

Improving non-financial business reporting requirements

ACCI Submission

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Table of Contents

Introduction	1
Cumulative reporting burden	1
Compliance costs, thresholds and business capacity	3
White Tape	3
Payment times reporting	4
Sustainability and environmental reporting	5
Scope 3 emissions	7
Assurance	8
Workplace gender equality reporting	9
Modern Slavery	11
Conclusion	12
About ACCI	13

Introduction

The Australian Chamber of Commerce and Industry (ACCI) welcomes the opportunity to contribute to the Productivity Commission's inquiry into improving the efficiency and value of non-financial business reporting requirements.

Onerous regulation and red tape has been an increasing burden on Australian business. The ongoing growth of the regulatory burden weighs heavily on business activity and investment, but its costs are often invisible to policymakers.

Well-designed reporting can improve transparency, assist regulators to monitor risk and support informed decisions by investors, lenders, consumers and other businesses. However, reporting is a financial burden on businesses, as businesses are required to understand their obligations, establish systems, collect and verify information, prepare reports, obtain internal approvals, engage external advisers and demonstrate compliance. These costs often include staff and management time, board consideration, software, legal advice, third-party assurance and engagement with suppliers and customers.

Businesses experience payment times reporting, climate-related financial disclosures, emissions reporting, workplace gender equality reporting, modern slavery reporting, procurement questionnaires and other Environment, Social, Governance (ESG) reporting requirements, as part of one expanding compliance system, drawing on the same limited reserves of staff time, cash flow, systems and management attention.

ACCI recommends that policymakers significantly reduce the reporting requirements on Australian businesses in order to relieve the red tape burden and allow firms to focus on doing business. ACCI is hopeful that the inquiry will identify practical and measurable reforms that reduce the non-financial reporting obligations on businesses.

Cumulative reporting burden

The weakness in the current regulatory approach is that each obligation is usually assessed separately and does not reflect the way businesses operate. A business is often required to report overlapping information, such as carbon emissions data through climate-related financial disclosures, the National Greenhouse and Energy Reporting scheme, the Safeguard Mechanism and pollution inventories. While the data is essentially the same, the different reporting requirements often have different definitions, reporting periods, methodologies and involve different digital systems.

Information may need to be collected from several parts of the business, reviewed internally, considered by the board, assured externally and lodged through separate portals. Even where the underlying information is similar, businesses may need to recalculate, reformat or reapprove it for each regulator.

ACCI has previously argued that the regulatory burden is not confined to one requirement, regulator or level of government. It arises from overlapping obligations, inconsistent Commonwealth, state and territory systems, duplicative reporting and regulation that too often prioritises process over outcomes.

ACCI's Path to Prosperity report identified that a hypothetical grid-scale solar project may require up to 40 separate licences and approvals across Commonwealth, state and local government. These findings illustrate how legitimate individual requirements can combine to create substantial cost and complexity when they are not designed or assessed as part of a coherent regulatory system.¹

While not specific to non-financial reporting, ACCI's small business condition survey 2026 shows that 53.2 per cent of businesses reported that regulation and compliance had a negative impact on their business, compared with 11.9 per cent reporting a positive impact. The survey also shows that among the owners that handled their own compliance, 64.9 per cent spent at least one hour each week personally seeking to comply and 15.2 per cent spent six hours or more.²

Almost 25 per cent of the respondents estimated spending more than \$20,000 annually meeting regulatory requirements. This is substantially higher for businesses with more employees, as 11.8 per cent of sole operators estimated spending more than \$20,000, compared with 58.4 per cent of businesses with 15 to 19 employees and 73.3 per cent of businesses with 20 to 24 employees.

Similarly, Business Chamber Queensland estimates that Queensland businesses will spend more than \$15 billion on regulatory compliance in 2025, with a median compliance cost of \$30,000 per business. Almost half of surveyed businesses reported spending more than six hours each week on compliance, while one in three employed staff specifically to manage compliance obligations. Further, 74 per cent reported that their overall compliance costs had increased since 2023 and more than eight in ten said inefficient regulation inhibited their growth and productivity prospects.³

The small business condition survey also shows that business owners frequently did not distinguish between regulation, tax, payroll and other business reporting, instead experienced them as one administrative compliance burden. Taxation was rated the most onerous, raised by 38.4 per cent of owners, however, non-financial compliance, including licences and permits at 31.1 per cent and environmental reporting requirements at 29.7 per cent also rated as a considerable burden on small businesses.

