



31 October 2011

The Chairman  
Australian Accounting Standards Board  
PO Box 204  
Collins Street  
West Victoria 8007  
Australia

RE: RTA Comments on ED 212 - Not for Profit Entities within the General Government Sector

Dear Sir/Madam

I am writing to you to comment on the recently released exposure draft ED 212 – *Not for Profit Entities within the General Government Sector*. The RTA has now reviewed the exposure draft and does not support the proposals contained within the ED. The RTA is of the view that the impact on the RTA's finance function would be considerable with no overall benefit to the users of the RTA's financial statements.

As per the comments in BC3, the suggested changes are inconsistent with the desire for transaction neutrality, and would result in differing requirements for GGS and private sector entities. As per AV3 of the ED the new standard is also not necessary as an entity can apply the proposals in ED 212 under existing standards (such as AASB 1050 – *Administered Items*). The information proposed is not likely to be relevant to a broad range of users of the RTA's financial statements.

RTA accounting staff are also currently not fully familiar with GFS principles and rules and individual staff would require significant training to be brought up to speed on the extra reporting requirements if these proposals were implemented. As mentioned in AV3 of the ED, there is also the possibility of system and other changes resulting from the implementation of these proposals which would be an additional financial burden to the RTA.

In summary, the RTA concurs with the views found in the alternative view of an AASB member as detailed on pages 51-53 of ED 212, and does not support the proposals in ED 212. The RTA's view is that the costs of the application of this ED and the resulting loss of transaction neutrality far outweigh the minor benefits of increased comparability between not for profit entities within the GGS.

Yours sincerely,

Michael Askie  
A/ Director, Finance and Corporate Services

**Roads and Traffic Authority of New South Wales**