17 November 2003

Dear [Project Advisory Panel member]

AASB PROJECT ADVISORY PANEL – GAAP/GFS CONVERGENCE PROJECT

Thank you for agreeing (in response to an invitation letter from the then acting Chair Ruth Picker dated 20 June 2003) to be a member of the AASB's GAAP/GFS Convergence Project Advisory Panel. Your expertise and perspective will assist the AASB in its deliberations on issues related to the project.

As you would be aware from the Action Alerts issued after each Board meeting, at its meetings in September and October 2003 the AASB discussed a Heads of Treasuries (HOTs) submission on GAAP/GFS convergence. A copy of the submission is attached. It raises a wide range of issues and includes various recommendations for achieving GAAP/GFS convergence.

As a result of the HOTs submission the Board has prepared a Consultation Paper (attached) for your consideration. This Consultation Paper (the first and likely to be the most substantive in a possible series of Project Advisory Panel Consultation Papers) draws out the main issues identified in the HOTs submission upon which the AASB is seeking your input. To provide a context, the Consultation Paper also contains AASB preliminary views on the issues raised.

A further submission dated 4 November 2003 has been received by the AASB from the Chairman of the Heads of Treasuries Accounting and Reporting Advisory Committee. It deals in particular with two key issues addressed in the Project Advisory Panel Consultation Paper, namely:

- whether the General Government Sector is a reporting entity; and
- whether the GFS analytical balances (such as GFS net operating balance and net lending/borrowing) should be presented on the face of the financial statements and, if so, whether they should be calculated on a converged accounting basis or a "pure" GFS basis.

It is planned that the AASB will consider this additional submission at its December 2003 meeting. The AASB seeks your views and, importantly, the reasons for those views, on the issues identified in the Consultation Paper, to be submitted to the AASB by **31 January 2004**. The AASB will consider Panel members' comments in making its final decisions for inclusion in an Exposure Draft.

I request that your comments be e-mailed to Robert Keys, the senior project manager responsible for the AASB's GAAP/GFS Convergence Project. He can be contacted on (03) 9617 7624 or by e-mail at rkeys@asb.com.au. Due to the volume of papers relating to the first e-mail, a hard copy of this letter and attachments has also been mailed to you.

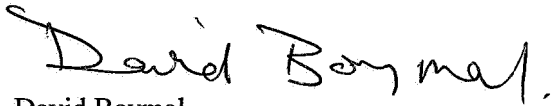
To facilitate communication we also propose to provide you with a list of Panel Members' contact details (including e mail addresses). Please note that at this stage of the consultation process the AASB is seeking individual Panel member views. Once these individual views have been received and considered it may be necessary to convene a meeting of the Panel to discuss particular issues in more detail. Consequently, it is not necessary for you to communicate with other Panel members at this stage. If you are not agreeable to other Panel members being advised of your contact details

would you please let the AASB staff know by 25 November 2003 – a contact list for those willing to share their details will be circulated shortly thereafter.

If you have any queries in relation to this request please contact Robert Keys in the first instance.

I look forward to receiving your comments.

Yours sincerely

A handwritten signature in black ink that reads "David Boymal". The signature is written in a cursive style with a large initial 'D' and a long, sweeping underline.

David Boymal
Chairman

cc: Reference Committee members
Attachments: Panel Consultation Paper
HOTs submission on GFS/GAAP convergence