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Productivity Commission

Via online portal

Dear Commissioners

Business reporting requirements

Thank you for the opportunity to provide a submission on the Productivity Commission's (**Commission**) inquiry into business reporting requirements (**Inquiry**).

The Australian Institute of Company Directors Limited (**AICD**)'s mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of more than 54,000 includes directors and governance leaders of not-for-profits (**NFPs**), large and small businesses and the public sector.

Over the past 12 months, the AICD has engaged extensively in different processes to examine opportunities to promote improved economic growth and productivity in Australia, including the Commission's Five Pillars of Productivity inquiry, the 2026-27 Pre-Budget Submission process and the Commission's current inquiry into reducing barriers to business dynamism.[1]

The AICD is also a member of the Alliance of Industry Associations, which now includes over 30 groups representing Australia's small, medium and large businesses, universities, farmers, retailers and the investment community. The group came together to work on productivity solutions to improve living standards for all Australians.

This submission has been informed by engagement with AICD members. We welcome the opportunity to engage further with the Commission on the matters raised in this submission.

1. Executive Summary

The Commission's Inquiry presents a critical opportunity to examine Australia's web of complex and costly federal non-financial reporting obligations.

Well designed and proportionate reporting is an important policy tool to promote transparency, accountability and assist informed decision-making. However, in consulting with AICD members on this Inquiry, we received consistent feedback that cumulative reporting requirements are diverting organisational resources from delivering products and services, growing businesses and investing for the future.

Recent research for the AICD by Mandala Partners provided to the Commission in the context of the dynamism inquiry has estimated that 20% of Australia's decline in economic dynamism over the past 20 years

[1] AICD Submission - Productivity Commission inquiry on the five pillars of productivity - Interim Reports, aicd-submission-treasury-budget-process-january-2026.pdf and aicd-submission-productivity-commission-business-dynamism.pdf

can be attributed to the increase in federal regulatory burden alone. We also highlight that board time spent on compliance matters has more than doubled from 2013 to 2025.[2]

The AICD's view is that addressing the impact of regulation on poor productivity growth and declining dynamism necessitates addressing inefficient and disproportionate reporting obligations.

International developments

We highlight international developments to address the regulatory burden, cost and competition impacts of reporting obligations. In September 2026, the United Kingdom's Department for Business, Innovation, Science and Trade released a consultation on Modernising Corporate Reporting to support long-term economic growth.[3] In March 2026, the Canadian Securities Administrators announced a pilot to allow certain issuers to adopt a semi-annual financial reporting framework 'to support the competitiveness of Canadian capital markets'[4], and in February 2025 the European Commission adopted an Omnibus Simplification Package to reduce the burden associated with sustainability reporting.[5]

The development of principles for non-financial reporting requirements

The AICD recommends that a whole-of-government set of principles be established and followed when developing, amending and reviewing reporting obligations. The principles would be an important policy architecture for policy makers considering reporting obligations and also serve as an accountability mechanism. Our proposed principles are:

a) **Tell us once:** Where the same or substantially similar information has already been collected by one government agency or regulator, reporting entities should not be required to provide it again.

b) **Benefits outweigh the costs:** New or expanded reporting requirements should proceed only where robust impact analysis demonstrates that the expected benefits justify the additional regulatory burden and cost.

c) **Proportionate and risk based:** Reporting obligations should be proportionate to the policy objective and risk, using scaled requirements, thresholds and exemptions to avoid unnecessary compliance costs.

d) **Comparable and internationally aligned:** Reporting requirements should align with internationally recognised frameworks and standards wherever possible, with departures clearly justified by demonstrable benefits.

e) **Thresholds that are automatically adjusted:** Reporting thresholds should be subject to automatic periodic adjustment to ensure obligations remain appropriately targeted as economic conditions and business structures change.

f) **Best practice use of technology:** Reporting regimes should make best-practice use of digital platforms, standardised data and interoperable systems to reduce compliance costs and improve data quality.

g) **Post-implementation reviews:** Reporting obligations should be systematically reviewed at set intervals after implementation, including through updated cost-benefit analysis, to assess their effectiveness, actual regulatory burden and any unintended consequences.

