



LOCAL GOVERNMENT
FINANCE PROFESSIONALS

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The Chairman
AASB

By email: RKeys@asb.com.au

Re: ED 156

I provide the submission contained herein on behalf of the peak group of finance professionals representing the local government sector in NSW industry and advise that ED 156 is supported except for the following two issues:

1. Lack of the matching principle in respect of the recognition of grant income, and
2. Treatment of transactions relating to restructures.

Grants and Contributions Received

It is proposed that the AASB seek to endorse IPSAS 23 in relation to the accounting for Non Exchange Revenues and in particular move to a liability accounting framework relating to the accounting for Grants as part of its current IPSASB Convergence Project.

Local Government Restructures

It is proposed that the AASB review the proposed accounting for Local Government Restructures (under AASB 3 & AASB 5) and that the AASB provide specific provisions for local government treating transactions related to restructures resulting from geographical adjustments as contributions/distributions from/to Owners. The preferred treatment is for these transactions are disclosed as movements of equity rather than a gain or loss.

I would be pleased to elaborate on the above proposals at the Board's convenience.

Yours sincerely

Gary Mottau
Chairperson

Address all correspondence to the Secretary:

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