

Submission to the Productivity Commission

Business Reporting Requirements

30 September 2026



WHO WE ARE

Master Builders Australia (Master Builders) is the nation's peak building and construction industry association, which was federated on a national basis in 1890. Master Builders' members are the Master Builder State and Territory Associations. Over 130 years, the Master Builders network has grown to more than 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors: residential, commercial, and civil construction.

The Master Builders network also delivers vocational education and training through its network of registered and group training organisations across Australia. This includes trade qualifications in building and carpentry as well as ongoing professional development training.

Membership with Master Builders is a stamp of quality, demonstrating that a builder values high standards of skill, integrity, and responsibility to their clients.

Master Builders' vision is for a profitable and sustainable building and construction industry.

Executive Summary

On 24 August 2026 the Productivity Commission released a call for submissions seeking views on non-financial reporting requirements. Master Builders takes the opportunity to respond and is encouraged by the focus on reducing unnecessary regulatory burden on businesses.

The building and construction industry is one of Australia's largest and most heavily regulated industries and is subject to a broad range of reporting obligations.

The industry must contend with building regulation imposed by all three levels of government, workplace relations, work health and safety, taxation, environmental compliance, workplace gender equality, modern slavery, procurement, apprenticeships and contractor management just to name a few. While some of these obligations serve legitimate policy objectives, they have developed incrementally across multiple regulators and jurisdictions, resulting in duplication, inconsistent requirements and significant administrative costs.

As a significant driver of economic activity, employing more than 1.3 million workers and overwhelmingly comprised of small and medium-sized businesses, reporting and compliance obligations represent a significant impost often undertaken by business owners, project managers and operational staff rather than dedicated compliance teams.

Every additional reporting requirement diverts resources away from delivering projects, employing workers and investing in business growth.

Productivity in the Building and Construction Industry

Indirect costs can be broadly categorised as regulatory burden and red tape. Regulations act as one of the biggest drains on productivity in the construction industry and is one of the first things mentioned by industry participants when asked about our productivity challenges. In last year's landmark report, the Productivity Commission¹ identified the regulatory burden as one of the main culprits behind our industry's poor productivity performance.

The burden of regulatory costs can be jaw dropping: in December 2025, the Productivity Commission estimated that regulatory costs add between \$135,000 and \$320,000 to the ticket price of a newly built house. Regulation means that new apartment buyers need to come up with an extra \$40,000 to \$175,000.

Over the past decade, no industry has performed worse than construction when it comes to productivity. The effects of this have been grim: ever deteriorating housing affordability, insufficient volumes of new home building and delays in the delivery of new homes. The poor performance of construction productivity means that it costs more to create the vital infrastructure that we need. As a result, government capital and infrastructure budgets don't stretch as far. One of the most problematic aspects of weak construction productivity is the way it infects other parts of the economy and erodes the buying power of families' pay packets.

Why regulate?

Any regulatory intervention should:

- ▶ Be to improve outcomes.
- ▶ Be to demonstrably contribute to the achievement of a legitimate policy objective.

¹ Productivity Commission, *Creating a more dynamic and resilient economy*, Inquiry Report 10 December 2025

- ▶ Be justified by measurable outcomes.
- ▶ Exist only to the extent necessary to achieve that objective.
- ▶ Be subject to periodic evaluation to ensure they remain effective and proportionate.

It must be said that additional reporting will not necessarily improve outcomes; it is only one tool to support those outcomes and should not become an end in itself.

Reporting frameworks should only be retained, expanded or introduced where there is clear evidence that they are achieving their intended purpose and that the benefits outweigh the direct and indirect compliance costs imposed on businesses.

Supply chain impacts – 'white tape'

Master Builders is particularly concerned by the increasing transfer of reporting obligations through construction supply chains. Obligations imposed on governments, large corporations, developers and principal contractors are increasingly being passed on to subcontractors and suppliers through procurement processes, prequalification systems and contractual requirements. This is particularly evident in areas such as sustainability, Environmental Social Governance and supply chain reporting, where small businesses are often required to collect and provide information despite not being directly subject to the underlying reporting obligations.

The Commission should focus not only on formal reporting obligations imposed by regulators, but also on the cumulative reporting burden created by supply chain and procurement requirements. Reducing duplication, improving data sharing and limiting the unnecessary flow-through of reporting obligations would improve productivity and reduce compliance costs across the construction industry without undermining the objectives of reporting frameworks.

As a result, many businesses face substantial reporting burdens despite not being directly subject to the underlying legislative obligation. This form of indirect compliance burden, often described as "white tape", should be considered alongside formal regulatory reporting obligations.