Recommendations:

- Develop a public register of Commonwealth non-financial reporting requirements.
- Undertake an economy-wide stocktake to identify duplicated information, inconsistent definitions and overlapping assurance obligations.
- Include reporting attached to licences, permits and contracts.
- Require regulators to publish evidence about how reported information is used.
- Require Government agencies to undertake regular regulatory reviews, with the objective of simplifying and reducing the administrative cost of non-financial reporting.

¹ ACCI, [Path to Prosperity](#) report 2026

² [2026 Small Business Conditions Report](#)

³ Efficient Regulation Report 2025, Measuring the red tape burden on Queensland business, Business Chamber Queensland

Compliance costs, thresholds and business capacity

Businesses are required to establish data systems, amend accounting processes, employ specialist staff, train employees, engage advisers, collect information from third parties, develop internal controls and obtain management or board approval. Where assurance is required, businesses must engage suitably qualified providers and respond to requests for supporting evidence.

The cost of regulatory complexity is substantial and increasing. Research by Mandala estimates that the cost of Commonwealth compliance for Australian businesses was \$159 billion in 2024, equivalent to 5.8 per cent of GDP. This increased from \$65 billion, or 4.2 per cent of GDP, in 2013 and excludes the additional costs imposed by state, territory and local regulation. The report states that compliance-focused roles have doubled since 2010, expenditure on legal services reached \$16 billion in 2024 and boards spent 55 per cent of their time addressing compliance matters in 2025. These findings demonstrate that the cumulative regulatory burden is not merely an administrative inconvenience. It redirects labour, management attention and capital away from productive activity.⁴

The burden increases as the business grows, turnover or asset thresholds may bring a business within several regulatory regimes without providing the business with corresponding legal, human resources, sustainability or reporting capacity.

This creates a particular risk for medium-sized and growing businesses. A business may no longer qualify for an exemption but still lack the internal capability of a large corporation. Reporting thresholds should therefore reflect practical compliance capacity rather than assume that additional employees or turnover automatically create specialist capability.

According to the Regulatory Reform Policy Paper by Victorian Chamber of Commerce and Industry, around 40 per cent of Victorian businesses reported that the time involved was a greater cost of doing business than the money spent. This highlights the opportunity cost of reporting requirements, particularly for smaller and medium-sized businesses where compliance obligations are often undertaken by owners, managers or employees whose time would otherwise be directed towards business operations, investment and growth.⁵

Recommendations:

- Require Regulatory Impact Statements for new legislation and regulation to include estimates of compliance-cost, covering staff time, software, systems, advice, assurance, governance and third-party engagement.
- Assess the combined effect of reporting thresholds across different regulatory regimes.
- Introduce appropriate transition periods when businesses cross reporting thresholds.

White Tape

Larger reporting entities often seek information from suppliers and customers, many of which are small businesses, to meet their own obligations. Smaller businesses are obligated to provide this information,

⁴ [\\$160-billion-and-counting-The-cost-of-Commonwealth-regulatory-complexity.pdf](#)

⁵ Regulatory Reform Policy Paper, Increasing Productivity by building on Victoria's Regulatory Reform Agenda, VCCI

complete questionnaires, maintain records and provide contractual assurances despite being outside the statutory reporting threshold.

ACCI's Small Business Conditions Survey shows the reporting or administrative requirements imposed on larger businesses by government and then transferred to smaller businesses through clients, suppliers, platforms or procurement systems. Overall, 23.1 per cent of owners reported being subject to white tape. Among those subject to white tape, 30.2 per cent reported a negative or extremely negative impact.