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[2] AICD Mandala Partners research, *$160 billion and counting: The cost of Commonwealth regulatory complexity*, November 2025.
[3] Consultation on Modernising Corporate Reporting to support long-term economic growth
[4] Canadian securities regulators announce adoption of semi-annual financial reporting pilot | OSC
[5] Simplification - European Commission

Specific reporting requirements

There are existing reporting requirements that should, in our view, be reviewed to reduce the cost and regulatory burden of doing business in Australia. We recommend:

a) **Streamlining reporting under WGEA:** The AICD supports the policy objectives of the Workplace Gender Equality Act (**WGEA**) reporting requirements and endorses initiatives to reduce the associated regulatory burden. These include enabling WGEA to use data employers have already provided to government and developing digital reporting solutions, as recommended by the 2021 WGEA Review Report. We encourage accelerated implementation of this work.

b) **Revising climate reporting thresholds:** We continue to recommend limiting the scope of mandatory climate reporting to groups 1 and 2 only, with NFPs explicitly excluded given the significant compliance costs involved.

c) **Maintaining limited assurance for climate reports to 2035:** Given the complexity of climate reporting, ongoing capability constraints and challenges for assurance providers, our view is that a mandatory transition to reasonable assurance should be delayed to 2035. A measured delay will provide an opportunity for the assurance market and supporting systems to mature and costs for entities to stabilise.

d) **Addressing duplicative emissions reporting:** Entities that are subject to AASB S2 climate reporting, the National Greenhouse and Energy Reporting Scheme (**NGERS**) and/or the Safeguard Mechanism have to disclose their Scope 1 and 2 emissions data both in their sustainability report and via the Emissions and Energy Reporting System. The need to repeatedly report emissions data is an example of material regulatory overlap that could be addressed by greater harmonisation.

e) **Harmonising reporting and notification requirements for data and cyber incidents:** Harmonisation efforts should be undertaken such that an entity's reporting to different regulators and agencies under different frameworks is consolidated to the greatest extent possible. The current complexity and duplication results in significant compliance costs and creates challenges when responding to a cyber-attack or data breach.

f) **Reduce the burden of financial services reporting:** Currently, financial services entities need to maintain multiple compliance processes to produce substantially similar information. Information sharing and greater consistency in data definitions, reporting formats, reporting periods and coordinated regulatory information requests would simplify compliance.

g) **Implement longer-term reforms to align quality and safety regulation of the care economy**. Establish a single set of practice and quality standards and single system for provider audits and a 'tell us once approach', reflecting the experience of providers dealing with duplicative standards and multiple regulators across different sectors and jurisdictions (i.e. aged care, veterans and disability).

h) **Re-consider the introduction of a 'failure to prevent' criminal offence and separately increase modern slavery reporting thresholds:** While not within the scope of this Inquiry, we strongly opposed the introduction of a 'failure to prevent modern slavery' criminal offence currently under consideration by Government. A criminal offence would materially increase the compliance burden of reporting entities and have a disproportionate impact on smaller enterprises and NFPs. We recommend as an alternative the development of a risk-based, mandatory due diligence obligation, as proposed by the Australian Anti-Slavery Commissioner. Separately, we consider the current $100M revenue threshold for reporting, which captures smaller reporting entities that lack the scale and ability to influence supplier practices, should be set at a higher level.

The AICD has not provided a response on payment times reporting. We will assess the Commission's findings and draft recommendations in the Interim Report.

Our detailed responses to the Inquiry are set out in **Attachment A**.

2. Next Steps

We hope our submission will be of assistance. If you would like to discuss any aspects further, please contact me

Simon Mitchell GAICD
Acting Head of Policy

Attachment A – Response to the request for submissions

1. Principles for sound reporting requirements

The AICD recommends the development of a clear set of documented principles applying across all federal departments and regulators to guide the review of existing non-financial reporting requirements and the design of any new requirements. While there are policies and principles that are intended to guide the development of policy and regulation more broadly (e.g. Department of Finance's Regulatory Policy, Practice & Performance Framework) we are not aware of any prescribed principles that guide the development of reporting requirements.[6]

Reporting obligations can play an important role in supporting transparency, accountability and effective regulation. However, the benefits need to be weighed against the direct and indirect costs they impose on organisations, including the cumulative burden created by multiple regimes. Consistent feedback from directors is that the benefits from new or expanded reporting requirements a often not apparent while an organisation is burdened with significant implementation and ongoing compliance costs.

AICD recommended principles for reporting requirements

A consistent whole-of-government framework would help ensure reporting requirements are necessary, targeted and proportionate and directly connected to a clearly identified policy objective(s). Further, central to the framework is that the information collected is genuinely informative to regulators, markets and the broader Australian community. A framework will not only provide a set of principles that regulators and departments must follow in assessing prospective new or revised reporting requirements it will also be an accountability mechanism by which stakeholders can review proposed requirements and regulator/department performance.

a) **Tell us once:** The AICD strongly supports a 'tell us once' approach to business reporting. Where substantially similar information has already been collected by one government agency or regulator, reporting entities should not be required to provide it again. Government should seek to reduce duplication through harmonised requirements, aligned reporting periods, data-sharing arrangements between agencies, and mechanisms that allow information reported once to be reused for multiple regulatory purposes.

