

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

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29 May – 31 May 2012

Question: BET 182-184

Topic: Small Business

Hansard Page: Written

Senator RYAN asked:

182. What is ASIC's definition of a small business?
183. Using ASIC's definition of small business, how many small businesses are there in Australia for the following years:
- a) 2004
 - b) 2005
 - c) 2006
 - d) 2007
 - e) 2008
 - f) 2009
 - g) 2010
 - h) 2011
184. Using ASIC's definition of small business, how many small businesses were structured as companies for the following years:
- a) 2004
 - b) 2005
 - c) 2006
 - d) 2007
 - e) 2008
 - f) 2009
 - g) 2010
 - h) 2011

Answer:

182. The Corporations Act does not specifically define 'small business'.

There is no definition of small business in the Corporations Act, or the ASIC Act. The closest definition is that of a small proprietary limited company as defined in s45A of the Corporations Act.

In short, a small company is such if it meets 2 of the following criteria:

1. The consolidated revenue for the financial year of the company and the entities it controls (if any) is less than \$25 million;
2. The value of the consolidated gross assets at the end of the financial year of the company and the entities it controls (if any) is \$12.5 million; or

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3. The company and the entities it controls (if any) have fewer than 50 employees at the end of the financial year.

It provides for the registration of either public companies, or proprietary companies. The vast majority (around 99%) of companies are proprietary companies.

Proprietary companies, includes a subset of companies known as 'large proprietary'. Large proprietary companies are not required to report their status as large proprietary to ASIC.

The status as large proprietary is generally indicated by the lodgement of financial accounts. They are required to lodge financial accounts to ASIC (unless exempt). There is a range of entities required to lodge financial statements with ASIC ('disclosing entities', public companies, registered schemes). In the companies space, public companies, large proprietary companies, and certain small proprietary companies (eg. those controlled by a foreign coy) must lodge accounts.

26,158 financial accounts were lodged to ASIC in 2010/11 (form 388) and this is an indicator of the total number across these groups.

183. The split of public and proprietary companies is currently as follows.

	June 2012
Public Companies	31,653
Proprietary Companies	1,899,992
Total All Companies	1,921,545

184.

Business data	2010–11	2009–10	2008–09	2007–08	2006–07	2005–06	2004–05
Companies (total)	1,839,772	1,768,526	1,700,891	1,645,805	1,572,954	1,480,684	1,427,573
New companies registered	163,2761	157,667	137,410	149,403	156,424	121,298	121,463

Source: ASIC annual reports

Data from ASIC annual reports