

## **Tweedie warns AASB**

Australia will lose its privileged place in global standard setting if the Australian Accounting Standards Board shuts its doors, warns Sir David Tweedie, the chairman of the International Accounting Standards Board.

Sir David says he had discussions during his recent trip with Treasurer Peter Costello, Senator Ian Campbell, the parliamentary secretary to the Treasurer, the Group of 100 and other groups.

He says he urged the business community and political leaders to preserve the domestic standard setter in order to ensure the Australian community has the opportunity to maintain a voice from this part of the world.

“The message has been pretty straightforward. Australia has a very privileged position in this international organisation. It was one of the G4. It is still one of the foremost active standard setters worldwide. We find that a great international resource,” Sir David notes.

“It’s also a great resource for Australia in the sense that you have a better conduit into us.”

He says the board in Australia is one of the more vigorous contributors and that while the IASB listens to what is being said it does not necessarily always have to agree with the perspective.

The IASB chief argues Australia has several core roles that include being a respondent to exposure drafts, assisting in the global interpretations process and early development of projects such as intangible assets that the global standard setter is unable to tackle immediately.

“Our agenda is always moving but we can see others subjects we haven’t got time for. We’ve asked the UK to do leasing and performance reporting. We’ve asked Canada to do measurement. We’ve asked Australia to do extractive industries and we’ve asked you to do intangibles, which is obviously an issue in Australia,” Sir David explains.

“The third one we’ve asked Australia to do is joint ventures and associates. There’s more and more companies that operate as a series of joint ventures. How do we account for that sort of company? Australia, please tell us.”

Sir David says the AASB is critical to the progress of these projects. If there is no board the country would have no chance of involving itself in such projects. International standard setters would lose out if the operations of a domestic board were wound down, Sir David notes, and Australia’s voice may well be muted.

“We would lose because we would lose the expertise that’s here. You would lose because you would not have a liaison person. There might be an Australian but that would be more by choice and coincidence. You would also not have the opportunity to write straight into us.”

The Scottish-bred accountant also emphasised it was critical the AASB received the appropriate funding that companies and others involved themselves in submitting views to the standard setter so they can be effectively channeled through standard setting forums.

Sir David asserts the standard setters are more likely to receive attention because the IASB regards them as an equal.