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# GURNEI / MILLAR & CO PTY. LTD.

CERTIFIED PRACTISING ACCOUNTANTS & BUSINESS CONSULTANTS  
ABN 51 423 050 585

20<sup>th</sup> March 2003

WSG/rq

**Senator GH Brandis**  
Chairperson  
Economics Legislative Committee  
Department of Senate  
Parliament House  
CANBERRA ACT 2600

By facsimile

Dear Sir

## CORPORATIONS LEGISLATION AMENDMENT BILL 2002

We are most concerned with the proposed implementation of the Corporations Legislation Amendment Bill 2002. (CLERP 7)

The intention of CLEW 7 was to simplify ASIC lodgements and reduce the cost of ASIC compliance to business. However, if CLEW 7 is implemented in its current form, it will have the exact opposite effect.

We understand the CLEW 7 will remove the need for companies to lodge Annual Returns. CLEW 7 however introduces a raft of new forms to compensate for the removal of this form. Further, the compliance work involved in the proposed Annual Review process and these new forms far exceeds the amount of work required to prepare an Annual Return and will lead to cost increases for our clients.

From our understanding of the Statement of Details Form 480, the clients will have the ability to change their details directly with the ASIC. We believe that this practice will lead to our firm not having the current details of the clients' companies, as we will not be notified of any changes to the company details until the next annual review of that company. We also believe that clients may not fully understand the ramifications of any company detail changes which are not made within the specified date of 28 days from date of change, which may lead to late lodgement fees for the client.

In our view, the implementation and in some respects the foundations on which CLEW 7 is based upon are flawed. CLEW 7 was supposed to simplify the lodgement requirements for companies. In fact it is doing the exact opposite. It is making the corporate compliance system more complicated.

**Principals**  
W S Gurnett  
A J Millar  
G C Hinton

**FCPA**  
**FCPA**  
**CPA**

**Correspondence**

PO Box 495  
Swan Hill Vic 3585

**Offices**

14 Pritchard St. Swan Hill VIC 3585  
Tel: (03) 5032 9422 Fax: (03) 5032 9750  
32 Mayall St. Balranald NSW 2715



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The Statement of Details Form 480, as required by CLERP 7, will be processed at the Company's annual review date, which we understand is the anniversary date of the incorporation of the company. Our practice is geared to process and lodge Annual Returns at a common date that fits in with our current work load, which has increased enormously as a result of the introduction of the GST by the Australian Taxation Office. If we have to review and process the Statement of Details Form 480 for our clients' companies throughout the year, based on their anniversary dates instead of a common date suitable to our firm, the additional work and responsibility will impact greatly on our ability to meet Income Tax and ASIC deadlines.

We ask that you seriously consider referring CLERP 7 back to the government for review and amendment.

Yours faithfully



**WS GURNETT**

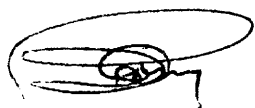
cc: Senator JMA Collins  
Senator HGP Chapman  
Senator AJ Murray  
Senator JO Watson  
Senator R Webster

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**RA PICKERING**

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GC HINTON

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