

Productivity Commission inquiry into Business reporting requirements

Australian Industry Group
submission

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Summary of recommendations

Australia's system of business reporting requirements should be reformed to adopt a principles-based framework which prioritises the following principles:

- Reporting obligations should be proportionate and balance administrative costs with policy objectives
- Reporting infrastructure should be fit-for-purposes and easy-to-use to lower administrative costs
- Issues relating to privacy and cyber security should be recognised in policy design
- Regulator powers to request information should be bounded and limited to that required under policy
- The 'grey-tape' consequences of regulation should be considered and minimised to the extent possible through simplified regulatory designs
- Reporting obligations should be symmetrical for government and business

Australian Industry Group welcomes the opportunity to contribute to the Productivity Commission inquiry into *Business reporting requirements*. Business reporting can support legitimate public objectives, including transparency, accountability and better policy design. However, reporting is not costless. It draws on finance, payroll, procurement, legal, technology and operational systems, and can require businesses to create new data solely for regulatory purposes.

The central policy question is how reporting schemes should be designed so that the information collected is necessary, secure, usable and proportionate. This submission proposes six principles that should guide the design, implementation and review of all business reporting schemes.

The principles are reflected in the operation of established schemes such as the Payment Times Reporting Scheme (PTRS), reporting under the Workplace Gender Equality Act 2012 (WGEA), the Modern Slavery Act 2018 (MS), the Electrical Equipment Safety System (EESS), and other relevant examples. These examples demonstrate how reasonable policy goals can be undermined by excessive data collection, fragmented reporting infrastructure, duplicated processes, and uneven regulatory obligations.

A principles-based framework

Good reporting regulation starts with the policy objective and works backwards to the minimum information needed to achieve it. It then tests whether the reporting infrastructure can reliably accept that information, whether the data can be collected and published safely, and whether the resulting compliance burden is justified by the public benefit. Reporting requirements should also align with existing domestic and international standards wherever possible. Misalignment in definitions, metrics, reporting periods and data formats creates unnecessary duplication, increases compliance costs, and undermines the comparability and usefulness of reported information.

The six principles are mutually reinforcing. Proportionality cannot be assessed without identifying which data is necessary. Data minimisation improves privacy and cyber security. Fit-for-purpose infrastructure reduces both direct compliance costs and the secondary "grey tape" created when reporting obligations flow through contracts and supply chains. Symmetry strengthens legitimacy and improves comparability across the economy.



1. Reporting obligations should be proportionate to their objectives

Every reporting scheme should have a clearly stated objective, an evidence-based explanation of how the required data advances that objective, and a cost-benefit analysis covering both establishment and recurring costs. The analysis should recognise that compliance costs are not confined to completing a form. They include system changes, data cleansing, internal assurance, executive approval, legal review, remediation of errors and ongoing interpretation of regulatory guidance.

Proportionality also requires differentiated design. A requirement that is manageable for a large, centralised organisation may be onerous for a group with multiple payrolls, enterprise resource planning systems, business units or acquired entities. Thresholds, transition periods, materiality rules and simplified pathways should reflect these differences.

Examples

- The new WGEA 2026 reporting changes impose significant procurement consequences on employers with more than 500 employees, despite uncertainty that the additional compliance burden will proportionately improve gender equality outcomes. The measure may create competitive disadvantages for large Australian employers, impose different obligations on comparable businesses, and penalise organisations that have already made substantial progress towards gender equality. These concerns are compounded by limited transparency regarding compliance decisions. As such, the reporting and certification requirements may be disproportionate to the policy objective they seek to achieve. Australian Industry Group has previously supported reducing regulatory burden through streamlined questions in *Workplace Gender Equality Amendment Bill, December 2024*, p. 5, submission.
- The original EESS model was based on national harmonisation, improved safety outcomes and reduced duplication. Since then, the scheme has expanded through increased platform functionality, growing information requirements and differing jurisdictional implementation models. Australian Industry Group has raised concerns that increasing functionality and information requirements are imposing additional administrative burden without a clearly demonstrated business case linked to improved consumer safety outcomes. We have also highlighted the importance of assessing cumulative regulatory impacts and net community benefit as regulatory systems evolve over time (Australian Industry Group, *Electrical Product Regulatory Matters*, July 2025, p. 2; Australian Industry Group, *Treasury Consultation: Lowering Barriers to the Adoption of International and Overseas Standards in Regulation*, August 2025, pp. 11, 13-14).

2. Reporting infrastructure should be in place and fit for purpose

Reporting obligations should not commence until the relevant platform, templates, validation rules, guidance and support arrangements are operational and tested with representative users. A technically available portal is not necessarily fit for purpose. It must accommodate common corporate structures, large datasets, delegated access, corrections, version control and reliable submission receipts. These should be designed in conjunction with industry to align to standard commercial practices.

