



Inquiry into Business Reporting Requirements

BHP Submission

October 2026

1. Introduction

BHP welcomes the opportunity to contribute to the Productivity Commission's inquiry into business reporting requirements.

As one of Australia's largest companies, BHP supports reporting frameworks that balance public policy objectives alongside productivity, competitiveness and investment imperatives.

Increasingly, we see this balance at risk with the Australian Institute of Company Directors (AICD) estimating Commonwealth compliance costs at around \$160 billion annually – more than double the level a decade ago¹.

BHP recognises that reporting obligations can support transparency, accountability and investor confidence, as well as important objectives like fair treatment of suppliers, environmental protection and progress on workplace equality. However, to deliver these outcomes effectively, reporting frameworks should be proportionate, support informed decision-making by investors and focus on information that materially improves public policy outcomes. Reporting obligations should also be regularly reviewed to ensure their benefits outweigh their financial and opportunity costs, including diverted resources and potential impacts on risk appetite and Australia's investment attractiveness.

With Australia's productivity performance lagging, reducing regulatory burden must be an economic priority. BHP strongly endorses the Alliance of Industry Associations' call for Australian governments to reduce regulatory burden by 25 per cent by 2030, and recommends urgent engagement with business to identify priority steps to eliminate duplication, reduce complexity and better align requirements with intended policy outcomes. We also recommend the Australian Government consult with investors on the usefulness of reported information and promote cross-jurisdictional alignment by adopting international standards rather than developing bespoke Australian requirements.

The sections that follow set out these principles in greater detail, as well as practical opportunities for reporting improvements in the areas of payment terms, environment, climate and workplace gender equality.

2. Key principles and considerations

a. Global competition for investment capital is intensifying.

As a global company, BHP has direct visibility of the increasing competition between jurisdictions to attract internationally mobile investment capital. The United States, Canada and other peer economies are actively using policy settings to strengthen their investment attractiveness, including via red-tape reduction reforms. Canada, for example, has introduced a "one-for-one rule" through its *Red Tape Reduction Act* where regulators must remove regulation to offset the administrative burden of any new regulation. Bill C-39, the *Building Canada Strong Act*, is a further example of Canada seeking to reduce regulatory duplication and improve investor certainty without undermining outcomes, such as environmental standards.

¹ [\\$160 billion and counting: The cost of Commonwealth regulatory complexity | AICD](#)

With a regulatory burden already higher than OECD peers², Australia risks falling further behind unless it takes deliberate steps to strengthen its regulatory competitiveness.

b. Regulatory creep is a productivity constraint.

Australia's weak productivity performance requires a renewed focus on regulatory efficiency and reducing compliance costs. At its core, regulatory reform is productivity reform: it frees businesses to invest more time and capital in activities that support growth, innovation and investment. By contrast, compliance obligations that are duplicative, poorly targeted or overly complex increase costs and divert resources from productive activity.

c. A systemic approach is needed to address cumulative impacts.

Reporting requirements viewed in isolation may serve legitimate policy objectives but, in aggregate, add to the cumulative burden on business – and the broader economy – beyond the overall benefit delivered. A systemic approach is needed, including regular stocktakes of existing obligations, clearer tests for introducing new requirements and stronger mechanisms to retire requirements that are no longer necessary or effective. BHP strongly supports the Alliance of Industry Associations' call for Australian governments to commit a 25 per cent reduction in regulatory burden by 2030, starting with immediate steps to reduce costs, undertake an economy-wide regulatory stocktake, and improve coordination across jurisdictions to remove duplication and inconsistency.

3. Practical reform opportunities

a. Payment Times Reporting Scheme

The Payment Times Reporting Scheme (**PTRS**) requires large businesses to publicly report on how quickly they pay their small businesses suppliers. BHP has submitted biannual reports under the PTRS since its commencement in 2021, screening on average more than 90,000 small business transactions every six months to calculate average payment times.

Compliance under the PTRS requires ongoing resourcing for vendor data classification and maintenance, data collation, internal assurance and approval processes, and maintenance of our internal reporting tool. Reforms to the scheme in 2024 – only three years after its introduction – also required significant updates to internal reporting tools and processes.

