

[Received by email, 18/03/08]

Further to our meeting at CCIWA this morning I thank you for the opportunity to discuss issues of Regulation that impact on business in this country.

I wish to advise that the issue relating to Audit requirements was brought to our attention by this Companies external accountant who is responsible for the preparation of our taxation accounts and their submission.

The relevant legislation is as follows: The Corporations Act 2001

The relevant sections are Section 45A (2) which relates to Small propriety company and Section 301 which relates to the Audit of annual financial report.

While admitting that our Company may be slightly different from others in that we have some additional external shareholders, we still find the legislation overbearing and extremely expensive for little or no gain to anyone if we are required to go down this route.

One further issue that I neglected to mention this morning is the legal costs to recovering Bad debts in Australia.

Due to the legal requirements existing in Australia, it is almost totally impractical for a Small business to consider taking Legal action to recover any amounts less than \$5000.

I would contrast this with the legal system that applies in Singapore where there is a far greater responsibility on the debtor to meet the legal costs of recovering the debt once proven.

It is also a far simpler system to take the matter to Court which is obviously less expensive in the legal fees. I would encourage your team to investigate this matter and the relevant Singapore legislation, as the recovery of Bad debts for small business is becoming a significant issue and cost.

Should you require any further detail regarding the above matters I would be happy to provide it.

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