Infrastructure should also support efficient extraction from business systems. Stable data dictionaries, machine-readable templates and application programming interfaces can reduce manual handling and error. Where regulators change calculation methods or classifications, they should provide sufficient lead time, worked examples and test environments.





Example

- The original EESS database was intended to support registration, traceability, surveillance and enforcement. The current EESS platform now performs a broader range of administrative and reporting functions. Our member survey found that only 14% of respondents were able to access all necessary product registration information while 86% reported limited or no access, with concerns raised regarding renewals, reporting capability, certificate migration and overall system usability (Australian Industry Group, *Electrical Sector Member Perspectives on the EESS Platform Roll Out*, April 2025, pp. 2-3).

3. Privacy and cyber security should be designed in from the outset

Reporting schemes should apply data minimisation, purpose limitation, access control and secure retention by design. Government should not require businesses to create or transmit granular information unless the policy benefit clearly outweighs privacy and cyber risk. Publication settings should distinguish between information needed by the regulator and information that genuinely needs to be public.

This principle is especially important when datasets contain employee remuneration, demographic attributes, supplier information or descriptions of operational and supply-chain vulnerabilities. Even where published outputs are aggregated, the collection and transfer of unit-level data creates an additional attack surface and increases the consequences of unauthorised access.

Example

- The recent unauthorised access to Services Australia's Medicare Statistics Reporting Service by an OpenAI AI agent provides a contemporary example of why data minimisation and privacy-by-design are critical. Although no personal Medicare records were reportedly compromised, the incident demonstrated that even datasets intended for statistical and policy purposes can become targets for unauthorised access. The case highlights the importance of limiting data collection to what is necessary, applying robust access controls, and ensuring that publication requirements do not expose governments and businesses to avoidable cyber-security risks.

4. Regulatory reporting powers should be bounded

Regulators should collect only information that is expressly connected to and required for the statutory objectives of their relevant legislation. Broad rule-making or form-approval powers may be required to allow flexibility, but should not become a standing authority for regulators to collect additional information because it may be analytically useful. Each type of data required should be traceable to a specific legislative requirement, and limited to only that data which is needed to meet that requirement.

Examples

- Section 14 of the Payment Times Reporting Act 2020 establishes a relatively focused reporting objective centred on payment terms, payment practices and the timing of payments to small business suppliers. The reporting guidance, however, requires a considerably broader set of data fields, including forward-looking estimates, operating-segment analysis, procurement digitisation metrics, detailed group-level calculations and extensive entity information requirements. While some of these fields may assist the regulator's analytical or administrative functions, many are only indirectly





connected to the core legislative objective of improving transparency regarding payment performance. A detailed comparison table is provided in Annex A.

- EESS's original policy rationale centred on supplier accountability, product traceability, conformity assessment and enforcement. Member feedback gathered by Australian Industry Group indicates growing concern regarding increasing information requirements, additional data fields, serial label image requirements and requests for information perceived as having limited connection to safety outcomes. Several members questioned whether the increasing volume of information being collected contributes meaningfully to enforcement and consumer protection or simply increases administrative burden (Australian Industry Group, *Electrical Sector Member Perspectives on the EESS Platform Roll Out*, p. 8; Australian Industry Group, *Electrical Product Regulatory Matters*, p. 2).

5. Reporting design should minimise grey tape as well as red tape

Regulatory burden extends beyond obligations imposed directly by legislation. Reporting schemes often cause larger entities to request information, warranties, questionnaires, audit rights and contractual commitments from suppliers. These downstream requirements are colloquially labelled “grey tape” — the privately administered compliance processes between businesses created by public regulation. They often broaden the administrative burden of a regulation beyond its initial design: information may be sought from a set of businesses, but if that requires them to seek information from other business can multiply the total reporting burden across a supply chain.

Poor reporting design can result in businesses providing similar information multiple times in different formats, responding to overlapping requests from customers, regulators and assurance providers, and adapting internal systems to meet inconsistent requirements. These indirect obligations can extend well beyond the entities formally captured by legislation, imposing costs on suppliers and other commercial partners that may have limited resources or compliance capability. In many cases, grey tape can become a more significant burden than the reporting obligation itself.