While BHP supports the policy intent behind the PTRS, our payment times practices were reformed in 2020 and 2021, independently of the scheme's introduction:

- In March 2020, as the COVID-19 pandemic escalated, BHP shortened payment terms from 30 days to seven for small, local and Indigenous suppliers in Australia as a temporary support measure.
- In July 2021, after determining reduced payment terms could be sustained, BHP introduced seven-day payment terms for all small, local and Indigenous businesses in our global supply chain.

As we continue to meet PTRS compliance obligations alongside our commitment to seven-day payment terms for our small, local and Indigenous suppliers, BHP supports consideration of the following efficiency opportunities:

- **Reduce PTRS reporting frequency:** Allowing businesses to submit an annual report, as opposed to every six months, would reduce compliance costs and align with other annual public reporting obligations.

² OECD (2023) Product Market Regulation; Mandala analysis [economic-cost-of-regulatory-complexity-report.pdf](#)

- **Use ATO data to identify small businesses:** This would improve the accuracy of the Small Business Identification (SBI) tool and stop suppliers that are currently incorrectly identified as small businesses from distorting performance data. It would also deliver significant time savings to reporting entities, given the onus largely falls on them to initiate SBI tool corrections.

BHP also suggests adopting a more outcomes-focused approach to the PTRS that prioritises behavioural change over reporting compliance. For example, reporting entities that voluntarily introduce shortened payment terms for small business suppliers, and then demonstrate consistent performance against these terms over a period of time, could be released from PTRS reporting obligations or subject only to 'lighter touch' reporting requirements.

b. Sustainability reporting (climate-related financial reporting)

BHP recognises the importance of investors and other stakeholders being able to understand the potential impacts on BHP's financial position from climate-related risks. We were one of the first companies to voluntarily align our climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and we remain committed to transparency in our approach to climate-related disclosure.

As a Group 1 reporting entity, BHP released our first Sustainability Report in August 2026 (within our [Annual Report 2026](#)) containing our climate-related disclosures in accordance with the *Corporations Act 2001* (Cth) and AASB's Australian Sustainability Reporting Standard AASB S2: *Climate-related Disclosures* (**AASB S2**).

With Group 1 reporters having now completed the first year of reporting under AASB S2, we suggest it is timely to assess whether the mandatory reporting framework is achieving its intended objective of providing investors with sufficient and comparable climate-related information. The legislated statutory review of the climate-related financial reporting framework will offer the opportunity for broader assessment of its effectiveness but is not required to be conducted until after 1 July 2028 leaving at least another two reporting years (for 30 June reporting entities) to commence before consideration of any reform.

BHP has also separately contributed to a Treasury consultation aimed at improving the short- to medium-term efficiency of certain aspects of these climate-related financial disclosures, and we have outlined our support for several practical refinements including:

- Retaining limited assurance requirements as the mandatory baseline on an ongoing basis;
- Issuing principles-based guidance on reasonable value-chain information requests, including practical examples where primary data may not be available, for example elements of supplier and customer data; and
- Reducing the analytical burden of Scope 3 emissions reporting, including through the potential development of a government-maintained Scope 3 emissions factors database to improve consistency, comparability and efficiency where primary data are unavailable.

In addition to the reforms being examined through the Treasury consultation, BHP offers the following suggestions to reduce duplication, improve consistency and ensure climate-related sustainability reporting requirements remain proportionate to their intended policy objectives:

- **Remove duplicative reporting for privately held reporting entities:** Separate AASB S2 reports should not be required for privately held entities such as joint venture operators or other similar company structures, where all shareholders are themselves AASB S2 reporting entities and already have mechanisms to obtain the information required for their own disclosures, and there are no other primary users of the entity's general purposes financial reports. In these circumstances, a standalone report by the privately held entity provides no or limited additional disclosure value while creating significant compliance costs and duplication. A permanent exemption or class relief should be considered for these structures.