Business Chamber Queensland found that 53 per cent of Queensland businesses were operating at the compliance or lower stages of sustainability maturity, while 22.7 per cent had major or critical concerns about meeting wider market environmental-sustainability expectations. This is significant in a state where more than 490,000 SMEs account for 99.8 per cent of all businesses. Requirements passed down by reporting entities can therefore affect a large business population with limited sustainability-reporting capability.^{6,7}

The surveys demonstrate that indirect reporting is an increasing burden for a large group of businesses. The burden becomes greater where businesses receive multiple requests for similar information in different forms, using different definitions or reporting periods. These requirements can have significant commercial consequences, as small businesses that are unable to satisfy the compliance demands of larger customers may lose existing contracts or be excluded from future procurement opportunities.

A statutory exemption will not protect smaller businesses if reporting entities can substantially pass the same obligation down the supply chain.

Recommendations:

- Conduct regulatory impact assessments to include costs transferred through supply chains.
- Require reporting entities to use government data, recognised estimates or industry averages before requesting supplier-specific information.
- Prevent reporting entities from requiring smaller businesses to collect information they are not otherwise legally required to maintain.
- Develop model contractual clauses protecting small suppliers from disproportionate information requests.
- Ensure government procurement does not indirectly impose reporting obligations on entities outside statutory thresholds.

Payment times reporting

The Payment Times Reporting Scheme seeks to improve payment outcomes for small businesses by requiring large businesses to disclose their payment performance. ACCI supports this objective and the use of transparency as an alternative to more prescriptive regulation. However, the Scheme should be assessed against whether the information collected is used and whether improvements in payment practices justify the regulatory burden imposed on reporting entities.

ACCI has consistently raised concerns that the Scheme's reporting requirements are complex and cumbersome. The level of detail required is very high and the repercussions of getting it wrong have

⁶ [Are you ready for mandatory climate reporting? » Business Chamber Queensland](#)

⁷ [SMEs are being forgotten in the fight for corporate sustainability » Business Chamber Queensland](#)

expensive implications for larger businesses. Although the 2024 reforms simplified aspects of the Scheme, reporting entities may still be required to compile and retain substantial underlying datasets.

There are 54 items of information that potentially need to be input into register, making reporting overly cumbersome of large businesses. ACCI has previously questioned requirements that add complexity without providing clear value to small businesses, including reporting the 80th percentile of payment times and detailed information on supply-chain finance. Mandatory reporting should be simplified and narrowed to payment times exclusively. Reporting detailed information related to payment practices such as supply chain financing should be made an optional feature, registered on a voluntary basis. The focus needs to be on information that directly demonstrates payment performance and is demonstrably useful to small businesses or the Regulator.

The Commission should examine whether the reforms following the 2023 statutory review have materially reduced compliance costs and whether the reported information is influencing commercial decisions or payment behaviour. ACCI has previously recommended moving from six-monthly to annual reporting, as there is no clear benefit from requiring large businesses to undertake two reporting cycles each year. Annual reporting would reduce administrative burden while retaining public transparency about payment performance.

Recommendations:

- Move Payment Times Reporting from six-monthly to annual reporting.
- Narrow mandatory reporting requirements to information that directly demonstrates payment performance and delivers clear value to users of the Register.
- Regularly review the Scheme to assess whether reporting requirements remain proportionate to the benefits delivered to small businesses and other stakeholders.

Sustainability and environmental reporting

Sustainability and environmental reporting have expanded into a layered system of overlapping obligations. Businesses may be required to report emissions, energy use, environmental performance, climate risks, transition strategies and carbon-credit use under climate-related financial disclosure requirements, the National Greenhouse and Energy Reporting scheme, the Safeguard Mechanism, pollution inventories and state and territory environmental regimes.

ACCI acknowledges that these frameworks serve different policy purposes, but they frequently draw on the same underlying business information. Differences in reporting entities, organisational boundaries, materiality tests, reporting periods, methodologies and assurance requirements can require businesses to calculate, reconcile and verify substantially similar information more than once.

