



**Queensland
Government**

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Department of
**Employment, Economic
Development and Innovation**

31 October 2011

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

Dear Mr Stevenson

Thank you for the opportunity to respond to the Australian Accounting Standards Board's exposure draft ED 212 Not-for-Profit Entities within the General Government Sector.

The Department of Employment, Economic Development and Innovation does not support the proposed standard for the following reasons:

1. Presentation of information in non-GAAP financial format will lead to confusion by users due to a lack of understanding of Government Finance Statistics (GFS) concepts regardless of presentation on the face of the accounts or in the notes. The GFS reporting framework is specifically designed for macro economic analysis of a Government's financial performance, not the performance of individual public sector entities.
2. Due to the practical difficulties of interpretation of GFS concepts the proposal will not result in an overall improvement to the comparability of financial reporting across the General Government Sector.
3. Significant effort and costs would be incurred to adapt the department's financial reporting system and processes to deal with GFS presentation.
4. Significant up-front and ongoing GFS education would be required for all staff who would be involved in the preparation of GFS information.
5. The department is not aware of the benefits to be achieved by the standard.
6. The department believes that resources would be better directed to providing front line service delivery.

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7. Budget information is already disclosed in annual budget papers. The inclusion of budget information in the audited financial statements would result in a significant amount of up-front and ongoing additional costs by the department and auditors.

If you require any further information regarding this matter, please do not hesitate to contact Jason Camden of the Department of Employment, Economic Development and Innovation on telephone 07 322 58748 or email jason.camden@deedi.qld.gov.au.

Yours sincerely



JASON CAMDEN

**Director Financial Accounting & System Development
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