   We note that the Government has previously stated an intention to prioritise a tell us once approach, but that at this stage there has not been any consequential change in reporting requirements for organisations.

b) **Benefits outweigh the costs:** The AICD has raised concerns in several recent submissions that the benefits arising from new or expanded reporting requirements, relative to the costs, have not been demonstrated. In these scenarios, we query the justification for imposing additional regulatory burden and cost on organisations. Sound policy making should be accompanied by a comprehensive impact analysis. We note our strong support for the Commission's recommendations in Pillar One on improving impact analysis practices in the Federal Government, including a Commissioner to oversee the Office of Impact Analysis.

[6] Regulatory Policy, Practice & Performance Framework

c) **Proportionate and risk based:** Reporting requirements should be proportionate to the policy objective they seek to achieve and calibrated to the level of risk posed by the reporting entity/sector/activity being regulated. A one-size-fits-all approach can impose significant compliance costs on organisations without delivering commensurate public benefit. Ensuring that reporting obligations are appropriately tailored may include the use of scaled requirements, tiered obligations or targeted exemptions where the costs of reporting are likely to outweigh the regulatory benefit.

d) **Comparable and internationally aligned:** Where possible, reporting requirements should be designed to align with internationally recognised frameworks, standards and definitions. International alignment reduces compliance costs for organisations that operate across multiple jurisdictions, improves the comparability of information and minimises the need for entities to maintain multiple reporting processes for substantially similar purposes. Departure from international approaches should be justified and accompanied by a clear explanation of the policy rationale or additional benefits expected to arise from the divergence.

e) **Thresholds that are automatically adjusted:** Many reporting requirements apply by reference to fixed financial or employee-based thresholds. Over time, these thresholds can become outdated due to inflation, economic growth or changes in business structures, resulting in entities being brought within the scope of reporting requirements in circumstances not originally intended by policy makers.

   Reporting regimes should therefore incorporate mechanisms that allow thresholds to be automatically adjusted. This is in contrast to the general current situation where thresholds are adjusted at the discretion of the regulator or government and can often require the making of regulations or in some cases amending primary legislation. Automatic adjustments would help ensure that reporting obligations remain targeted to the entities and activities they were designed to capture and reduce the need for frequent legislative amendments.

f) **Best practice use of technology:** Reporting requirements should be designed and administered in a manner that maximises the use of technology to reduce compliance costs and improve data quality. This includes the use of digital reporting platforms, standardised data formats, automated data collection and validation processes, and interoperable systems that facilitate information sharing between agencies.

g) **Post-implementation reviews:** Reporting obligations should be systematically reviewed at set intervals. This review should assess whether an obligation is achieving its intended objective efficiently and identify unintended consequences. A review would include an updated cost/benefit analysis of the actual costs and benefits observed in complying with the obligations.

2. The stock of reporting requirements

There is a limit to the capacity of the Commission to examine in detail the sprawl of reporting requirements across federal legislation and regulatory frameworks, let alone assessing duplication with state government reporting. The terms of reference of the Inquiry and the timeline for a final report necessitate a focus in particular areas.

We recommend the Commission consider how there can be ongoing structures to review reporting requirements across Government and promote incentives for departments and regulators to meaningfully address inefficient and costly obligations. At present, individual reporting requirements may be justified when considered in isolation, while their cumulative cost and interaction with requirements imposed by other regulators or departments can receive insufficient attention.

Further, regulators and agencies in isolation do not have strong incentives to address the complexity of duplicative reporting requirements given it may not benefit the agency and often will need legislative change

to resolve. As noted above, there has been very limited movement on genuine 'tell us once' reforms. As we highlight in respect of cyber and data reporting, in some cases, there has been a growth in duplicative reporting requirements. 'Tell us once' will only get genuine traction if overseen by a central body that can promote accountability and monitor progress against commitments.

A more durable approach would be to embed responsibility for assessing a whole-of-government reporting burden within an existing department or function. This approach could reside within Department of Finance or PM&C with a clear mandate and dedicated resources.

We remain a strong supporter of the Commission's recommendation in respect of an empowered Office of Impact Analysis (**OIA**), including a statutory commissioner, under *Pillar One: Creating a more dynamic and resilient economy*.[7] An enhanced OIA may be an appropriate entity to oversee genuine reporting reform and challenge any new proposals.

We commend the approach taken by the ASX and the ASX Advisory Group on Corporate Governance in seeking to reduce legal and regulatory overlap as part of the ongoing review of the ASX Corporate Governance Principles & Recommendations.

3. Workplace gender equality reporting

The AICD supports the policy intent of the reporting requirements under the *Workplace Gender Equality Act 2012* (**WGEA**), including gender pay gap reporting which is an important driver of progress on gender pay equality. However, we have received consistent feedback from members on the costs of WGEA reporting.