ACCI's National Trade Survey 2024 found that 72 per cent of respondents considered ESG requirements, including supply-chain due diligence, a major or moderate concern. Around 43 per cent identified ESG requirements as a major concern, demonstrating the significant burden these requirements place on trading businesses.⁸

⁸ [ACCI's National Trade Survey 2024](#)

The costs associated with the climate-related financial disclosure framework are substantial. Treasury's Policy Impact Analysis estimated initial transition costs of between \$1 million and \$1.3 million per reporting entity each year, stabilising at ongoing costs of between \$500,000 and \$700,000 per entity annually. Treasury expected approximately 1,800 entities to be captured by the regime.⁹

The interaction between the Safeguard Mechanism (SM) and National Greenhouse and Energy Reporting Scheme (NGERS) demonstrates the opportunity for simplification. The SM covered facilities are a subset of the entities required to report broader NGERS framework, so SM covered facilities are reporting very similar information about their carbon emissions to the same agency through different reporting obligations. Similarly, climate-related financial disclosure captures the majority, more than 90 per cent, of corporate entities operating SM covered facilities and requires parallel reporting information on emissions and emissions-reduction strategies, including investment in lower-emissions technology and the purchase of Australian Carbon Credit Units.¹⁰

Mandala report estimates that increasing the thresholds applying to large proprietary companies and Group 3 climate-reporting entities could reduce reporting costs by \$1.7 billion over four years, including approximately \$1 billion in savings from climate-related financial disclosure requirements. This demonstrates that the marginal information obtained from businesses near the existing thresholds comes at a significant cost. The Productivity Commission should assess whether the information obtained from these entities is material and useful to justify that cost.¹¹ Further, evidence suggests that the cost will fall on entities with limited capacity to produce auditable climate information.

A survey by Chartered Accountants Australia and New Zealand found that almost 90 per cent of responding auditors did not support mandatory reporting and assurance for Group 3 entities, while 84 per cent did not believe those entities would have the capacity to prepare an auditable climate statement or climate-risk assessment within three years. CA ANZ estimated that the audit requirement would cost between \$20,000 and \$50,000 per entity and affect between 7,000 and 8,000 businesses. This cost is particularly difficult to justify where the Government expects approximately 95 per cent of Group 3 entities to have no material climate-related risks or opportunities.¹²

Requiring businesses to lodge separate reports about substantially the same data on emissions, production, abatement and investment activity greatly increases internal governance costs, exposes businesses to inconsistencies between submissions and requires information that has already been collected and verified to be recalculated for a different reporting period or format.

The objective should be to establish a single authoritative source for each data element. Once information has been reported and verified under NGER, the Safeguard Mechanism or another recognised framework, that information should satisfy equivalent requirements elsewhere. A regulator seeking different or additional information should be required to demonstrate that a material information gap exists and that the benefit of collecting the additional information justifies its cost.

⁹ [Climate-related financial disclosures - Policy Impact Analysis](#)

¹⁰ ACCI submission, [2026-27 Review of the Safeguard Mechanism](#)

¹¹ [\\$160-billion-and-counting-The-cost-of-Commonwealth-regulatory-complexity.pdf](#)

¹² [Climate Reporting bill a significant cost for Group 3 businesses | CA ANZ](#)

The Commission should also examine environmental reporting obligations imposed by state and territory governments. Harmonising definitions, reporting periods and methodologies would reduce duplication while preserving the information needed by regulators.

Recommendations:

- Harmonise NGER, the Safeguard Mechanism, climate-related financial reporting and other emissions / environmental data reporting requirements and periods for reporting so that information reported and verified under one of the frameworks is equivalent and not required to be reported a second, or third time.
- Require regulators seeking additional information to identify the material information gap and demonstrate that the benefit justifies the cost.
- Align reporting periods, organisational boundaries, definitions and methodologies across Commonwealth sustainability and environmental reporting frameworks.
- Include relevant state and territory environmental requirements in a national harmonisation exercise.

Scope 3 emissions

Scope 3 emissions are fundamentally different from emissions generated directly by a reporting entity or from purchased energy. A reporting entity has limited access to and control over emissions generated by suppliers, customers, distributors, freight providers, contractors and product users. The information required may be dispersed across several tiers of a value chain and held by businesses with different systems, methodologies and levels of reporting capability. For manufactured products, the value chain may include numerous components, materials, transport movements and production stages. Requiring a reporting entity to obtain information not only from its direct suppliers and customers, but also from businesses further along those parties' supply chains, creates an obligation with no clear endpoint.

