

BCA

Business Council of Australia

Better Regulation Report

Driving productivity growth

July 2025

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This report addresses key issues highlighted by the BCA, including:



Overview

Australians have long enjoyed an extraordinary, improving quality of life, with subsequent generations more prosperous than their forebears. We have tremendous endowments including our natural resources, skilled and educated population, stable institutions, and proximity to the emerging Asian markets that will drive new forms of prosperity.

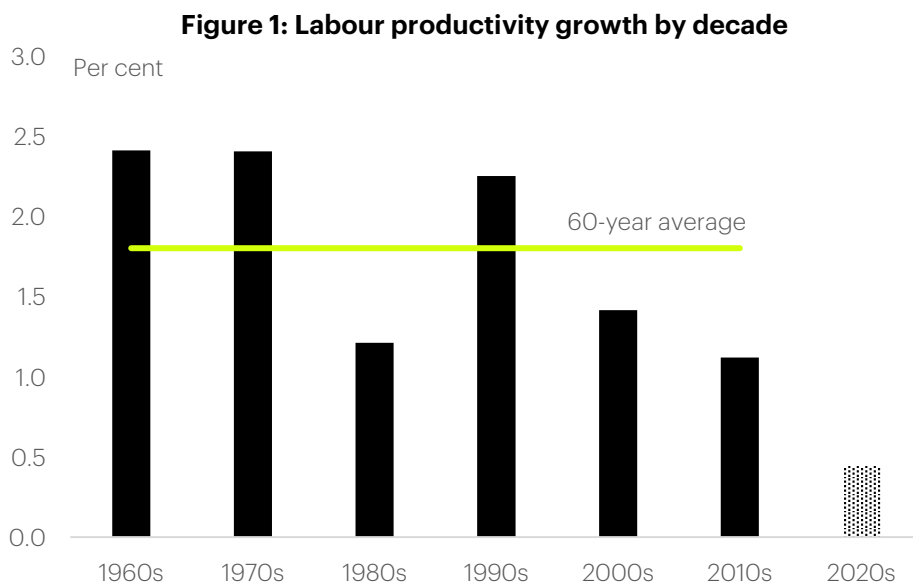
But Australians have been challenged in recent years as the high cost of living and stagnant productivity have meant falling living standards. At the same time, the world around us is rapidly changing with increasing geopolitical tensions, the upending of global trade norms, decarbonisation of economies, the impact of technology (including artificial intelligence) and digitisation to the way we live and work, and the rise of the Asian middle class. There are further challenges – and opportunities – on the horizon.

Other countries are taking steps to attract investment and improve their resilience and competitiveness at a foundational level. Australia must do the same by acting on the things we can control if we are to determine our destiny and support Australian households and businesses. Inaction means future generations risk not experiencing the rise in living standards enjoyed by previous generations.

Driving productivity growth

The only way to sustainably lift living standards and grow real wages is through faster productivity growth. This relies on an ongoing process of improvement in our human and physical capital, and innovating to produce existing goods and services in a better way or developing new ones. It is also about allowing our resources to be allocated where they can create the most value.

Productivity growth last decade was the worst in 60 years. The inextricable link between productivity and incomes also meant last decade was the slowest decade for incomes growth in 60 years. The expected outlook for productivity growth in the Commonwealth Budget is even more dire this decade. But even this may be overly optimistic as it assumes labour productivity growth returns to a pre-COVID 20-year average.



Source: ABS, Penn and PBO

Simply put, productivity is not just an issue for the future but an urgent issue for today. It is critical for sustainably reducing inflation, driving real wages growth, and tackling our budget challenges.

