



Australian Government

Office of the Registrar of Indigenous Corporations



Change of corporation size

Policy	PS-06: Change of corporation size
Relevant legislative provisions	CATSI Act Part 2-4 CATSI Transitional Act Schedule 3
Last updated	4 February 2013
Other relevant policies	

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1 Purpose

- 1.1 This policy statement outlines the circumstances in which the Registrar of Aboriginal and Torres Strait Islander Corporations (the Registrar) will alter the size of a corporation after registration.
- 1.2 References to sections in this policy statement are references to sections of the Corporations (*Aboriginal and Torres Strait Islander*) Act 2006 (the CATSI Act) unless otherwise specified. References to corporations in this policy statement are references to Aboriginal and Torres Strait Islander corporations unless otherwise specified. In addition, references in this policy statement to the Registrar are also references to a delegate who is lawfully exercising the powers of the Registrar.

2 Aims of the Registrar

- 2.1 The Registrar's aims in undertaking his or her functions and exercising his or her powers are set out in section 658-5 of the CATSI Act. These aims are:
- to facilitate and improve the effectiveness, efficiency, sustainability and accountability of corporations—section 658-5(a)
 - to provide certainty for the members, officers and employees of corporations in their dealings with the corporation and each other—section 658-5(b)(i)
 - to provide certainty for people outside corporations in their dealings with those corporations—section 658-5(b)(ii)
 - to have regard to Aboriginal and Torres Strait Islander tradition and circumstances—section 658-5(c)
 - to administer the laws of the Commonwealth that confer functions and powers on the Registrar effectively and with a minimum of procedural requirements—section 658-5(d)
 - to ensure information is available as soon as practicable for access by the public—section 658-5(e).
- 2.2 The exercise of any discretionary power by the Registrar must be in accordance with the aims in section 658-5.

3 Change of corporation size

- 3.1 Under section 37-5, the Registrar may change the size of a corporation after registration if satisfied that the corporation was a different size in the most recent financial year.
- 3.2 The Registrar will assess the size of each corporation at the end of each financial year, when corporations submit their financial reports under Part 7-3 of the CATSI Act. In determining the size of a corporation the Registrar must apply statutory criteria, which are set out in section 37-10.

- 3.3 A corporation is a small corporation if it satisfies two of the following [section 37-10(1)]:
- the consolidated gross operating income of the corporation for the financial year is less than \$100 000—prescribed in regulation 37-10.01(1) of the Corporations (Aboriginal and Torres Strait Islander) Regulations 2007 (the Regulations)
 - the value of the consolidated gross assets of the corporation at the end of the financial year is less than \$100 000—prescribed in regulation 37-10.01(2) of the Regulations
 - the corporation at the end of the financial year has fewer than 5 employees—prescribed in regulation 37-10.01(3) of the Regulations.
- 3.4 Generally, a corporation is a medium corporation if it satisfies two of the following [section 37-10(2)]:
- the consolidated gross operating income of the corporation for the financial year is between \$100 000 and \$5 million—prescribed in regulation 37-10.01(1) of the Regulations
 - the value of the consolidated gross assets of the corporation at the end of the financial year is between \$100 000 and \$2.5 million—prescribed in regulation 37-10.01(2) of the Regulations
 - the corporation at the end of the financial year has a number of employees, between 5 and 24 people—prescribed in regulation 37-10.01(3) of the Regulations.
- 3.5 A corporation is a large corporation if it satisfies two of the following [section 37-10(3)]:
- the consolidated gross operating income of the corporation for the financial year is more than \$5 000 000—prescribed in regulation 37-10.01(4) of the Regulations
 - the value of the consolidated gross assets of the corporation at the end of the financial year is more than \$2 500 000—prescribed in regulation 37-10.01(5) of the Regulations
 - the corporation at the end of the financial year has more than 25 employees—prescribed in regulation 37-10.01(6) of the Regulations.
- 3.6 The Registrar will only change the size of a corporation after registration if satisfied that the circumstances of a corporation have changed in line with the criteria set out above. The Registrar will usually make this determination by reviewing the general reports, financial reports and other information submitted by each corporation. If the financial information in a report indicates that the corporation has either increased or decreased in size the Registrar may alter the corporation's registration accordingly.
- 3.7 If the information provided in a report is incomplete or inconclusive the Registrar may seek clarification, including evidence of financial data, from a corporation or from other sources as required.

- 3.8 The Registrar will notify a corporation of any change to its size—this is a statutory requirement under section 37-5(5). The corporation will also be advised of how this change in classification will affect the corporation’s reporting or other obligations under the CATSI Act.

END OF POLICY STATEMENT