Regulatory impact analysis

Master Builders encourages the Commission to examine whether existing regulatory impact analysis processes adequately assess cumulative and supply-chain reporting burdens. Reporting requirements are often developed and assessed individually despite businesses experiencing their combined effect. Governments should be required to periodically assess whether reporting frameworks are achieving their stated objectives and whether equivalent outcomes could be achieved through less burdensome alternatives. Where benefits cannot be demonstrated, reporting obligations should be streamlined, redesigned or removed.

Master Builders also notes the potential for the emergence of new reporting and record-keeping requirements associated with artificial intelligence and digital technologies. As governments increasingly explore AI governance frameworks, any future reporting obligations should be proportionate, technology-neutral and integrated with existing compliance systems. Businesses should not be required to create standalone reporting processes where equivalent information is already collected through existing governance, privacy or cyber security frameworks.

Recommendations

Master Builders submits that the Commission should prioritise:

- ▶ A "tell us once" approach to government reporting.
- ▶ Greater data sharing between regulators.

- ▶ Harmonisation of thresholds, reporting periods and definitions, including consistent definitions of "small business" across reporting regimes.
- ▶ Reduction of duplicate reporting requests.
- ▶ Recognition of cumulative reporting burden across multiple regulators.
- ▶ Increased use of existing administrative datasets, including Single Touch Payroll and Australian Business Register data.
- ▶ Simplification of reporting obligations imposed indirectly through government procurement and supply chain requirements the latter often being described as 'white tape'.
- ▶ Periodic evaluation of reporting frameworks against measurable outcomes.

Information Request 1

Payment Times Reporting

Master Builders supports reforms that streamlines reporting processes, improves system integration and reduces unnecessary administrative burden while preserving the objective of promoting timely payment throughout the supply chain.

This is particularly important in the building and construction industry, where many businesses are small subcontractors that rely on timely payment to manage cash flow and project delivery.

Master Builders supports the objective of improving payment outcomes for small businesses. However, reporting requirements should be judged against their ability to achieve that objective. The Commission should examine whether existing reporting frameworks are delivering measurable improvements in payment behaviour and whether the benefits justify the compliance burden imposed on reporting entities.

Previous reviews of the Payment Times Reporting Scheme have raised questions about whether the regime has materially improved payment practices. Where reporting obligations are not demonstrably improving outcomes, governments should consider whether alternative approaches may achieve better results at lower cost. The objective should be to improve payment outcomes rather than expand reporting requirements.

In considering future reforms, the Commission should recognise that construction payment arrangements often involve progress payments, complex subcontracting structures and industry-specific contractual arrangements. Any reporting framework should account for these features and avoid imposing obligations that do not materially improve payment outcomes.

Construction businesses already maintain detailed payment information through accounting and enterprise management systems. Reporting requirements should be designed to leverage existing data and minimise duplication through greater data sharing, system integration and a genuine "tell us once" approach.

All Australian jurisdictions have Security of Payment frameworks specifically designed to address payment disputes and protect cash flow through adjudication and enforcement mechanisms. These frameworks are directed at improving payment outcomes rather than collecting information about payment practices. The Commission should therefore consider how reporting frameworks complement existing Security of Payment arrangements and whether reporting obligations are delivering additional measurable benefits.

Information Request 2

Sustainability and Environmental Reporting

Master Builders understands the objectives of sustainability and environmental reporting but submits that the Commission should also consider the indirect compliance burden imposed on businesses through construction supply chains.

While many construction businesses are not directly subject to sustainability reporting requirements, they are increasingly required to provide environmental, emissions and sustainability information to clients, principal contractors and developers to support those entities' reporting obligations. For many

small and medium-sized businesses, these requests can create a significant administrative burden despite having no direct legislative reporting obligation.

This issue is particularly evident in relation to emissions reporting and broader Environmental, Social and Governance (ESG) requirements. Construction businesses increasingly receive multiple requests for similar information from different clients, often in different formats and with inconsistent methodologies. As a result, businesses may be required to collect and report substantially the same information several times for different parties.

Master Builders is concerned that reporting obligations imposed on large entities are increasingly cascading through supply chains, effectively transferring compliance costs onto contractors and subcontractors. This form of indirect compliance burden, often described as "white tape", should be considered alongside formal regulatory reporting requirements.

The Commission should also consider whether existing reporting frameworks are achieving measurable environmental outcomes relative to the burden imposed on businesses. The objective should be to improve environmental performance and support sustainability goals, not simply increase the volume of information collected from businesses.

Master Builders is particularly concerned about the absence of clear and consistent guidance regarding the information that larger entities can reasonably request from contractors and suppliers. Clearer expectations for both reporting entities and supply-chain participants would assist in reducing duplication, improving consistency and preventing excessive information requests from cascading through contractual chains.