The starting point is a change in mindset across the board. This means recognising both the urgency of our competitiveness and productivity challenges. It also means focussing on the key drivers of productivity – investment and innovation – through:

- Maintaining an **open economy** that is more competitive on the world stage;
- Investing in **our people** and their skills to develop the capability for success;
- Supporting **new industries and modern manufacturing** to modernise and diversify the economy;
- Tackling whole-of-system **tax reform** for more competitive and sustainable public finances, improved incentives to work, save and invest, and increased worker mobility;
- Continuing the commitment to our **migration program** to ensure we attract individuals with new and emerging skills;
- Supporting the **net zero** transition while maintaining energy security, reliability and affordability;
- Driving improvements in **planning approvals and streamlining regulation to increase** housing supply, improve affordability and support major projects;
- Becoming a world leading **digital economy**;
- Harnessing the potential of **artificial intelligence**, including through responsible adoption, investment in digital infrastructure, and building workforce capability to deploy and use AI tools effectively;
- Facilitating innovation and improve outcomes in the health and care economy;
- Reducing frictions in doing business through **consistent and modern regulations**;
- Attracting investment by streamlining our **foreign investment screening** regime;
- Improving the **infrastructure delivery** system;
- Reforming **government services** to improve productivity in the public sector and manage funding pressures in key programs; and
- Ensuring our **workplace relations** system better supports productivity and sustainable growth in wages.

There are major game-changing reforms across each of these areas that can shift the dial and lock in our prosperity. We can no longer afford to keep putting off difficult decisions. The hard and detailed work that underpins them must continue, but we are realistic these major reforms will take time.

At the same time, we can pursue a reform agenda with smaller, practical steps on the path towards substantial reform. These steps can produce quick wins and substantial cumulative benefits by reducing the frictions in our economy. They include by:

- Improving how we make and deal with **regulation**
- Making it easier to **invest**
- Making it easier to **employ** people
- Making it easier to **do business**
- Making it easier to **trade**
- Supporting the transition to **net zero** with affordable and reliable energy
- Supporting the **modernisation** of the Australian economy
- Making it easier to **support small businesses**.

Better regulation

A common theme throughout the reform ideas in this paper is improving regulation in Australia. Regulation is important but when it is poorly conceived or badly designed, the burden ultimately falls on consumers through higher costs, delays and fewer choices. Unnecessary and inefficient regulation makes it harder to do business in Australia, makes the country less competitive and a less attractive place to invest. By contrast, better regulation means less unnecessary red tape and more productive businesses. It supports more job creation, better products and lower prices for consumers.

The burden of regulation is a significant issue for Australian companies, which face duplication and inconsistencies across various levels of government, frequent changes to laws and regulations, and a poor understanding from policymakers and regulators of the complexity, time and cost of implementing these changes. Regulation can also be applied through guidelines, contracts and funding arrangements. Unnecessary and inefficient regulation is making it harder to do business here, so global investors are looking elsewhere.

- *The Commonwealth Government's last regulatory stocktake in 2014 estimated there were around 86,000 regulations with a compliance burden of \$65 billion over a decade ago - around 4.2 per cent of GDP.¹ In today's dollars, this represents a compliance burden of over \$110 billion - before even accounting for any increase in regulation since.*
- *Even a 1 per cent reduction in the compliance burden represents over \$1 billion of savings that can ultimately benefit consumers through lower costs, reduced delays, and more choices.*

Regulation and intervention have increasingly become the first resort of policy makers to deal with a perceived market failure, while cost-benefit assessments of new policies have either been by-passed or paid lip service by various governments. Governments have abruptly changed rules and regulations, increasing risk for future projects. A long line of 'one-off' policy changes give broad scope and power for unnecessary and excessive interventions in business practices.

The measures that drove the previous era of strong productivity growth – which delivered higher wages and living standards – were the accumulation of many reforms. Benefiting the economy to the tune of more than \$60 billion in today's dollars, these National Competition Policy reforms took a decade to implement and required the effort of all levels of government, covering close to 1,800 pieces of legislation. The benefits also flowed to people's pay packets.