As noted in the Commission's consultation paper, the Department of the Prime Minister and Cabinet (**DPMC**) published a WGEA Review Report (**Report**) in 2021.[8] One of the themes identified in the Report was the need to reduce the regulatory burden of WGEA reporting, recognising that there were a number of 'pain points' identified by employers. Employers also identified administrative challenges associated with extracting data from multiple payroll and HR systems, and joining up, interpreting and checking data from disparate systems to report to WGEA.

The Report made 10 recommendations, all of which the Government has committed to implementing. Recommendation 1 focused on making it easier for employers to report to WGEA and improve the collection and sharing of gender data. A Gender Data Steering Group was recommended and established to identify how to enable WGEA to use data employers have already provided to government (such as Single Touch Payroll data and other data), and invest in a way to assist employers to extract other data from their own employer systems using a digital solution. The AICD strongly supports these initiatives, and encourages consideration of how this work can be accelerated.

We also note that employers with 500 or more employees in Australia are now required to select and commit to three Gender Equality Targets as part of their annual reporting to WGEA. Should the Commission make draft recommendations on this requirement in its Interim Report, the AICD would consult with members to better understand any lessons arising from implementation.

While not directly related to the reporting requirements, we have also received feedback that the data presented on the WGEA website is challenging to navigate and interpret. Issues with the accessibility and usability of this data risk undermining the benefits of the regime itself, so we encourage a review of how this data can be provided in a way that is more user-friendly.

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[7] Inquiry report - Creating a more dynamic and resilient economy see Recommendation 2.3 on page 3.
[8] WGEA Review Report | PM&C, December 2021.

4. Sustainability & climate reporting

The AICD recently made a submission to Treasury's consultation on its review of the climate reporting regime.[9] That submission and our recommendations below are informed by extensive feedback on the costs and complexity of compliance.

The AICD is broadly supportive of mandatory climate-related financial reporting. However, as currently designed, the regime places disproportionate costs on smaller organisations, including through supply chain requests, for limited benefit.

Exclusion of Group 3 entities and NFPs from the regime

The AICD's longstanding policy position is that the mandatory climate reporting regime should be more directly targeted to entities where the benefits of disclosure outweigh the costs.

The Government announced in the 2026-27 Budget increases in large proprietary company reporting thresholds and by consequence Group 3 climate reporting thresholds, although they have not yet been implemented. While we are supportive of this change overall, we continue to recommend limiting the scope of mandatory climate reporting to groups 1 and 2 only, with NFPs explicitly excluded given the significant compliance costs involved.

We have consistently argued that the cost-benefit analysis for including Group 3 entities within the mandatory reporting regime was not sufficiently rigorous, and that the regime should be targeted at those entities that will have the largest impact on the nation's emissions profile. Research conducted in 2026 for the AICD by Mandala Partners estimates that removing climate reporting obligations for Group 3 firms could save more than $2 billion over four years.[10]

Consistent with the policy rationale for excluding registered charities from the regime, our strong view is that NFPs more broadly should also be excluded from the regime. As with charities, these organisations tend to be resource constrained with a heavy reliance on volunteer support and external funding sources, such as donations and government grants.

International developments

Overseas developments reflect a growing recognition that climate reporting obligations need to be calibrated to ensure that compliance costs remain proportionate to the value of information produced, and indicate that Australia's current settings diverge from the international direction of travel.

In 2025, New Zealand significantly increased its mandatory reporting threshold for listed issuers from $60 million to $1 billion. Managed investment scheme managers were also excluded from the scope of the regime. These changes were made based on feedback to the government that in-scope entities had spent up to $2 million on compliance, and concern that the cost and risk associated with climate reporting may be deterring listings on the New Zealand Stock Exchange.[11] In 2026, health and life insurers were also excluded from scope.[12]

The European Union has also revised aspects of its climate reporting framework to reduce the burden on reporting entities following a public consultation. Changes included increasing the threshold for in-scope companies from 1,000 employees with a turnover of €450 million to 5,000 employees and turnover of €1.5

[9] AICD submission on climate-related financial disclosures | AICD, 9 October 2026.
[10] The Stagnant Nation: Lifting Australia's Dynamism | AICD, page 35.
[11] Commonsense changes to boost capital markets, 22 October 2025.
[12] Commonsense change to insurance reporting, 18 June 2026.

billion.[13] The United Kingdom's Financial Conduct Authority has recently announced that climate reporting will no longer be mandatory for in-scope entities, and instead will apply on a 'comply or explain' basis.[14]

Assurance requirements

The AICD strongly supports retaining limited assurance as the mandatory assurance standard until 2035. In our view, a mandatory transition to reasonable assurance from 2030 would be premature given the current maturity of climate reporting systems, the complexity of many climate-related disclosures and ongoing capability constraints across the assurance market.

