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Australia demands IFRS for SMEs

International Accounting Standards Board (IASB) given clear signal by expert survey

Independent research released today shows overwhelming support for a new financial reporting regime aimed at Australian SMEs and smaller companies.

With the IASB's IFRS for SMEs accounting standard expected to be published shortly, the Grant Thornton Australia survey asked company directors, Audit Chairs, accounting firms and public sector bodies about their likely response to the new framework.

- Eighty three per cent of respondents are in favour of a new IFRS standard for companies away from the top end of town.
- Fifty five per cent are calling for smaller listed companies to have the option to adopt the IFRS for SMEs standard if they secure shareholder approval.

Andrew Archer, Director, Audit and Assurance Services, commented:

“Overall, our report demonstrates a clear demand for more appropriate IFRS standards for the SME market, with particular focus on reducing the disclosure burden for smaller reporting entities. Our own perspective is that a common sense approach should prevail, relieving many of our smaller companies from the compliance costs of a reporting framework really designed for blue-chip listed companies and equivalent major private groups.”

Additional research conducted by Grant Thornton International indicates that almost half (40%) of Australian private entities – likely to be precisely those smaller firms impacted by the IFRS for SMEs standard – have not considered the introduction of a new disclosure regime, and that 48% struggle to see the benefit of revised reporting to the business.

Commenting on the debate at hand, Andrew Archer continued:

“The imminent publication of the IASB standard should give our clients and Australian businesses some certainty about the regime ahead of them, although the debate about corporate reporting in general is set to continue for some time.

“Ultimately, businesses are looking for ways to run their operations more effectively. If a new IFRS for SMEs reduces red tape, and gives them access to more investment opportunities, it could be a win-win for all concerned.”

- Ends –

Copies of the Grant Thornton IFRS Survey: *Four years on – Where to from here?* available on request.

For further information or interviews with Andrew Archer, please contact:

Ivana Tranchini or Ben Findlay

Horizon Communication Group

Ph. 02 8572 5613 / 02 8572 5600

Mob. 0405 206 824

E. ivana@horizoncommunication.com.au / ben@horizoncommunication.com.au

About the Grant Thornton IFRS Survey 2009

More than 200 individuals responded to the inaugural Grant Thornton Australia IFRS survey – from CFOs, Directors and Audit Chairs in ASX-listed companies, to not-for-profits, SMEs, advisors from accountancy firms and industry analysts/professional bodies. The survey was conducted online during January and February 2009 and was open to all those working in Australia with an interest in or role pertaining to IFRS compliance and financial reporting more broadly.

About The International Business Report

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR survey draws upon 17 years of trend data for original EBS participants and 7 years for original IBOS countries. The 17 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Spain, Sweden and the United Kingdom, while the 7 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Russia, Singapore, South Africa and the United States.

Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2009, this will result in a donation of almost US\$36,000.

The research was conducted by Experian Business Strategies Limited. To find out more about IBR and to obtain details of IBR reports and results please visit www.internationalbusinessreport.com.

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