- **Clarify assurance expectations:** The assurance requirements for AASB S2 have significantly increased compliance costs (both internal and external). In the absence of clear assurance expectations and guidance, assurance practitioners may apply varying interpretations and levels of judgement across the market. Additional guidance for assurance practitioners would improve consistency and comparability across disclosures, and reduce implementation burden, particularly around expectations on more complex reporting requirements such as scenario analysis and resilience assessments.
- **Permit cross-referencing to NGER reporting:** AASB S2 requires disclosures relating to Safeguard Mechanism obligations which are duplicative of information reported and publicly available through the National Greenhouse and Energy Reporting (**NGER**) Scheme. Requiring the same information to be reported and assured across multiple reporting mechanisms, often to different reporting timeframes, creates unnecessary complexity and increases compliance costs for both reporting entities and assurance providers. We suggest that cross referencing to NGER reporting in AASB S2 disclosures for the purposes of Safeguard Mechanism-related disclosures be permitted to resolve the duplication.
- **Address overlap with OFR requirements:** There is significant overlap between AASB S2 and requirements for an Operating and Financial Review (**OFR**) under section 299A of the Corporations Act that causes reporting duplication due to the restriction on cross-referencing from the OFR to content outside the OFR (such as the Sustainability Report). For an Australian-listed company where climate-related matters are material to the business, many of the same underlying issues are required to be addressed in both the OFR and the Sustainability Report, such as material climate-related risks and opportunities; impacts on financial performance and financial position; and information necessary for investors to assess future prospects. We suggest that where this information is provided in the AASB S2 disclosures, cross-referencing to that information from the OFR be permitted provided the reporting entity publishes its Sustainability Report within the same document as contains its OFR (such as an Annual Report).
- **Allow proportionate disclosure where uncertainty is material:** The threshold for relief from mandatory disclosure requirements is set so high that entities are required to spend considerable time and effort seeking to quantify, or otherwise provide detailed qualitative disclosure on, matters that remain subject to significant uncertainty. In practice, this can result in disclosures that are heavily caveated and of no or limited decision usefulness while creating significant preparation, governance, assurance and compliance costs for reporting entities. For example, AASB S2 requires the gross equivalents of long-term Scope 3 targets which in practice require information about the offsetting plans of suppliers and customers, in some cases decades in advance. We recommend that better guidance is given for how a reporting entity should judge whether measurement uncertainty is so high as to make quantification not decision useful (the threshold for disclosure relief), rather than subject to a high but not sufficiently high level of measurement uncertainty so that (under the current AASB S2 standard) an estimate must be disclosed accompanied by a description of the uncertainties and assumptions involved. Alternatively, the AASB S2 standard could explicitly allow the reporting entity to determine on a reasonable basis that the degree of measurement uncertainty would make the quantification not decision useful (which would be tested via the assurance requirements).
- **Reduce repetition in annual disclosures:** Annual AASB S2 reporting requirements are likely to result in significant year-on-year repetition where there has been no material change in an entity's operating context. Greater flexibility should be provided for reporting entities to avoid repeating required processes, such as assessments of material climate-related risks and opportunities, unless there are indicators of relevant change. In these circumstances, entities could instead be allowed to refresh these assessments in line with their strategic planning cycle (subject to a maximum years cap). Unchanged disclosures could be allowed to be incorporated by cross-

reference (to a prior-year Sustainability Report) to meet the AASB S2 content requirements for the current reporting year.

- **Adopt the “reasonable steps” directors’ declaration on an ongoing basis:** The requirement for a directors’ declaration over the AASB S2 disclosures is particular to the Australian regime (and not required by the International Sustainability Standards Board’s IFRS S2 on which it is based, nor by the other main jurisdictions adopting IFRS S2). The enhanced governance and verification processes needed to support this requirement have created significant additional burden. For financial years commencing between 1 January 2025 and 31 December 2027, directors must declare that the reporting entity has taken reasonable steps to ensure the disclosures are in accordance with the Corporations Act and AASB S2, but for later reporting years directors must make this declaration without the ‘reasonable steps’ modification. To avoid amplifying the existing burden, we recommend that the directors’ declaration should retain the ‘reasonable steps’ modification for all future reporting years. This standard for the declaration appropriately matches the uncertainties and judgements inherent in disclosures produced to meet the AASB S2 requirements, which are not expected to ameliorate despite an evolution in reporting maturity over time.

c. Environmental reporting

As a proponent of nationally significant resource projects, BHP maintains a strong interest in Australia’s environmental approval and compliance processes.