The cost of implementing the climate reporting regime, including obtaining limited assurance, has been significant for Group 1 and Group 2 entities. Costs have exceeded Treasury's estimates in its impact analysis[15] based on recent research on assurance costs for the first cohort of Group 1 mandatory climate reports.[16] We have received feedback that the step up from limited to reasonable assurance will be a further significant change in the nature and scope of assurance work and based on feedback from audit firms will result in materially higher costs for both entities and firms.

There is also doubt among both preparers and assurance providers as to whether it will be possible to provide reasonable assurance over some disclosures. Notably there is concern that requiring highly uncertain and forward-looking disclosures, including transition plans, scenario analysis and scope 3 greenhouse gas emissions[17] to meet a reasonable assurance standard could result in qualifications to the audit opinion. A widespread incidence of modified or qualified opinions could reduce comparability, cause uncertainty for primary users of reports and undermine confidence in the climate reporting regime.

Importantly, overseas jurisdictions have either chosen not to mandate reasonable assurance over ISSB-aligned climate disclosures, or have rolled back an initial intention to transition to a reasonable standard. This includes the European Union, Canada, Hong Kong, Japan, South Korea, Singapore and New Zealand.[18] The United Kingdom's Financial Conduct Authority has recently announced that climate reporting will no longer be mandatory for in-scope entities, and instead will apply on a 'comply or explain' basis. There are therefore no mandatory assurance requirements.[19]

Extending the limited assurance period would provide cost relief during the early years of implementation, and allow reporting and assurance practices to mature before more demanding assurance requirements are introduced.

Overlapping reporting requirements

Entities required to report under Australian Accounting Standards Board (**AASB**) S2, National Greenhouse and Energy Reporting Scheme (**NGERS**) and/or the Safeguard Mechanism have to disclose their Scope 1 and 2 emissions data both in their sustainability report and via the Emissions and Energy Reporting System.

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[13] Commission adopts revised Sustainability Reporting standards to reduce administrative burdens for EU businesses while maintaining high-quality disclosures, 3 July 2026.

[14] PS26/19: Aligning listed issuers' sustainability disclosures with international standards | FCA, 30 September 2026.

[15] See page 23: Climate-related financial disclosures - Policy Impact Analysis

[16] Purpose Bureau, Monash Business School (accessed 16 September 2026). ASRS Assurance Snapshot 2026. 16% of reporters disclosed a distinct assurance fee. Those that did paid a median $89,000. Available here.

[17] An early indicator of the challenges associated with Scope 3 reporting is that 82.5% of entities relied on the one-year transitional relief provided under AASB S2 (see Report REP 839 ASIC's review of Sustainability Reports lodged for 31 December 2025).

[18] In early 2025 the decision was made that the European Sustainability Reporting Standards would not move to reasonable assurance (see Omnibus package - European Commission). The climate reporting regime in New Zealand only requires limited assurance for emissions disclosures (see Assurance » XRB). Assurance is not required under the UK Sustainability Reporting Standards (see UK SRS Reporting Guidance — What to Disclose & When).

[19] PS26/19: Aligning listed issuers' sustainability disclosures with international standards | FCA, 30 September 2026.

There may be differences in the relevant reporting periods (recognising that entities may have different financial years) or the reporting models applied.

We also understand that emissions reporting under the Safeguard Mechanism and NGERS is based on an operational control approach. While an entity can elect to report based on either an equity share approach or a control approach (which itself can be separated into financial control or operational control) under AASB S2. We support steps being taken to reduce duplicative work by entities, including aligning reporting periods with entities' financial years.

5. Cyber and data incident reporting

The AICD has a long-standing position that there must be a concerted effort by Government and regulators to harmonise, where possible, existing data and cyber security reporting and notification obligations.

We acknowledge the Government's establishment of a single reporting portal through cyber.gov.au. While this improves the visibility of reporting obligations, it does not remove the underlying duplication that requires businesses to report the same incident to multiple regulators through separate processes.

Our members have consistently raised concerns that overlapping notification obligations create significant compliance costs and can divert resources away from appropriately responding to a cyber and data incident and protecting impacted individuals. Following a significant incident, organisations may be required to notify multiple regulators and government agencies under different legislative frameworks, often providing overlapping information in different formats and timeframes. Each notification can trigger additional information requests, meetings, updates and investigations. As a result, the burden arises not only from submitting reports, but from managing the cascading regulatory response that follows.

NDB Scheme changes

In the recently released exposure draft for the *Privacy Amendment (Personal Data Protection) Bill 2026* (**Privacy Bill**) it was proposed that there be a new 72-hour notification window for the Notifiable Data Breaches scheme (**NDB scheme**) - consistent with the notification timeframes under the Security of Critical Infrastructure Act 2018 (**SOCI Act**) and ransomware reporting under the Cyber Security Act 2024 (**CS Act**).