The limitations of Scope 3 information are recognised by organisations that support expanded non-financial reporting. The We Mean Business Coalition highlights that businesses cannot have perfect oversight of Scope 3 data, much of the information is estimated and downstream emissions are particularly difficult to calculate. It recognises that estimated or imperfect information can reduce comparability and, consequently, its usefulness to investors. This international experience reinforces the need to assess whether mandatory Scope 3 reporting in Australia will produce information of sufficient reliability and decision-usefulness to justify the cost imposed across the value chain.¹³

Therefore, this creates a substantial administrative burden on businesses. Businesses must determine the boundaries of their value chains, identify relevant counterparties, issue information requests, follow up incomplete responses, assess the reliability of the data, reconcile different methodologies and retain evidence capable of supporting the final disclosure.

Many smaller businesses do not collect emissions information and do not have the systems, staff or specialist expertise required to calculate it. They may need to introduce emissions-accounting systems, engage external advisers and respond to several customers seeking similar information in different

¹³ [A deep dive into the rise of non-financial reporting and what it means for business - We Mean Business Coalition](#)

formats. These costs may make individual contracts commercially unviable. A business unable to satisfy a customer's information request may lose the contract or be excluded from procurement despite having chosen not to subject that business directly to the reporting regime.

This is also a clear example of regulatory "white tape". The initial obligation applies to a larger reporting entity, but the cost is passed through commercial relationships to businesses outside the statutory boundary. Guidance may limit some excessive requests, but it cannot remove this underlying consequence of mandatory Scope 3 reporting.

ACCI's recommends that mandatory Scope 3 reporting should not proceed. If the Government retains it, the framework should require reporting entities to use the least burdensome information reasonably available.

Consistent with ACCI's existing position, small businesses should not be required to provide entity-specific emissions information merely because they supply a reporting entity.

Recommendations:

- Remove mandatory Scope 3 emissions reporting.
- Do not require reporting entities to compel small businesses to collect emissions information they are not otherwise legally required to maintain.
- Limit entity-specific Scope 3 information requests to large businesses already captured by climate-related financial disclosure requirements.
- Develop standardised information requests to avoid businesses receiving multiple questionnaires seeking substantially the same information.

Assurance

Reported information depends on assumptions, estimates, third-party data, scenario analysis, transition plans and forward-looking statements. These challenges are most pronounced for Scope 3 emissions, where the reporting entity may have limited visibility over the underlying activity and little control over the quality of information supplied by third parties.

Assurance cannot transform uncertain underlying information into precise information. Where methodologies differ, data is incomplete and estimates are necessary, progressing from limited to reasonable assurance may materially increase cost without producing a commensurate improvement in reliability or usefulness.

ACCI identifies limited experience and capability among assurance providers, particularly in relation to Scope 3 emissions and other forward-looking climate information. The absence of a consistent and mature assurance framework can cause providers to take a cautious approach, increasing the information, evidence and internal documentation they require from reporting entities.

The limited supply of suitably skilled practitioners is likely to increase the cost and difficulty of obtaining assurance, particularly as additional businesses enter the disclosure regime. Businesses are required to prepare supporting records, document methodologies and assumptions, respond to queries, engage

suppliers and remediate identified information gaps. These internal costs are substantial and can also be transferred to suppliers where assurance providers seek evidence supporting value-chain information.

ACCI have recommended that the progression to reasonable assurance should be removed. Reporting entities should have the option to voluntarily seek assurance, but it should not be made mandatory unless an independent review demonstrates that methodologies, data quality and assurance-market capability have matured sufficiently, and that the additional benefit to users exceeds the full cost imposed on reporting entities and their supply chains.

The submission also notes that recent European Union reforms removed the proposed progression from limited to reasonable assurance, retained limited assurance, narrowed reporting obligations and strengthened value-chain protections. Australia should therefore not adopt a more costly assurance pathway than a major overseas jurisdiction where the additional benefits have not been demonstrated.

ACCI recommends that the Commission should also consider whether information already verified through NGER, the Safeguard Mechanism or another recognised framework should require further assurance when reused for climate-related disclosure. Reassuring the same underlying information under a separate framework imposes additional cost without necessarily improving its quality.