We support the intent of the 2025 reforms to the Environment Protection and Biodiversity Conservation (EPBC) Act and continue to engage closely with the development of supporting legislative instruments, including standards and regulations. Our priority is to support a regulatory framework that delivers strong environmental protections alongside timely, clear and consistent decision-making.

As the EPBC Act reforms are implemented, BHP recommends that future information, monitoring and reporting requirements be developed with a clear focus on proportionality, regulatory efficiency and reuse of existing information. This should include alignment between Commonwealth and State approval reporting, use of existing government-held data where available, and streamlined reporting mechanisms that avoid duplicate submissions. In practice, this could include:

- Recognising State and Territory environmental reporting requirements, compliance statements and rehabilitation or closure reports where they address equivalent Commonwealth conditions;
- Allowing a single monitoring dataset to satisfy overlapping Commonwealth and State requirements;
- Enabling proponents to reference information already lodged through environmental impact assessments, referral documentation, biodiversity databases, emissions and pollutant reporting systems or spatial data portals rather than resubmitting the same information in a different format.

Commonwealth agencies should also reuse relevant information held by other regulators, subject to appropriate data-quality, currency and confidentiality safeguards, and adopt interoperable templates, common data standards and coordinated reporting timeframes. This approach would support effective compliance and assurance while reducing unnecessary administrative cost for proponents and regulators.

BHP also continues to strongly support the development of bilateral agreements to enable States and Territories to undertake environmental assessments and approvals on behalf of the Commonwealth. An effective bilateral arrangement would enable one coordinated information request from government, one agreed assessment record and, where statutory requirements permit, aligned approval conditions, monitoring programs and compliance reporting. This ‘single desk’ approach is a key lever to address duplication between State and Federal approval processes and deliver meaningful productivity gains.

Additionally, we note that recent environmental approval reforms introduced or proposed in Canada have key features that could be considered within an Australian context:

- Canada's Major Projects Office acts as a single front door for nationally significant projects, with a faster, clearer pathway for coordinating across departments, territories, Indigenous partners and proponents. It offers a potential model for Australia's Investor Front Door.
- Canada's "One Project, One Review" approach is designed to reduce duplication between federal and provincial processes, with Bill C-39 seeking to make concurrent and coordinated decision-making the national norm.
- Canada is also proposing one coordinated consultation process, while retaining the duty to consult Indigenous peoples. In Australia, EPBC Act, state and native title processes remain separate. There is an opportunity to consider coordination of these requirements through a common process, without weakening rights or standards.

d. Workplace gender equality reporting

BHP achieved gender balance within our employee workforce globally in 2025 and is focused on sustaining our sector-leading position on gender diversity. We define gender balance as a minimum 40 per cent women and 40 per cent men in line with the definitions used by organisations such as the International Labour Organization.

While BHP supports the objectives of Workplace Gender Equality Agency (**WGEA**) reporting, reporting alone does not drive organisational change. Measures such as flexible work arrangements, parental leave support, inclusive leadership, target setting, capability building and company-developed gender balance action plans have a more direct influence on workforce outcomes. BHP's experience suggests the most effective approach combines proportionate reporting requirements with practical workplace initiatives that address the underlying drivers of gender imbalance.

BHP notes WGEA reporting requires ongoing resourcing for data collection, validation, system integration, governance processes and executive oversight. We believe there are opportunities to reduce these compliance costs and offer the following suggestions for consideration:

- **Improve integration with existing government data collection:** BHP already provides substantial workforce and payroll information through mechanisms such as Single Touch Payroll. Where equivalent information already exists within government systems, reporting should be streamlined through data sharing, pre-populated reporting and harmonised definitions.
- **Consider risk-based reporting models:** Simplifying reporting for organisations with strong compliance histories would reduce administrative burden while retaining transparency and accountability.
- **Align the WGEA reporting period to the financial year:** Shifting the reporting period from 31 March to the 30 June financial year would reduce duplication across reporting obligations, given the overlap with annual corporate governance and ASX reporting. This would also improve data consistency and lower compliance costs.

4. Conclusion

Thank you for the opportunity to provide input into the *Business reporting requirements* inquiry.

BHP would be happy to discuss our submission further with the Productivity Commission or respond to any questions.

We note the release of an interim report is expected in November 2026 and we look forward to the opportunity to consider its draft recommendations.