As raised in our submission on the Privacy Bill, the AICD is concerned that the changes in timeframes and notification requirements under the NDB scheme will only exacerbate the issues associated with how an entity reports a cyber and data incident.[20] By way of example, an insurer that experiences an incident will have to report separately to the Australian Signals Directorate (**ASD**)/Department of Home Affairs (**Home Affairs**) under SOCI Act obligations, the Office of the Australian Information Commissioner, APRA and various state-based insurance regulators. These notifications will all be required in a short timeframe and in different formats with different areas of focus. The nature of cyber and data incidents is that there is significant uncertainty and opacity in the immediate period and it can be challenging for entities to make fulsome reports in the manner required by regulators.

At the same time as entities are attempting to make regulatory notifications, they will of course be working to protect consumer interests and effective consumer communication, market disclosures and substantive cyber responses. The overlapping and complex regulatory notification obligations risks diverting resources and management/board attention from responding to the incident.

[20] AICD Submission Privacy Act September 2026, see page 6.

Ransomware payment and SOCI Act reporting

We highlight that complexity in reporting obligations was compounded with the introduction of the ransomware payment reporting requirement in the CS Act. As raised in previous submissions, we are concerned that the $3 million per annum ransomware payment reporting threshold is too low.[21] While we recognise that this threshold is aligned with the Privacy Act, we are concerned that it may result in significant inadvertent non-compliance through small businesses and NFPs not being aware of the obligation.

In that consultation we were concerned that a low threshold may also result in contradictory and punitive enforcement outcomes where a small business or NFP is penalised for failing to meet a reporting requirement, in addition to experiencing the material costs and disruption of a ransomware incident. We recommended that a turnover threshold of $10 million per annum would be more appropriate. This, in our view, is an example of setting reporting requirements in a manner that is disproportionate and not risk adjusted to reflect the size of an organisation and the policy rationale for the requirement (i.e. visibility of significant ransomware payment activity).

The AICD supported ransomware payment reporting applying to all SOCI entities regardless of size. However, under the legislated requirements a SOCI entity will report the same ransomware incident and corresponding payment twice under the CS Act and the SOCI Act. As a result, in the 72-hour period, a SOCI entity will make multiple reports under both the SOCI Act and the CS Act to separate government agencies (ASD in the instance of a critical asset notifiable incident; Home Affairs in the case of a ransomware payment) and in addition potentially other notifications to the OAIC and industry regulators.

Our recommendation was that the duplication could be resolved through a minor amendment to the definition of cyber security incident under section 12M of the SOCI Act to explicitly cover a 'ransomware payment' with this definition referencing the CS Act. SOCI entities would then be carved out of the ransomware reporting regime in the CS Act.[22]

This example demonstrates that in isolation regulators do not have a strong incentive to genuinely commit to 'tell us once'. Rather, the policy objective of the particular obligation is pursued absent a consideration of whether alternative mechanisms could be amended to reduce burden on entities.

We note that the *2023–2030 Australian Cyber Security Strategy* has a commitment to explore a single, harmonised approach to cyber and data breach reporting. The duplication of ransomware payment and cyber incident reporting for SOCI entities highlights that despite broad government commitments to pursue harmonisation it has both been illusive and not prioritised.

We recommend that this duplication be resolved through a minor amendment to the definition of cyber security incident under section 12M of the SOCI Act to explicitly cover a 'ransomware payment' with this definition referencing the CS Act. SOCI entities would then be carved out of the ransomware reporting regime in the CS Act.[23]

Financial services reporting

The AICD considers there is substantial scope to reduce financial services compliance costs through greater harmonisation of reporting frameworks and a stronger commitment to a 'tell us once' approach. Regulators should also work towards greater consistency in data definitions, reporting formats and reporting periods. This

[21] AICD submission, Subordinate Legislation to the Cyber Security Act 2024 and Security of Critical Infrastructure Act 2018, February 2025, see page 2.
[22] Ibid, see page 3.
[23] Ibid, see page 3.

would reduce the need for entities to maintain multiple compliance processes to produce substantially similar information and would improve the efficiency of both reporting entities and regulators.

