

THE PEECHELBA WATER SUPPLY CO-OPERATIVE LTD
ABN 49 899 750 681

A SUBMISSION TO
THE PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

INQUIRY INTO VICTORIA'S AUDIT ACT 1994

The Hon Bob Stensholt MP
Chairman of the Committee

PO Box 921
Wangaratta 3676

Dear Sir,

The Grievance

The following submission is made on behalf of a community organization which is being penalized, both by its isolation and the financial burden placed upon it, by the Victorian Government's insistence it conforms to the current Audit Act 1994, the Corporations Act 2001, vide the Co-operatives Act 1996 (The Acts) and Cooperatives Regulations 1997. (The Regulations) requiring a **Qualified Business Auditor** be employed to audit this co-operative's Annual Financial Reports.

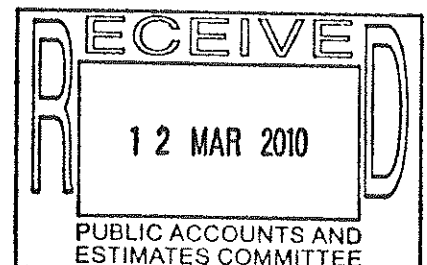
The Request

We the residents of Peechelba, who are all members of the Peechelba Water Supply Co-operative, request the Chairman of the Review Committee to recommend the following amendment to the appropriate "Acts" and "Regulations" together with any other relevant flow-on legislation to reflect the spirit of the following exemptions;

Annual Audit Requirements; Voluntary community organizations registered within the State of Victoria, shall not be subject to the financial reporting requirements of the Corporations Act 2001, as noted in Victorian Legislation, in respect to "Qualified Business Auditors" are to be employed to audit Annual Financial Statements (AFS), where;

- a. A voluntary community Incorporated Association has an AFS reporting less than \$75,000 in turnover.
- b. A voluntary registered Co-operative whose sole purpose is to support the provision of a community service and whose AFS turnover does not exceed \$75,000.

Proposed Alternative Audit Requirement; It is submitted that a "Voluntary Registered Co-operative" be subject to the same AFS returns but be audited by a registered accountant.




The Conclusion

This co-operative currently turns over \$17,000, has no employees and is manned by volunteers only. The Secretary/ Treasurer has found it is impossible to gain the services of a local Qualified Business Auditor for less than \$3000 fee and is currently reliant upon a retired qualified auditor whose fee is \$800. Unfortunately he may not be available for much longer and as the large audit firms in Wangaratta do not want to audit the Cooperative, we shall be unable to conform to the requirements of Consumer Affairs, Victoria.

The people of Peechelba urge the review committee to consider this request even though it may not be in the absolute terms required by the committee.

Yours sincerely,



Raymond Butters
Secretary/Treasurer
9th March 2010

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cc: Local Member