

30 September 2026

Commissioners Barry Sterland PSM & Dr Angela Jackson
Productivity Commission
4 National Circuit, Barton ACT 2600, Australia
via online submission portal: businessreporting@pc.gov.au

RE: Inquiry into Improving Non-Financial Business Reporting Requirements

The Financial Services Council (FSC) welcomes the opportunity to provide a submission to the Inquiry into Improving Non-Financial Business Reporting Requirements.

In recent years the FSC has actively engaged with productivity, deregulation and regulatory simplification initiatives across government and its agencies relating to items specific to financial services sector. These activities are ongoing and include:

- Engagement with Treasury on potential options for legislative reform to achieve regulatory and red tape reduction following the Economic Reform Roundtable;
- The development of proposals to reduce the regulatory burden for financial services through the Council of Financial Regulators' Better Regulation Roadmap, including a strong focus on removing data duplication;
- Engagement with ASIC's regulatory simplification program, which spans issues relating to the regulation of superannuation, financial advice and investment management; and
- Submissions to the Productivity Commission's Inquiry into Business Dynamism.

Given the distinct scope of this review, we simply draw your attention to the breadth of work underway in this area and which the FSC is involved in. It is worth noting that we have not included any of our recommended changes as part of those initiatives in this submission, but would be happy to discuss these separately with the Commission if this would be useful.

About the Financial Services Council

The FSC is a peak industry body which sets mandatory Standards for its Full Members and develops policy in one of Australia's largest industry sectors, financial services.

Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, platforms and financial advice licensees.

Supporters represent professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses.

The Associate category provides access to industry tools.

The financial services industry is responsible for investing more than \$4.5 trillion on behalf of over 17.8 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.

FSC's response to initiatives relating to this Inquiry

As noted in the call for submissions, reporting requirements are imposed to support important transparency and regulatory objectives. They can, however, also impose unnecessary costs where definitions are poorly scoped and difficult to apply, reporting rules do not align with ordinary business systems, identical information is collected more than once, or the frequency and granularity of reporting are not proportionate to the value of the information produced.

This submission focuses on two reporting obligations of concern raised by FSC members: the Payment Times Reporting Scheme and the Register of Foreign Ownership of Australian Assets. As specified in the call for submissions, neither concerns financial reporting or continuous disclosure under the Corporations Act 2001.

The FSC considers that both regimes could be made more efficient and less costly for industry while preserving their underlying policy objectives. This submission also reiterates our longstanding support for the 'tell us once' principle.

1. Payment Times Reporting Scheme

The Payment Times Reporting Scheme requires large businesses to report every six months on their payment terms, times and practices in relation to small business suppliers. The scheme is intended to improve payment practices involving small businesses by means of greater transparency. Members have identified several areas in which the design of the reporting obligation creates avoidable compliance work, particularly for diversified financial services organisations.

Scheme Effectiveness and Integrity

The Scheme as a whole should be assessed by the Productivity Commission against its stated objective of improving payment times for small businesses. The Commission should examine whether the Scheme has materially improved payment times since its commencement and whether any demonstrated benefits remain proportionate to the compliance costs imposed on reporting entities. The examination should consider its application across different types of reporting entities, including managed investment schemes and superannuation funds. This assessment should recognise that the Scheme was substantially amended in 2024 and distinguish, where possible, between the effects of the original and revised frameworks. Reporting requirements should not be retained or expanded merely because they produce additional data.

FSC Members have also identified instances in which large suppliers appear to be classified as small businesses by the Payment Times Small Business Identification Tool. The Scheme should apply objective and verifiable thresholds, drawing on information already held by government wherever practicable.

Recommendation 1.1

The Commission should assess whether the Payment Times Reporting Scheme has materially improved payment times for small businesses and whether its benefits are proportionate to the compliance burden imposed. This assessment should include the accuracy of the Payment Times Small Business Identification Tool and opportunities to improve classifications using information already held by government.

Determining Reportable Payments

Financial services businesses span superannuation, financial advice, investment management and related affairs. As the Commission may appreciate, not every outgoing payment from these businesses has the characteristics of a conventional 'supplier invoice'.

Members report that unreasonably detailed review of contractual arrangements and payment characteristics can be required to determine whether certain payments fall within the definition of a reportable trade credit payment.

Examples include, but are not limited to:

- Deposits;
- Prepayments;
- Donations;
- Conference-related payments;
- Financial transactions; and
- Pass-through payments.

Recommendation 1.2

Provide clearer guidance on the definition of a reportable trade credit payment, supported by standard inclusion and exclusion criteria and industry-specific examples for the financial services sector. This would reduce interpretive effort and support more consistent treatment across reporting entities.

Data Collection, Preparation and Operating Segment Reporting

Payment data is not typically held in a single application. Where data is sourced from multiple systems, reporting requires extraction and consolidation across each of them. The burden is increased where the statutory methodology does not correspond with fields or calculations generated by those systems.

Future changes to the Scheme should therefore be designed, as far as practicable, around data generated through ordinary business systems and should avoid requiring bespoke system configuration solely for reporting purposes.

A problematic example is the requirement to report payment performance by operating segment. This requires significant allocation and validation work without necessarily producing meaningful information. The entity making a payment may not correspond directly with the operating segment to which the expense is ultimately allocated. This can produce results that require additional explanation and manual validation.

Recommendation 1.3

Remove the requirement to report payment performance separately by operating segment. Payment performance should instead be reported at the reporting-entity level or, where payment functions are centrally managed, on a consolidated basis for the relevant group.