Recommendations:

- Remove the progression from limited to reasonable assurance.
- Recognise verification completed under NGER, the Safeguard Mechanism or another recognised framework for equivalent climate-disclosure information.
- Undertake an independent cost-benefit and market-readiness assessment before any future expansion of assurance.
- Assess the full cost of assurance, including internal staff time, systems, supplier engagement, documentation and external fees.
- Ensure assurance requirements do not indirectly impose disproportionate evidentiary demands on small and medium-sized suppliers.
- Protect businesses using accepted methodologies, government emissions factors or regulator-endorsed guidance from unreasonable liability.

Workplace gender equality reporting

The *Workplace Gender Equality Act 2012* imposes substantial reporting requirements on "relevant employers", firms with more than 100 employees, and more onerous obligations again on "designated relevant employers" with more than 500. The Australian Chamber of Commerce and Industry (ACCI) supports initiatives that encourage gender equality in the workplace and enable interested parties to make socially responsible investment and consumption decisions. However, ACCI believes the Productivity Commission should recognise that, particularly with technological improvements and the rise of AI, there is a significant opportunity to make this repetitive reporting process less labour-intensive for business.

Under s 13A of the Workplace Gender Equality Act 2012, all Australian employers with more than 100 staff must publish a full report each annual cycle covering an extensive range of data across six gender equality indicators: the gender composition of the workforce and of governing bodies, equal remuneration between women and men, flexible work and family or caring arrangements, consultation with employees, and sexual or sex-based harassment. These requirements are a significant burden on business. Much of this data, while not difficult to obtain, requires precise and time-intensive formatting to have it ready for reporting. The *Gender Equality Indicators Instrument 2023*, the current statutory instrument specifying what these reports must include, requires for instance "disaggregated workforce data by gender, broken down by employment status, year of birth, primary work location, and [managerial status]", and, separately, "disaggregated data by gender and manager/non-manager on availability of flexible arrangements: flexible hours, compressed weeks, time-in-lieu, work from home, part-time work, job sharing, carer's leave, purchased leave, unpaid leave" (s 9(j), *Gender Equality Indicators Instrument 2023*). Modern businesses can access this information, but it rarely sits in a central database. It generally requires manual assembly and formatting into large tables for each report, a task that is time-consuming and amenable to substantial simplification.

In 2026, businesses should not have to manually compile what is often a 20-plus page report each year for the Workplace Gender Equality Agency (WGEA), especially as most changes to workplace gender composition are gradual and incremental, meaning year-to-year reports remain similar. ACCI therefore recommends that WGEA develop a reporting process that reflects this. An automated, interactive report that does not require employers to disaggregate and reformat data each year to accommodate minor changes in the workforce would be a marked improvement. Far more efficient would be an interactive portal allowing employers to submit the details of new employees and their contracts, which already contain much of the information WGEA wants rendered publicly available. Data points such as whether an employee has access to primary carer's leave, for instance, are usually fixed in this initial contract or by virtue of a workplace policy. Rather than the employer building and formatting the report, the form itself would take these raw inputs and self-generate the presented report, disaggregating the data, populating the tables and producing the firm-level figures on metrics such as leave access automatically. Employers would simply update details as necessary, and the system, whether AI-powered or otherwise automated, would reformat and re-present the report in response, removing an exercise that is laborious when done by hand.

An even better solution would draw on the model of Single Touch Payroll, the system harnessed by payroll software such as Xero, and extend it to HR matters. Just as Xero automatically transmits mandatory payroll data to the ATO, the HR platforms businesses already use to manage leave, onboard staff, promote employees and assess flexible-work requests could relay the relevant information to interested agencies as those events occur. Take the requirement under s 9(j): rather than requiring time-poor businesses to build and manually refresh these tables each year, the system would collate the underlying data at the point it is produced or dealt with by the business, where entitlements such as the quantum of primary carer leave are established, register changes as they happen, and sync them to an AI-adjusted report or send it directly to the WGEA for it to update the disaggregated tables and graphs automatically for stakeholders. ACCI accepts that a fully integrated system of this kind is likely a longer-term goal. The more immediate reform, an updatable, as-needed interactive form that automatically formats the data

submitted to it, appears readily achievable in the current technological climate and could deliver much of the same benefit in the meantime.

