

## ITC - Interpretations sub 8

28 Lang Road  
Centennial Park NSW 2021

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Professor David Boymal  
Chairman  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West  
MELBOURNE VIC 8007

Dear David

### **Invitation to Comment: Proposed Interpretations Model for Australian Accounting Standards**

I am writing to you to set out my views on the Invitation to Comment.

As you are aware I have been a member of the Urgent Issues Group since 2000 having been nominated by the Australian Institute of Company Directors. I have been involved in the preparation of the AICD's response to this Invitation to Comment and support the views contained in that submission.

I disagree with the Proposed Model contained in the Invitation to Comment as I believe that the UIG has been an effective representation model that has brought commercial views to accounting standard setting. I do not believe that the current direction where accounting standard setting in Australia is being dominated by technicians and technical people is appropriate and does not allow commercial views to be represented in the standard setting process. I believe that a representative model where interested parties in standard setting, such as directors, prepares and users of accounts, is a preferable model to that of one where all accounting standard setting responsibility is in the hands of a narrow set of accounting technicians who do not necessarily represent a commercial view of the outcomes of accounting standards.

I note with interest that the Financial Reporting Council itself is a body which include members appointed from nominations put forward by key stakeholder groups. That is the body responsible for the accounting standard setting process in Australia is a body based on a representation model whereas the Proposed Interpretations Model is a rejection of this approach. Instead it proposes to narrow the accounting standard setting model to one totally dominated by technical people who do not represent commercial views.

I do not believe that the proposal to establish advisory panels on issues is a more flexible and adaptive approach. How will each advisory panel be established? For example will it be necessary for each panel to seek nominations from interested parties? This does not seem more flexible than having an established committee but may be appropriate in order for due process to have been shown to have been followed. Or will the usual suspects, that is technical experts from the Big 4 accounting firms' technical departments, be rounded up each time a panel is needed? Again, this proposal will only lead to domination and more concentration in the hands of a relative small number of technical people.

Yours sincerely

James Beecher