The reform ideas outlined in this document are designed to be practical and actionable – and are by no means exhaustive. If implemented, they would represent common-sense reform wins that would help propel the Australian economy forward and locking in sustained long-term economic growth. They also seek to align with the Productivity Commission's current five pillar inquiries, recognising the Treasurer's recent request to the Productivity Commission to emphasise the importance of regulatory reform, including opportunities to streamline regulations and remove unnecessary duplication. We note the Treasurer has recently written to regulators across government, requesting specific and measurable actions to reduce compliance costs without compromising regulatory standards. We believe this report can constructively support that effort.

¹ <https://apo.org.au/sites/default/files/resource-files/2015-03/apo-nid53800.pdf>

1. Improve how we make and deal with regulation

1.1 Minister for Better Regulation

✓ Creating a more dynamic and resilient economy

What is the issue?

The task of driving better regulation and outcomes must start with an overarching focus and accountability for the whole regulatory system. This has been demonstrated in the past through ministerial responsibility, such as a Minister for Better Regulation or Assistant Minister directly reporting to the Prime Minister. These roles have been critical because the task of improving regulation requires persistent and continuous vigilance to address the cumulative effect of new regulations, existing regulations, and the performance of regulators.

What is the solution?

Appoint a Minister for Better Regulation within Cabinet with clear responsibility across departments to help drive a better regulation agenda that makes it easier to do business in Australia. A Cabinet-level coordinating minister will help to bring focus to the task and ensure progress.

	Year 1	Year 2	Year 3
Implementation timeline	●		

1.2 Exemplary Impact Analysis for every new policy

✓ Creating a more dynamic and resilient economy

What is the issue?

Good process is a fundamental tenet of good policy. The Commonwealth Government's Impact Analysis framework helps policymakers to develop a robust evidence base for well informed and effective decision making.

The Office of Impact Analysis reviews policy proposals to ensure there has been a comprehensive policy development or assessment process that follows best practice principles. These include the problem to be solved must be well defined, a legitimate reason for government action, a cost-benefit analysis of a range of genuine policy options to understand the impact on individuals, businesses and communities, and genuine consultation. However, not all policies require a comprehensive impact analysis that considers several options, for example where they are considered minor in nature or an election commitment.

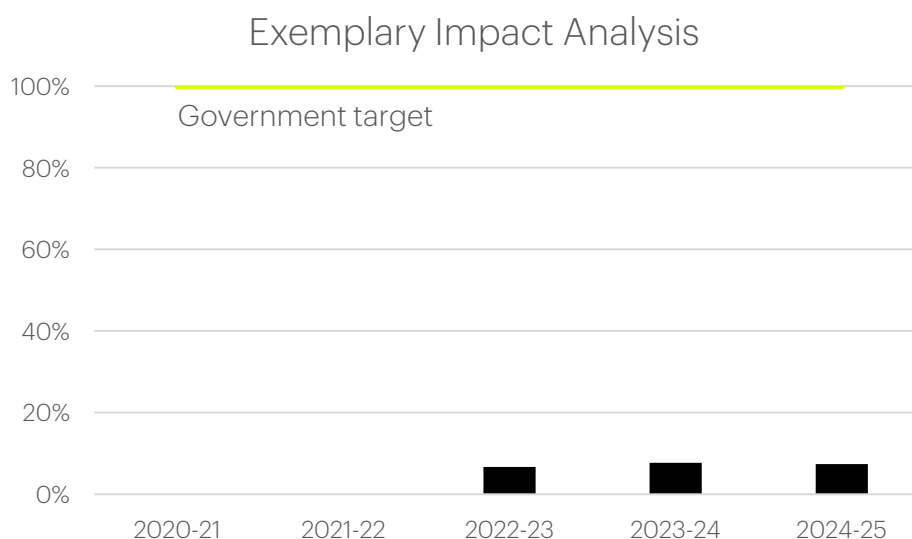
The review process is assessed against four tiers: insufficient, adequate, good practice and exemplary practice. There is an expectation that policymakers produce exemplary practice Impact Analyses, which can help ensure a potential policy response "is clearly and genuinely the best possible response to an

identified policy problem.”² However, only 7 of the approximately 180 policies assessed over the past five years have met this benchmark – just 4 per cent. These policies include:

- Australia’s Accession to the Nairobi International Convention on the Removal of Wrecks
- Measurement Law Review
- Review of Tobacco Control Legislative Framework (Thematic Review) 2023
- Commercial Fishing Vessel Monitoring Systems in Australian Marine Parks
- Online safety industry standards – eSafety
- Anti-Money Laundering and Counter-Terrorism Financing Regime Reforms

It is not a coincidence that many policy proposals over recent years have been a mix of poorly targeted, ineffective, costly and complex interventions – also replete with unintended consequences.