The Council of Financial Regulators' (**CFR**) 2025 review into small and medium-sized banks found that banks face duplicative reporting requests, inconsistent data definitions and multiple regulators seeking similar information for different purposes.[24] These issues are pronounced under the 'reportable situations regime' whereby financial services entities are required to submit notifications to ASIC about reportable situations, including breaches that are deemed to be significant breaches of core obligations.[25] Consultation undertaken by the CFR identified that this was a particular area of regulatory burden and cost, and raised the potential to set a materiality threshold, or other methods to reduce reporting of insignificant breaches.[26]

A 2025 report by the Insurance Council of Australia (**ICA**) identified similar challenges within the general insurance industry. The ICA noted duplicative oversight and reporting as a key challenge with the current general insurance regulatory landscape.[27] The insurance regulatory environment is characterised by multiple regulators requiring overlapping data and information requests, and onerous breach and incident reporting whereby minor matters are captured, and the report needs to be made to several agencies at once.[28] Across all categories of compliance costs, regulatory reporting was identified as the most costly.[29]

The AICD welcomes recent work by the Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission (ASIC) to streamline administration of the Financial Accountability Regime (**FAR**) and reduce unnecessary regulatory burden. Proposed reforms include removing key functions requirements, simplifying accountability maps and reducing the circumstances in which changes must be notified to the regulators,

This is a positive step, but should form part of a broader and sustained effort to address the cumulative burden facing financial services entities. In particular, overlapping and duplicative supervisory information requests from APRA and ASIC remain an ongoing challenge for industry, increasing compliance costs and diverting resources from core governance, risk management and business activities. The AICD encourages both regulators to build on the FAR reforms by strengthening coordination of their information and data collection activities, with a focus on ensuring regulated entities are not required to provide substantially the same information multiple times. This would complement the broader work of the CFR to improve how regulators collect, share and use data.

Care economy reporting

The AICD supports long-term reforms to align quality and safety regulation of the care economy. This includes having a single set of practice and quality standards and a single system for provider audits and a 'tell us once' approach, reflecting the experience of providers dealing with duplicative standards and multiple regulators across different sectors and jurisdictions (i.e. aged care and disability).

As highlighted in our earlier submission to the Pillars inquiry, the care economy is an increasing focus of the AICD's work with our members involved across aged care, disability, early childhood education and care, and veterans' care, especially within the NFP sector.[30]

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[24] Review into Small and Medium-sized Banks
[25] See subsection 912D(4) of the Corporations Act 2001 and subsection 50A(4) of the National Consumer Credit Protection Act 2009.
[26] Review into Small and Medium-sized Banks, see page 47.
[27] The Cost of Regulatory Burden
[28] The Cost of Regulatory Burden, see page 17
[29] The Cost of Regulatory Burden, see page 13, figure 5
[30] AICD submission on Productivity Commission inquiry on the five pillars of productivity - Interim Reports | AICD.

As the 2025 consultation into a national approach to worker screening in the care and support economy highlighted reporting schemes differ across early childhood education and care, education, health, aged care and disability sectors.[31] In this context, we strongly support the Commission's recommendations in its *Delivering quality care more efficiently* Final Report on the alignment of quality and safety regulation, including opportunities to adopt 'report once, use often' across aged care, disability and veterans care sectors (Recommendations 1.1 – 1.2). Genuine steps to streamline reporting requirements including the use of pre-filled data, reporting by exception, removing barriers to information sharing, and the use of reporting templates across the care sectors will have a material benefit to organisations that often have significant resourcing constraints and can rely on volunteer support for the delivery of services.

Specific examples in respect of aged care and Working with Children's Checks (**WWCC**) are detailed below.

Aged Care

Recent aged care reforms have resulted in a significant administrative reporting burden. Quality indicator data, 24/7 nurse coverage reporting, Care Minutes Performance Statement and changes in pricing data reporting in aggregate represent a significant increase in reporting obligations for providers. Anecdotally we have heard that the annual attestation of responsible persons' suitability alone can take up to a week for a small organisation to complete.

WWCC

Whilst not a specific non-financial reporting requirement, we continue to hear the significant administrative burden associated with completing WWCC applications for individual board directors and the overlap between WWCC and police checks. The AICD strongly urges the Commonwealth and State and Territory Governments to expedite the work underway following the 2025 consultation on a national approach to worker screening, which estimated that removing duplicative checks could reduce administrative costs by $20 million annually from application and compliance cost savings for care economy workers.[32] We believe the successful implementation of the National Continuous Checking Capability pilot will help to reduce administrative burden for organisations whilst providing regulators with better capability to monitor quality and safety outcomes.[33]

Modern Slavery

While Australia's Modern Slavery reporting regime has been excluded from the scope of this Inquiry, the AICD considers it important to highlight a significant reform proposal currently under consideration by Government that would materially increase the compliance burden of reporting entities.

The proposed introduction of a 'failure to prevent modern slavery' criminal offence highlights how in isolation very significant reporting linked reforms can be developed that are not, in our view, risk based, proportionate, internationally aligned nor supported by comprehensive impact analysis.

'Failure to prevent modern slavery' criminal offence

In August 2026, the Attorney-General's Department commenced consultation on the introduction of a new criminal offence for the 'failure to prevent modern slavery' in supply chains, applying to entities currently captured by the $100M revenue threshold under the Modern Slavery Act.