Reporting frameworks should be aligned and standardised to minimise duplication, improve consistency and reduce unnecessary compliance costs.

Greater use of existing data sources, improved data sharing and a "tell us once" approach would help reduce reporting burden while maintaining the policy objectives of sustainability and environmental reporting.

Information Request 3

Workplace Gender Equality Reporting

Master Builders supports efforts to improve gender equality across the workforce and recognises the importance of improving workforce participation and career opportunities for women in the building and construction industry.

However, reporting requirements should be designed to minimise duplication and make greater use of existing government-held data, including payroll and other administrative datasets. Businesses should not be required to provide information that is already collected by government through other reporting mechanisms.

The building and construction industry is predominantly comprised of small and medium-sized businesses with limited administrative capacity. Any proposal to extend reporting obligations to smaller employers should be supported by a clear assessment of compliance costs and expected benefits.

The Commission should also consider the cumulative effect of reporting obligations on small businesses, particularly where reporting requirements arise across multiple regulatory frameworks.

Master Builders encourages greater consistency in the definitions and thresholds used across reporting regimes. Differing definitions of "small business", reporting entities and employer size thresholds increase complexity and reduce opportunities for automated reporting and data sharing.

In sectors such as building and construction, workforce participation can fluctuate significantly between projects, worksites and regions. Reporting obligations should recognise the project-based nature of the industry and avoid requirements that create disproportionate administrative burdens for employers with variable workforces.

Reporting processes should be streamlined and a "tell us once" approach adopted wherever possible. Improving gender equality outcomes is important, but reporting should be proportionate and should not impose unnecessary administrative burdens on businesses.

Information Request 4

Other non-financial reporting requirements warranting attention

The Commission should examine reporting burdens arising from government procurement, contractor prequalification schemes, workplace relations compliance, and work health and safety requirements.

Construction businesses are frequently required to provide the same information multiple times to different parties. For example, businesses may be required to repeatedly submit details relating to licences, insurance, WHS systems, workforce composition, apprentices, and workplace relations compliance to government agencies, principal contractors, procurement panels and accreditation bodies, often requested repeatedly through different procurement and verification processes.

Government procurement frameworks and accreditation schemes create substantial reporting obligations that often sit outside formal regulatory reporting regimes. Much of the information requested is materially identical despite being submitted through multiple systems and to multiple entities. A centralised verification system or recognised accreditation passport could substantially reduce duplication while preserving compliance and procurement objectives.

The ACT Secure Local Jobs Code illustrates how reporting and compliance obligations can accumulate through procurement systems. Businesses seeking government work must obtain certification, maintain workforce and labour relations plans, provide workforce information and ensure compliance throughout the contractual chain, including subcontractors and sub-subcontractors. These requirements demonstrate how procurement-based reporting obligations can develop alongside existing regulatory obligations and create significant additional administrative burdens.

The Office of the Federal Safety Commissioner accreditation scheme provides another example of compliance and reporting obligations operating through procurement frameworks. Businesses seeking to participate in certain federally funded construction projects must maintain accredited systems, undertake audits, provide periodic reporting and demonstrate ongoing compliance with requirements that often extend beyond existing state and territory work health and safety obligations.

The Commission should examine opportunities to streamline procurement-related reporting requirements through greater reliance on existing government-held information, mutual recognition of compliance activities and reduced duplication across accreditation systems. Procurement frameworks can create substantial administrative burdens despite not being characterised as formal reporting regimes.

Modern Slavery

Modern slavery reporting obligations demonstrate how compliance burdens can extend throughout supply chains. While many construction businesses are not directly captured by reporting thresholds, they are frequently required to complete questionnaires, provide supplier declarations and respond to detailed information requests from larger businesses seeking to meet their own reporting obligations.

These requests are often repetitive, inconsistent and seek substantially similar information in different formats. The result is a significant administrative burden for contractors and subcontractors that may have no direct reporting obligation.

Master Builders is concerned that reporting obligations imposed on large entities are increasingly cascading through supply chains, effectively transferring compliance costs onto smaller businesses. The Commission should examine opportunities for standardisation, mutual recognition and greater reliance on existing declarations and certifications.

Safe Work Australia reforms

Master Builders also encourages the Commission to consider the cumulative impact of emerging reporting proposals being considered through work health and safety reform processes. Reviews and new requirements concerning matters such as incident notifications, air monitoring, licensing frameworks and psychosocial hazards each impose additional reporting, record keeping and administrative requirements. While individually these obligations may appear modest, collectively they contribute to a growing compliance burden that disproportionately affects small businesses.

Regulatory Impact Analysis

Master Builders encourages the Commission to examine whether existing regulatory impact analysis processes adequately assess cumulative reporting burdens. Reporting obligations are frequently developed within individual policy portfolios and assessed in isolation despite businesses experiencing their combined impact.