- The National Construction Code has been changed at least four times since 2013 despite a cost benefit analysis finding the changes would likely be a net cost on society.³



Source: Office of Impact Analysis

What is the solution?

Introduce a mandate that policy proposals must be subject to an exemplary Impact Analysis before being able to proceed further. Features of high-quality policy making processes include:

- The problem should be clearly identified, and the proposed regulation is demonstrated to be the best solution using cost-benefit analysis.
- A minimum period of consultation that allows stakeholders to properly understand a proposed regulation and fully assess its impact.
- Co-design of regulation with industry or encouraging self-regulation where it can be effective in achieving desired outcomes at least cost.

² <https://oia.pmc.gov.au/sites/default/files/2024-01/australian-government-guide-to-policy-impact-analysis.pdf>

³ <https://www.pc.gov.au/research/completed/housing-construction/housing-construction.pdf>

- Adequate resources and training so agencies can accurately measure the costs of new regulation and undertake genuine cost-benefit analysis of all options. This should include interactions with existing regulation and the impact of the cumulative burden on business.
- Use of sunset periods and commitments to post-implementation reviews to assess and monitor the impact of new regulatory initiatives.

This will support better policy making to address genuine policy problems with genuine policy solutions in a way that delivers net benefits to the community. While it will slow the current policy development process, this is a design feature (rather than a design flaw) to help deliver better policy making and better outcomes. Any policy that requires a genuinely urgent response could be granted an exemption together with a sunset clause if an exemplary post-implementation review is not conducted.

	Year 1	Year 2	Year 3
Implementation timeline	●		

1.3 A regulatory stocktake and plans to reduce costs

✓ Creating a more dynamic and resilient economy

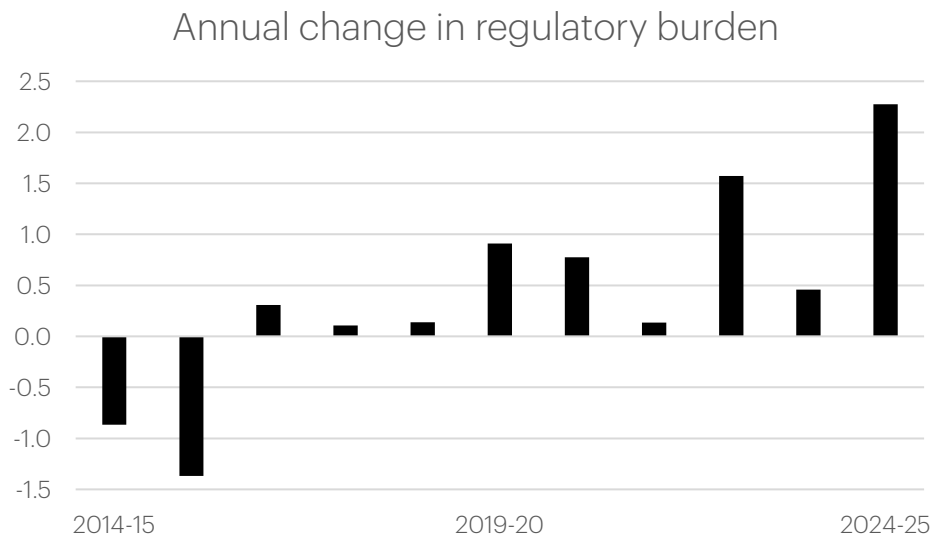
What is the issue?

