



28 August 2009

The Chairman
Australian Accounting Standards Board
PO Box 204
Collin Street West VIC 8007

Dear Chairman

Re: ED181 - Fair Value Measurement

RICS (Royal Institution of Chartered Surveyors) is one of the largest global organisations for professionals involved in property, valuation, construction, land and environmental issues.

RICS regulates and promotes its members throughout the world. Currently RICS represents over 140 000 members in 146 countries across six continents including Australia.

RICS appreciate the opportunity to provide comment on the exposure draft, with our substantive comments being provided to the IASB by our London office.

The following brief comments by RICS Oceania from a regional perspective are in addition to those provided by our London office.

Question 1

Where fair value is open market value, RICS Oceania prefers the definition proposed in *Spencer v Commonwealth* (1907) 5 CLR 418 which is consistent with the RICS Red Book and the International Valuation Standards.

Question 3

Consistent with the definition of open market value in *Spencer v Commonwealth* (1907) 5 CLR 418, RICS Oceania suggest the transaction take place in the "most likely market" rather than the "most advantageous market", particularly as the latter may involve delay or an element of special relationship between the parties.

Question 13

RICS Oceania recommends the deletion of Appendix B, B3, (g) which suggests the use of "price per square metre" for a building as a Level 2 input. The unreliability of such an approach is well established in Oceania, comprising an overly simplistic expression to reflect a complex interaction in the pricing process. Preparers of financial statements using such an approach would, therefore, be basing an assessment on unreliable source data with the conclusions drawn there from potentially misleading for users of financial statements.

RICS Oceania trusts that the above comments are of assistance. Should you require any further information, please do not hesitate to contact Collin Jennings, Government Liaison RICS Oceania or our representative on the Consultative Committee to the Australian Accounting Standards Board, Dr David Parker (0419 803 353).

Yours sincerely

Kaye Herald
Managing Director
RICS Oceania