Examples

- Under the Modern Slavery Act, large entities must assess and describe risks across their supply chains, but limited guidance on supplier engagement has led businesses to develop different questionnaires, platforms and audit processes. As a result, smaller suppliers working with multiple customers may be required to provide similar information repeatedly in inconsistent formats. One manufacturer with 50 employees estimated audit-related costs of approximately \$35,000 directly and \$250,000 in staff time and internal resources. (Australian Industry Group, *Supply Chains Regulations*, p. 2).
- Australian Industry Group's member surveys indicate an increasing perception that the EESS platform is generating additional administrative burden. In the April 2025 survey, 79% of respondents believed the platform would increase compliance burden, compared with 60% in a previous survey. Members identified increased complexity, duplicate processes, more time-consuming renewals, additional information requirements and ongoing platform management activities. We have also expressed concern that increasing functionality and information requirements within the database are adding costs to industry without a demonstrated link to improved safety outcomes, while divergence between the EESS, NSW and New Zealand frameworks continues to compound complexity and cost (Australian Industry Group, *Electrical Sector Member Perspectives on the EESS Platform Roll Out*, pp. 3-4, 8; Australian Industry Group, *Electrical Product Regulatory Matters*, p. 2).



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- Australian Industry Group's research on trade, tariffs and supply chains found that "grey tape" arising from fragmented processes, duplicated information requests and administrative complexity can be as burdensome as traditional regulation. The finding illustrates why reporting schemes should minimise grey tape as well as red tape by reducing duplication, aligning data requirements across agencies and enabling businesses to report information once rather than through multiple overlapping channels. (Australian Industry Group, *Trade, Tariffs and Supply Chains*, October 2025, p. 21).

6. Reporting obligations should apply symmetrically to government and business

Where government and business undertake comparable activities, equivalent reporting expectations should apply. Symmetry improves legitimacy, broadens the evidence base and prevents regulation from presenting private sector conduct in isolation from public procurement and payment performance. Regulators will also benefit from receiving feedback on regulatory design and implementation from peer agencies in the public sector.

Current practices are not uniform across levels and forms of government. The principle should be that the exclusion of public entities require clear functional justification beyond their public-sector status. Where full equivalence is impractical, government should publish comparable information using definitions aligned with those imposed on business.

Example

- Existing reporting schemes demonstrate that reporting obligations are not always applied uniformly across the public and private sectors. Under the WGEA framework, private-sector employers are required to report against a common set of gender equality indicators, while many public-sector entities are subject to separate government-specific gender equality frameworks. Similarly, under the PTRS, reporting obligations apply to large businesses and some government-owned enterprises, but are not applied consistently across all levels of government.

Conclusion

Business reporting schemes can make an important contribution to public policy, but only where they are disciplined by clear objectives and efficient regulatory design. The six principles in this submission provide a practical framework for that discipline. They would preserve legitimate transparency and accountability while reducing unnecessary cost, duplication, privacy exposure and downstream compliance activity.

Existing and future reporting schemes should be assessed against this framework, including consideration of field-level necessity reporting, infrastructure readiness test and analysis of grey-tape impacts.



About the Australian Industry Group

The Australian Industry Group is the nation's largest and most experienced industry association, representing the interests of more than 60,000 businesses across a broad range of sectors.

Together with our partner organisations, we help members boost productivity, navigate change and deliver growth through expert advice, advocacy, training and policy influence.

We represent businesses across manufacturing, construction, technology, defence, care and more. Our cross-sector expertise allows us to influence policy and shape the operational landscape for Australian business.

Australian Industry Group contacts for this submission

Louise McGrath | Head of Industry Development and Policy

Hnin Nwe Oo | Economic Policy Analyst

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Annex A: Comparison of the modified reporting requirements and legislative requirements

Modified reporting requirements	Legislative requirements	Assessment
Report payment terms to small business suppliers	Yes, required by legislation	Directly aligned with legislative objective
Report payment timing and payment performance	Yes, required by legislation	Directly aligned with legislative objective
Provide transparency to suppliers about payment behaviour	Yes, required by legislation	Directly aligned with legislative objective
Segment reporting by operating division/business unit	Not expressly required by legislation	Additional analytical requirement
Calculate payment metrics separately for each operating segment	Not expressly required by legislation	Significant expansion beyond entity-level reporting





Map suppliers and invoices to AASB 8 operating segments	Not expressly required by legislation	Additional data processing burden
Reconcile internal financial reporting structures with PTRS reporting requirements	Not expressly required by legislation	Compliance and systems burden not apparent from Section 14
Maintain segment-level payment datasets and controls	Not expressly required by legislation	Additional reporting infrastructure requirement
Publish multiple sets of payment statistics for different segments	Not expressly required by legislation	Enhances regulatory granularity but not necessarily transparency for suppliers

Source: [Payment Times Reporting Act 2020 - Federal Register of Legislation](#)
[Payment Times Reporting: Understanding Reporting Fields](#)