Most policies, in isolation, are likely to have a small impact on the economy. Indeed, many policy interventions have been justified as their impact has been dismissed as small or negligible. However, the appropriate benchmark is whether a policy will have a net positive or a net negative effect on the economy. The result has been a disturbing trend in the assessment and development of public policy which has opened the door to the introduction of policies with small but harmful impacts – the cumulative effect of which compounds into something more substantial. This approach also belies the signalling effects of policy changes – which are not negligible.

The cumulative burden of regulation is a significant issue for businesses around Australia. The Impact Analysis process – if done well – provides an assessment of the costs imposed by new regulations. For example, the regulatory burden of policy changes over the past decade are estimated to have been over \$5 billion.⁴ However, this is an underestimate as the cost of many policies have either not been measured, well understood, or even included in this estimate. For example, OIA explicitly states some policies are excluded from the headline figure such as climate risk disclosure estimates.⁵

⁴ Office of Impact Analysis

⁵ <https://oia.pmc.gov.au/sites/default/files/2025-06/2023-24-aus-gov-impact-analysis-status-agency.pdf>



Source: Office of Impact Analysis

It is therefore important to regularly assess the cumulative costs of the full set of regulations within the Australian economy. This can help to identify the cumulative impact on businesses and the community, improve the accountability of policy makers and regulators, better understand the impacts on productivity, and help prioritise areas for reform.

The Commonwealth Government’s last regulatory stocktake estimated there were around 86,000 regulations with a compliance burden of \$65 billion over a decade ago – around 4.2 per cent of GDP at the time.⁶ In today’s dollars, this represents a compliance of over \$110 billion – before even accounting for any increase in regulation since. This stocktake helped support a range of regulatory reforms and savings – but the net regulatory burden has since grown.

The United Kingdom has recognised the impact of regulation and regulators on growth, and has set of target of a 25 per cent reduction in business compliance costs by 2029.⁷ It made this commitment and will concurrently work towards estimating the existing stocktake recognising the importance of beginning to act on its productivity and regulatory challenges. Indeed, as Assistant Minister Andrew Leigh has highlighted, “what gets measured gets managed.”⁸ The Victorian Government also currently has a target of reducing business compliance costs \$500 million over the next five years.⁹

What is the solution?

The Commonwealth Government should enshrine in legislation a commitment to undertake and publish a regulatory stocktake and set targets for reducing total costs over time (like the Commonwealth Government’s Cutting Red Tape initiative from 2013). This should also be adopted by state and territory governments.

The Productivity Commission could be tasked with establishing a robust, cost effective and common method to assess the total cost of regulation. This could similarly support industry reviews to identify industry-specific regulatory reform proposals.

⁶ <https://apo.org.au/sites/default/files/resource-files/2015-03/apo-nid53800.pdf>

⁷ <https://www.gov.uk/government/publications/a-new-approach-to-ensure-regulators-and-regulation-support-growth/new-approach-to-ensure-regulators-and-regulation-support-growth-html>

⁸ <https://ministers.treasury.gov.au/ministers/andrew-leigh-2025/speeches/address-chifley-research-centre-melbourne>

⁹ <https://www.premier.vic.gov.au/cutting-number-business-regulators-half>

	Year 1	Year 2	Year 3
Implementation timeline	●		

1.4 Expanding and improving the regulatory grid

✓ Creating a more dynamic and resilient economy

What is the issue?

A changing world means many regulatory interventions will be considered to address new and emerging issues. Government and regulators often consult on a range of regulatory measures that may be related or overlap in some way. However, these consultations may be uncoordinated, duplicative, or the policy implications of one may run counter to another. This can also impact on the quality of consultation as stakeholders also must ensure they can more efficiently allocate resources and adequately engage in consultation to ensure it achieves the policy intent at least cost. This is a particular issue for small- and medium-sized businesses with access to fewer resources.

A Regulatory Initiatives Grid was developed for the financial services sector to address these issues. However, it has not been as effective as it can be in assisting regulators to identify overlaps and refine their requests, and help industry prioritise regulatory requirements and better plan and allocate resources.