Since amendments commencing in April 2025, "designated relevant employers", those with 500 or more employees, must do more than report. Each three-year cycle they must also select three gender equality targets from a prescribed menu and commit to meeting them or demonstrating improvement against them, and are at risk of being publicly named as non-compliant if they fall short.

ACCI questions whether this target-selection requirement justifies the work it creates. Beyond the annual report, these employers must select three targets each cycle, establish a baseline for each, frame eligible categories, nominate the improvement required, and track progress over three years, each a discrete task added to an already substantial obligation. The compliance costs of this element are significant, and the benefits are unclear. The penalty for non-compliance (or 'falling short' of targets) may result in less-suited candidates being favoured over candidates more suited to the job, with a consequent cost to productivity. The Productivity Commission might consider commenting on the weight of that cost against any demonstrable benefit.

Modern Slavery

ACCI acknowledges that recommendations relating to mandatory requirements established by the Modern Slavery Act 2018 are beyond the scope of the Productivity Commission's enquiry. ACCI's commentary is to assist the Productivity Commission to understand that it does form another mandatory non-financial reporting obligation for many Australian businesses. The Modern Slavery Act requires reporting entities, defined as entities with an annual revenue of at least \$100 million, to publish a yearly statement addressing seven mandatory criteria. ACCI supports the regime's transparency objectives but considers that it can be made more efficient without diluting its purpose.

The most labour-intensive aspect of compliance is the investigative work entities must undertake to ensure their reporting is of sufficient quality. This process should be as simple as possible, without increasing the risk that modern slavery goes undetected, and ensuring the system does not encourage onerous reporting obligations being passed on to smaller businesses in the supply chain in order for a reporting entity to comply.

The best way to ensure this occurs is for more government resources to be provided to reporting entities and seizing upon potential opportunities to improve efficiency of reporting and investigating, without materially raising the chance that instances of modern slavery begin to go undetected.

There may also be opportunities to simplify the reporting form itself. Much of a modern slavery statement is stable from year to year: the entity's identity, structure, operations, and the standing governance. Moreover, the due-diligence processes an entity has in place will likely not change between cycles unless an event has occurred that demonstrates it is inadequate. However, as it stands, the portal for modern slavery reporting requires re-drafting in full every time. The Register already holds an entity's prior statements, so the form should pre-populate this settled content and ask the entity only to confirm it or note what has changed, concentrating effort on the parts that genuinely move, namely the current-year risk findings and the actions taken in response.

A structured, guided template mapped to the seven mandatory criteria would replace open-ended drafting with defined fields, ensuring each criterion is addressed while reducing the time spent formatting prose. These are modest, low-cost changes, but they would meaningfully lighten the recurring administrative load without reducing the substance the regime requires entities to disclose.

ACCI recommends that any research conducted by the Productivity Commission into the impacts of modern slavery reporting are also targeted at smaller businesses that may operate within the supply chain to actually understand the cost not only from the reporting entity's perspective, but the entire cost of the mandatory reporting obligation.

Conclusion

Non-financial reporting can support legitimate public policy objectives, but it must be practical, proportionate and demonstrably useful. The current approach assesses individual obligations without sufficient attention to their interaction. Businesses experience reporting as one interconnected compliance system involving different definitions, reporting periods, portals, assurance requirements and supply-chain requests.

The Commission should recommend a whole-of-government reform program that consolidates reporting, harmonises definitions, reuses existing information and removes requirements that do not provide sufficient value. Priority reforms should include removing mandatory Scope 3 reporting, retaining limited assurance, reducing environmental-reporting duplication, moving Payment Times reporting to an annual cycle, protecting small businesses from indirect reporting obligations and establishing a genuine “tell government once” framework.

About ACCI

The Australian Chamber of Commerce and Industry represents hundreds of thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people.

ACCI strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth, and jobs.

We focus on issues that impact on business, including economics, trade, workplace relations, work health and safety, and employment, education, and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. We represent Australian business in international forums.

We represent the broad interests of the private sector rather than individual clients or a narrow sectional interest.

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