

28 October 2011

The Chairman  
Australian Accounting Standards Board  
PO Box 204  
COLLINS STREET WEST VIC 8007

Dear Sir

**AASB Exposure Draft 212 – Not-For-Profit Entities within the General Government Sector**

The Hunter Development Corporation (the "Corporation") wishes to provide comment to the Australian Accounting Standards Board (the "AASB") on exposure draft, ED 212 – Not-For-Profit Entities within the General Government Sector.

The Corporation's position is that it does not support the proposals, as a whole, in ED 212. In forming this opinion the Corporation considered the following matters:

- The costs and resources associated with implementing the proposals would be substantial. This would be particularly so for smaller entities such as the Corporation which, at present, have little or no expertise of Government Financial Statistics (GFS) and would need to ensure that staff:
  - a) fully understand the Australian Bureau of Statistics GFS manual;
  - b) fully understand where accounting standards and the GFS differ;
  - c) are able to distinguish between transactions and other economic flows under GFS so as to permit calculation of the GFS Net Result from Transactions; and
  - d) are able to reconcile between harmonised GFS and pure GFS to facilitate consolidation by NSW Treasury under AASB 1049.
- As was the case with ED 174, there is insufficient evidence to support that the proposals are substantive enough to support the needs of a broad range of users of general purpose financial statements within the General Government Sector.
- The adoption of the proposal as a standard is inconsistent with the AASB's policy of transaction neutrality. In particular, the proposal would not provide information useful to the needs of most users and is inconsistent with achieving the benefits from developing what is largely one central body of requirements.
- Whilst the proposals may simplify the consolidation process, the information required for this could be derived by other means.

In summary, the Corporation is of the opinion that the proposal does not articulate any substantive benefits and the costs and resource utilisation associated with implementation of the proposals would be well in excess of any potential benefits.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Bob Hawes', written in a cursive style.

**Bob Hawes**  
GENERAL MANAGER

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