



Grant Thornton

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Submission via email: reportingthresholds@treasury.gov.au

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Grant Thornton Australia Submission – Reducing the financial reporting burden by increasing the thresholds for large proprietary companies

Dear Ms O'Rourke

We welcome this opportunity to provide our view on Treasury's exposure draft regulations on *Reducing the financial reporting burden by increasing the thresholds for large proprietary companies*. Grant Thornton's global network maintains an open and constructive relationship with national governments, standard-setters and regulators, consistent with our policy of embracing external oversight.

In principle, we agree with the proposed amendments to the *Corporations Regulations 2001*. The resetting of the definition of large proprietary companies is a welcome development for growing small and mid-size business in Australia, lowering the regulatory burden for many entities.

To provide consistency, clarity and simplicity to business in their dealings with regulators, we would welcome more steps to harmonise financial reporting thresholds across government. For instance, thresholds relating to an entity's Significant Global Entity status, Modern Slavery legislation at both a Commonwealth and State level, as well as Tax transparency, each have their own reporting thresholds of a quantum distinct to those being amended in this consultation round.

We note that the proposed amendments bring the employee threshold in Regulation 1.0.02B (3) in line with the requirement to report certain particulars to the Workplace Gender Equality Agency. While we welcome the proposal to increase the employee number threshold, we encourage Treasury to consider whether one hundred employees is the most appropriate threshold, particularly considering the technological growth, automation and increasing trend of businesses operating and growing with relatively smaller employee numbers in many industries

Future consideration to harmonise reporting thresholds such as those mentioned above, perhaps by way of a systematised graduated threshold scale for reporting across government, with a proposed large reporting requirement required to comply with all levels of financial reporting across recognition and

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measurement, would be worthwhile. This would be of benefit to business and provide a greater degree of certainty moving forward. We will be happy to contribute to future policy discussions in this area.

Should you have any queries related to our submission, please feel free to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'MGo', with a long horizontal stroke extending to the right.

Merilyn Gwan
Partner - Audit & Assurance
Head of National Assurance Quality