



Senator the Hon Nick Sherry
Minister for Superannuation and Corporate Law

02 SEP 2008

Mr Gerrit Zalm
Chairman
Trustees of the IASC Foundation
30 Cannon Street
London EC4M 6XH
UNITED KINGDOM

Dear Mr Zalm

I am writing to you in relation to the International Accounting Standards Committee (IASC) Foundation's Constitution Review Proposals. I understand that you are currently seeking comments on proposals to establish a Monitoring Body to enhance public accountability of the Foundation and to make explicit the geographical composition of the International Accounting Standards Board (IASB).

Australia was among the first nations to adopt International Financial Reporting Standards (IFRS) and has been an active supporter of the Foundation and the IASB. Australian standard setters, regulators and accounting professionals are able to contribute a wealth of practical experience to the international accounting standards setting process as they have been working under IFRS for a number of years. Australia regularly contributes to IASB working groups and also provides the IASB with the technical resources of the Australian Accounting Standards Board. Additionally, Australia is a financial contributor to the IASC Foundation.

Australia has also been a dedicated regional advocate of IFRS convergence. For example, Australia has been working with the Trans-Tasman Accounting and Auditing Standards Advisory Group to promote IFRS in the Asia-Pacific region through dedicated policy forums, such as those held in Sydney in 2005 and Tokyo in 2007.

Australia is keen to remain engaged with the IASC Foundation and the IASB, and places great importance on being represented on the bodies forming part of the international accounting standards-setting framework, and ensuring that Australian views continue to be considered as part of the development of IFRS.

In this regard, I note that the proposed membership currently being considered for the Monitoring Group does not provide for any representation from Oceania. I am concerned that this lack of representation will undermine the stated goal of increasing accountability and promoting public confidence. Without regional representation, it will be difficult for governments of countries such as Australia and New Zealand to provide assurances to local stakeholders who raise questions about IFRS and the institutional framework that develops it.

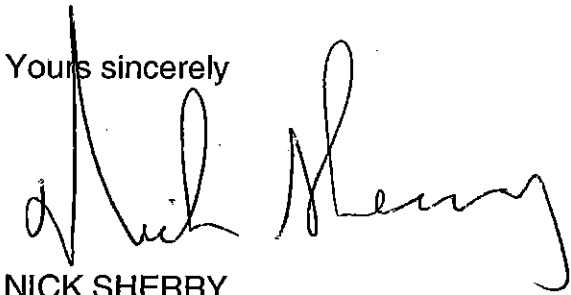
As such, I urge you to consider providing representation for Oceania to ensure that a wide range of regions are represented on the Monitoring Group.

I also note that the proposed Monitoring Group has a strong regulatory focus. I feel that if it is to provide genuine accountability, then it must represent both regulatory institutions and government policy makers. This will improve public confidence and allow a full range of views to be brought to the table.

Therefore, I also urge you to give consideration to providing representation to government policy makers to ensure a wide range of views are represented on the Monitoring Group.

I have sent a copy of this letter to Mr Jeffrey Lucy AM and my ministerial counterpart in New Zealand the Honourable Lianne Dalziel, Minister of Commerce.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Sherry', written in a cursive style.

NICK SHERRY