Regulatory impact analysis should explicitly consider:

- ▶ specific impacts on small businesses;
- ▶ whether an existing reporting regime has achieved its stated policy objective;
- ▶ whether equivalent information is already collected elsewhere;
- ▶ indirect reporting obligations that flow through supply chains, procurement frameworks and accreditation schemes;
- ▶ cumulative impacts arising from multiple reporting frameworks; and
- ▶ alternative approaches capable of achieving the same policy outcome at lower cost.

Reporting obligations should be periodically reviewed and justified against measurable outcomes. Where a regime is not demonstrably achieving its intended objective, governments should consider whether it should be redesigned, simplified or removed.

Information Request 5

Significant interactions between reporting requirements

For construction businesses, the greatest reporting burden often arises not from a single reporting obligation but from the interaction of multiple reporting, procurement, accreditation and compliance frameworks operating simultaneously.

Businesses are frequently required to provide the same information to different regulators, government agencies, principal contractors, procurement panels and accreditation bodies. Workforce data, apprentice numbers, licences, insurances, work health and safety documentation and workplace relations compliance records may all be requested multiple times, often in different formats and at different points in time.

These interactions are particularly evident where regulatory reporting obligations overlap with procurement and accreditation requirements. Information already provided to government agencies may subsequently be requested through contractor prequalification systems, procurement processes, accreditation schemes, project reporting requirements and contract management activities. This duplication creates unnecessary administrative costs without necessarily improving regulatory outcomes.

Increasingly, there is also a flow-through of reporting obligations through construction supply chains. Large contractors, government clients and developers are increasingly seeking environmental, workforce, governance and compliance information from subcontractors to support their own reporting obligations. As a result, businesses can face substantial reporting burdens despite having no direct legislative reporting requirement.

The interaction of these requirements highlights the need for greater harmonisation of reporting frameworks, improved data sharing and a genuine "tell us once" approach. The Commission should examine opportunities to standardise data requirements, improve interoperability between reporting systems and reduce the repeated collection of information already held by governments and procuring entities.

Master Builders also encourages the Commission to consider whether existing impact analysis processes adequately capture the cumulative effect of overlapping reporting obligations. Individual reporting regimes may appear proportionate when assessed in isolation, however businesses experience the combined burden of all reporting, procurement, accreditation and supply-chain compliance requirements simultaneously.

Information Request 6

Reducing interactions and cumulative burden

Master Builders submits that the most effective way to reduce reporting burden is to adopt a genuine "tell us once" approach. Construction businesses should not be required to repeatedly provide the same information, such as workforce data, apprentice numbers, licences, insurance certificates and work health and safety documentation, to multiple regulators, procurement panels, principal contractors and accreditation schemes.

Governments should make greater use of existing administrative datasets, including payroll, taxation, business registration and licensing information, before creating new reporting obligations. Where

reporting remains necessary, definitions, reporting periods and data requirements should be standardised to reduce duplication and facilitate greater interoperability between reporting systems.

There could be a greater use of Australian Business Number (ABN)-linked reporting systems to enable the pre-population of commonly requested information and reduce the need for businesses to repeatedly provide identical information across multiple government platforms, procurement frameworks and accreditation schemes.

A particular priority should be the adoption of consistent definitions across reporting regimes. Different definitions of concepts such as "small business", "contractor", "employee", "supplier" and "reporting entity" significantly increase compliance complexity and reduce opportunities for automation, data sharing and system integration.

Reforms should address reporting obligations that flow through supply chains. Large businesses, government clients and principal contractors increasingly require subcontractors and suppliers to provide environmental, workforce, governance and compliance information to support their own reporting obligations. These indirect reporting burdens should be considered alongside formal regulatory requirements when assessing the cumulative burden imposed on businesses.

Governments should also place greater emphasis on evaluating whether reporting regimes are achieving their stated objectives. Additional reporting, certification and compliance activities should not be assumed to produce better policy outcomes. Reporting frameworks should be subject to periodic review and assessed against measurable outcomes, with consideration given to whether equivalent outcomes could be achieved through less burdensome alternatives.

Finally, Master Builders notes the potential emergence of new reporting and record-keeping requirements associated with artificial intelligence and digital technologies. As governments increasingly consider AI governance frameworks, any future reporting obligations should be proportionate, technology-neutral and integrated with existing compliance systems. Businesses should not be required to establish standalone reporting processes where equivalent information is already collected through existing governance, privacy, cyber security or risk management frameworks.

Reducing duplication, improving data sharing, harmonising reporting requirements and limiting the unnecessary flow-through of reporting obligations would deliver meaningful productivity benefits for construction businesses, particularly small and medium-sized enterprises.