

Standard setter looks for a new home

The Australian Accounting Standards Board will need to vacate the floor it currently occupies in the Melbourne offices of the Australian Stock Exchange, following the exchange's indication that it is unable to guarantee rent-free space for the board next year.

This would represent the second time in four years the AASB secretariat will shift location, which is a move that comes at an extremely sensitive time as Australia's standard setter is struggling to cope with the moves to adopt international accounting standards by 1 January 2005.

The impending shift for the AASB and its staff has been flagged in the latest bulletin of the Financial Reporting Council, the standard setter's oversight body.

Members of the AASB secretariat moved from the previous home of the Australian Accounting Research Foundation in Hawthorn Road, Caulfield, when the AASB's functions were formally moved to the FRC's oversight.

It is understood the first AASB staff members learnt of the proposed relocation was when the FRC Bulletin was issued late last week.

The relocation from the ASX building is just one of several funding issues facing the FRC at the current time.

Corporate donations are still thin on the ground, and the council has written to Senator Campbell to push for reconsideration of the current situation. The accounting bodies have also stated they are unlikely to contribute a great deal more in funds to a structure that is essentially a government entity.

FRC chairman Charles Macek asked the accounting bodies whether they would be prepared to pour some more funds into a cash-strapped standard-setting structure.

'In response to the Chair's request to the accounting bodies for them to roll-over their three-year funding commitment, advice had been received that they were not prepared, at this time, to make a three-year funding commitment', the bulletin states.

'Instead, the professional bodies would extend the existing funding arrangements for a further six months. The accounting bodies indicated that they would reassess their contributions, beyond December 2003, when the CLERP 9 process had become clearer.'

The government will shortly receive a letter requesting greater consideration of alternative means of financing the standard-setting process.

'The Chairman [of the FRC] was authorised by the Council to write to the Treasurer and the Parliamentary Secretary to the Treasurer. In his letter he would advise that the FRC

had been put on notice by the professional bodies and that there was no resolution to the funding shortfall caused by the lower than expected level of voluntary financial contributions from the business sector', the FRC Bulletin notes. 'His letter would emphasise the need to resolve the funding shortfall and would canvass some funding options.'

This article was supplied by Tom Ravlic. Tom Ravlic is a financial journalist who has spent the past seven years covering the accounting profession, accounting and audit standard setting and corporate governance. His work has appeared in various publications including *Business Review Weekly*, *Personal Investment* (now *Personal Investor*), *The Age*, *CFO Magazine*, the *Australian CPA*, the *Company Director Journal* and the newsletters of the internationally renowned Lafferty Group. In addition to his freelance commitment to a wide range of publications, Tom has recently accepted an appointment to be editor of *Chartac Accountancy News*, published by Melbourne-based publisher Crown Content.