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**SMALL & MEDIUM BUSINESSES TO SAVE
MORE THAN \$300 MILLION OVER FOUR YEARS**

Small and medium businesses will save more than \$300 million over the next four years, as the Liberal National Government cuts more red tape.

The Government will reduce the reporting burden for small and medium businesses by raising financial reporting thresholds which have not been adjusted since 2007.

Currently, proprietary companies are considered to be 'large', for the purposes of ASIC reporting requirements, if they meet at least any two of the following three thresholds for a given financial year:

- \$25 million or more in consolidated revenue;
- \$12.5 million or more in consolidated gross assets; or
- 50 or more employees.

These 'large' proprietary companies are required to prepare and lodge a financial report, a director's report and an auditor's report with ASIC each financial year.

The thresholds will be doubled as follows:

- \$50 million or more in consolidated revenue;
- \$25 million or more in consolidated gross assets; or
- 100 or more employees.

Around a third of large proprietary companies (2,200 out of approximately 6,600) will no longer be classified as large and will therefore no longer be required to comply with financial reporting and audit requirements. This is estimated to reduce the regulatory cost on these businesses by \$81.3 million annually, as the average cost of preparing and auditing financial reports is approximately \$36,950 per company, per year.

Small proprietary companies will still be required by law to keep written financial records and may be required to prepare or audit financial reports if directed by ASIC or five per cent or more of their shareholders. All other corporate obligations that apply to propriety companies will continue to apply.

Today's announcement builds on a series of Coalition Government initiatives designed to support small and medium businesses in Australia, including cutting company tax rates, implementing the \$20,000 instant asset write-off, expanding employee share schemes and improving access to lending through the Australian Business Securitisation Fund.

Ends