



Attorney General & Justice

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The Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West
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Our Ref
File No
Contact: Colin S. Coxhill, (02) 8688 7264

Dear Sir

The Department of Attorney General and Justice (DAGJ) is a Top Twenty reporting entity within the NSW Government sector and prepares annual financial statements in accordance with current applicable Australian Accounting Standards.

It has been brought to our attention that the Australian Accounting Standards Board has issued ED 212 *Not-for-Profit Entities within the General Government Sector* for commentary, which, if approved, would require every NSW Government agency to prepare financial statements on a GAAP/Government Finance Statistics (GFS) harmonised basis.

To enable this, DAGJ would be required to:

- Fully understand the ABS GFS manual
- Identify where the existing accounting standards and GFS differ
- Be able to distinguish between transactions and other economic flows under GFT to calculate the GFS "Net result from transactions"
- Be able to reconcile between harmonised GFS and pure GFS to facilitate consolidation by NSW Treasury under AASB 1049

This may require massive systemic and procedural change, the costs of which the Department may not be able to afford or obtain funding for under the current fiscal climate.

The Department has currently adopted a "commercial" discipline in its financial reporting and management and to change to GFS rules may bring about a cultural shift, which may not be helpful in promoting fiscal constraint and comparability with the private sector in terms of fiscal management and discipline.

We do not support the adoption of ED 212, as we do not believe that it will lead to any overall improvement in general purpose financial reporting or provide any evident advantages for the Department. This view is consistent with NSW Treasury's preliminary view on this issue.

If you have any questions, please contact me on (02) 8688 7523 or Colin Coxhill, Assistant Director, Statutory and Financial Accounting on (02) 8688 7264.

Yours faithfully,


Nadine De Villa-Le
Chief Financial Officer, Attorney General's Division, DAGJ

31 OCT 2011


Lou Sartor
Chief Financial Officer, Corrective Services NSW Division, DAGJ

31/10/11


Terry Stratford
Chief Financial Officer, Juvenile Justice NSW Division, DAGJ

31/10/11