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[31] National Competition Policy – National approach to worker screening in the care and support economy.
[32] AICD submission on a national approach to worker screening in the care and support economy | AICD.
[33] Standing Council of Attorneys-General (SCAG) Communiqués – 31 July 2026. The Standing Council of Attorneys-General noted that the NCCC pilot was ready for state and territory screening units to onboard by the end of 2026.

A ‘failure to prevent modern slavery’ criminal offence is a significant proposal that was not recommended by the McMillan Review 2023, which rejected the concept of a ‘duty to prevent’ style obligation – observing it would be premature and at odds with the Act’s transparency objectives.[34]

The AICD strongly supports the objectives of the Modern Slavery regime in Australia; that is, requiring Australian organisations to identify and address modern slavery risks and maintain responsible, transparent supply chains. Australian organisations and their boards have spent considerable time and resources on improving modern slavery due diligence and reporting since the regime’s inception.

However, we are deeply concerned that the proposed criminal offence, if implemented, would impose a significant compliance burden on reporting entities. It runs counter to Government’s Budget commitment to reduce red tape and will in significantly add to the weight of regulation that larger organisations face in Australia.

As outlined in the AICD’s recent submission to the Attorney-General’s Department[35], the proposed criminal offence will create significant unintended consequences that will undermine the core objectives of Australia’s Modern Slavery reporting regime. A framework that is centred on the punitive threat of criminal liability will have a ‘chilling effect’ on transparency in reporting and remediation of modern slavery risks. A focus on compliance regimes to protect against criminal liability is likely to distract from comprehensive due diligence efforts and will drive more legalistic and conservative reporting practices.

As confirmed by legal advice from corporate law firm Allens in support of the AICD’s submission, a ‘failure to prevent modern slavery’ criminal offence would put Australia out of step with international practice. No comparable jurisdiction imposes criminal liability on organisations for failing to prevent modern slavery within their supply chains. Comparative jurisdictions have adopted transparency-based reporting regimes, risk-based due diligence obligations, civil penalties, and/or import controls aimed at addressing forced labour risks. Introducing a criminal offence would increase regulatory complexity for Australian organisations, particularly those with global operations subject to foreign regime requirements. It would undermine efforts to align modern slavery compliance obligations across jurisdictions which should be a key objective of any new reforms.

The regulatory and cost burden of the proposed offence will not be limited to organisations captured by the $100 million revenue threshold. It will have a whole-of-economy impact, cascading through supply chains and increasing resourcing demands for domestic SME suppliers. It will also have a disproportionate impact on NFPs and smaller organisations given the low $100 million revenue threshold. While these organisations may be committed to identifying and addressing modern slavery risks, they lack the dedicated legal, procurement and risk management functions available to larger organisations.

The proposed offence may also create significant barriers to participation in supply chains by SME suppliers. Larger organisations are expected to manage increased liability risks with more extensive contractual protections, assurances and due diligence information from suppliers. SMEs often have limited leverage over upstream suppliers and limited capacity to meet increasingly onerous reporting and verification requirements. This may result in SME suppliers being excluded from procurement opportunities or disincentivised from operating in certain sectors and markets.

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[34] Report of the Statutory Review of the Modern Slavery Act 2018 (Cth), (May 2023), p. 72, available here.
[35] AICD submission on strengthening Australia’s response to modern slavery in supply chains | AICD

The AICD recommended in its recent submission that Government re-engage with the policy development of a risk-based, mandatory due diligence obligation with civil penalties and appropriate regulator oversight, as proposed by the Australian Anti-Slavery Commissioner, as an alternative policy response. [36]

We also recommended a detailed regulatory and cost impact analysis be undertaken before any decision is made to progress the proposed criminal offence.

Given the Commission's focus on the cumulative impact of non-financial reporting and related compliance obligations on business productivity, investment and competitiveness, we encourage consideration of the significant additional regulatory burden that would arise if the proposed criminal offence proceeds.

Reporting thresholds

The AICD continues to argue, including in our recent submission to the Attorney-General's Department, that the threshold for reporting under the Modern Slavery Act, and any related or future obligations, should be set at a higher level. The current $100 million revenue threshold captures a number of smaller reporting entities that lack the scale and ability to influence supplier practices, while creating a high compliance burden with limited practical outcomes.

A more effective Government response to combatting modern slavery risks would be to focus on high-risk supply chains and large organisations, with risk-based collaboration and guidance for small and medium-sized enterprises (**SME**) suppliers (that are not reporting entities).

[36] Office of the Australian Anti-Slavery Commissioner, Recommendations to strengthen Australia's modern slavery laws: Initial position paper, (January 2026), p. 13, available here.