Payment Time Calculation

FSC Members report that the legislated calculation includes the invoice or receipt date when calculating payment time, whereas standard enterprise resource planning (ERP) systems commonly calculate invoice due dates and payment ageing exclusive of that date. Across large transaction sets, this difference can require bespoke configuration or manual adjustment and reconciliation to meet reporting requirements, for no particular benefit.

Recommendation 1.4

Consult with industry on aligning the payment-time and payment-term calculation methodologies prescribed by the Payment Times Reporting Rules 2024 with standard ERP and payment-ageing practices.

Reporting Frequency

The six-monthly reporting cycle creates an ongoing operational burden as the processes of extraction, reconciliation, classification, validation and approval must be repeated twice each year. For organisations with complex systems, preparation for the next cycle can begin soon after the preceding report is finalised, creating a constant stream of work (despite the fact that these same organisations are consistently compliant).

Moving to annual reporting would reduce repeated compliance costs while continuing to provide regular public information about payment performance. If more timely information is required for a particular supervisory purpose, targeted information requests would be preferable to imposing a second full reporting cycle per year on every reporting entity.

Recommendation 1.5

Amend the Payment Times Reporting Scheme to require payment times reports to be submitted annually rather than every six months.

Approval Requirements Across Related Entities

FSC Members have noted that the Scheme's approval requirements do not always align with the governance and operating structures of financial services organisations. In some groups, responsibility for payment functions sits at the trustee or fund level, while approval of the payment times report may be required at a higher level that is removed from the underlying activity. This can add cost and delay without materially improving the accuracy of the report, its value to suppliers or the integrity of the Scheme. The Commission should examine whether reports can instead be approved by an appropriately authorised person or governing body with direct oversight of the relevant payment activity, including where a report consolidates information from multiple related entities.

Recommendation 1.6

Review the Scheme's approval requirements to ensure that payment times reports can be approved at the governance level with responsibility for the relevant payment activity, rather than requiring approval at principal governing body (often head-company) level that is removed from that activity.

2. Register of Foreign Ownership of Australian Assets

The Register of Foreign Ownership of Australian Assets (the Register) supports transparency about foreign interests in specified Australian assets. The FSC does not propose weakening that objective. However, the FSC believes the same information can be collected through an existing, more efficient process.

Streamlining this process would reduce unnecessary compliance costs and administrative delays for foreign investors and their Australian advisers. A simpler process would make Australia a more attractive and efficient destination for international capital, supporting business investment, competition and economic growth without reducing the Government's visibility of foreign ownership.

Access and Third Party Lodgement

There are significant practical difficulties with the Register where an institutional investor relies on an Australian law firm or another professional adviser to manage its foreign-investment obligations. In particular:

- The system does not provide a workable process for law firms and other authorised third parties to submit information on an investor's behalf;
- Access may depend on a particular individual's Australian digital identity (for example, the law firm's most senior lawyer) rather than an organisation-based authorisation model appropriate for institutional investors;
- Senior individuals are therefore often required to personally contact the ATO over the phone to authorise access; and
- Information associated with the transaction may already have been supplied through the FIRB process, imposing a duplicative post-completion interaction with government.

A 'Tell Us Once' Model

To address the above frictions, the FSC believes the foreign investment framework presents a strong use case for a 'tell us once' approach. Information collected during the foreign investment approval process (in particular, through the Foreign Investment Portal) should be capable of being transferred securely to the Register. Once a transaction completes, the investor or its authorised representative should be required only to confirm completion and correct any changed information. The Portal should be modified to ensure information required by the Register is provided, where it is not currently collected.

This would preserve the Register and the Government's ability to monitor foreign ownership while reducing duplicate data entry, inconsistent records and avoidable administrative contact. It could also improve data quality by establishing a clearer relationship between an approved transaction and the registered asset.

The [Government has announced proposed changes](#) intended to streamline the Register. The Commission should examine whether those changes fully address reuse of information already supplied through the FIRB process and, where this is not possible, organisation-based authorisation. Any revised process should be user-tested with institutional investors and the professional advisers who make registrations in practice.

Recommendation 2.1

Remove the standalone process for reporting transactions to the Register where possible. The Foreign Investment Portal should instead collect the information required for the Register as part of the foreign-investment application process. Investors should then be required only to provide any information that has changed.

Recommendation 2.2

Where a transaction is not/cannot be appropriately reported through the Foreign Investment Portal, introduce an organisation-based authorisation model for updating the Register. The model should allow duly authorised service providers to lodge and manage registrations on behalf of foreign investors, support auditable delegations and changes in personnel, and remove the need to rely on a single individual's digital identity or telephone-based authorisation.

3. 'Tell Us Once' Expanded

More broadly, the FSC reiterates its support for the "tell us once" principle. The Regulatory Reform Omnibus Acts 2025 and 2026 are welcome steps towards greater sharing and reuse of information across government. However, these reforms have focused principally on service delivery across agencies such as Services Australia, Medicare and Child Support. They do not yet establish a general requirement for financial-sector regulators to share information or avoid duplicative requests to regulated entities.

A properly implemented "tell us once" model would reduce duplicative reporting and reconciliation costs while preserving regulatory oversight and data quality.

Recommendation 3.1

Extend the 'tell us once' principle more fully to financial services, including through the Council of Financial Regulators' work on data duplication and the Statements of Expectations for APRA and ASIC. Consistent with the FSC's representations through that process, APRA should act as the lead collector of financial reporting data, with information shared securely with ASIC and other relevant agencies where lawful and appropriate.

The FSC appreciates the opportunity to contribute to this inquiry and would welcome further engagement with the Commission as its work progresses. For further information, including with respect to any additional support that our Members may be able to provide, please contact Harvey Russell, Policy Director

Kind regards

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Executive Director of Policy