What is the solution?

Develop further regulatory initiative grids that expand to other sectors and improve on the existing financial services sector regulatory grid. The grid should:

- Involve a rolling 24-month forward program of all regulatory initiatives that will materially affect stakeholders, updated twice a year.
- Include regulatory initiatives such as proposed changes to legislation, rules, standards, consultation processes, and data collection processes.
- Be expanded on a sector-by-sector basis, starting with industries that face high levels of intersecting regulatory obligations, such as the telecommunications sector.
 - For example, it is impacted by regulations including from the ACCC, ACMA, Attorney General’s Department, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, e-Safety Commissioner, Home Affairs, OAIC and Treasury.

An expanded regulatory grid will help better coordinate regulation and help drive better outcomes. This will give businesses clear visibility of regulation that may impact businesses and support engagement with proposed reforms and their implementation. It also aligns with the first principle of the Regulator Performance Guide – Continuous improvement and building trust. This includes harmonisation with other regulators and producing common guidance where appropriate to provide clarity.

	Year 1	Year 2	Year 3
Implementation timeline	●		

1.5 Better use of legislative instruments

✓ Creating a more dynamic and resilient economy

What is the issue?

In recent years there has been a tendency to rely on legislative instruments when enacting significant policies. This flexible approach is an important part of policy making and implementation, particularly in circumstances such as the COVID-19 pandemic when flexibility and speed were vital. However, there has been an increasing tendency to rely on legislative instruments to deal with major policy issues, particularly when matters are complex resulting in legislators avoiding tackling the difficult issues. Subordinate legislation and regulations generally involves more limited consultation, tighter timeframes and less scrutiny than primary legislation. Parliament's tool to intervene in subordinate legislation is that of disallowance, however in practice this is only exercised on average around three times a year.

We note the following:

- Recent reforms to aged care were due to commence 1 July 2025 but have been delayed to 1 November 2025, there was insufficient time between the detailed rules being finalised and the original start date. As such, the required technological systems to support rollout and training for staff could not be completed in that timeframe.
- Recent reforms to merger law commenced under a voluntary scheme on 1 July 2025, but some legislative instruments that will support important aspects of the scheme, such as waivers, will not be available until later in the calendar year. The purpose the voluntary scheme is to ensure a smooth transition to the scheme on 1 January 2026.
- The revised Payment Times Reporting Scheme commenced from 1 July 2024, but the rules that outlined what – and how – companies must report were not tabled until halfway through the first reporting period. The consequences have been the need for retrospective, costly and complex changes for companies to comply with the scheme in the middle of a reporting period. The rules were again revised in late February 2025.

What is the solution?

Commit to a reduced reliance on legislative instruments when enacting policy reforms, particularly reforms that are not time sensitive. Parliament should continue to play a key role in scrutinising legislation in its entirety to fully understand and be held accountable for the full impact of legislation. Legislative instruments should continue to be used but this should be done so more judiciously.

	Year 1	Year 2	Year 3
Implementation timeline	●		

1.6 Regulatory economic star rating

✓ Creating a more dynamic and resilient economy

What is the issue?

Regulation that is well designed and properly enforced can improve access to goods and services, increase consumer choices, lower prices, and support economic growth. But when regulation is not well designed or thought through – for example where it is excessive, redundant, or inconsistent – the burden can inversely fall on consumers through higher costs, delays, and fewer choices.

The best way to avoid the imposition of unnecessary regulatory compliance costs is to prevent the creation of poorly designed regulation in the first place. The Impact Analysis process exists to support better policy making – albeit with mixed success at times. Indeed as previously noted, many policy interventions have been justified as their impact has been dismissed as small or negligible. However, the appropriate benchmark is whether a policy will have a net positive or a net negative effect on the economy. The result has been a disturbing trend in the assessment and development of public policy which has opened the door to the introduction of policies with small but harmful impacts – the cumulative effect of which compounds into something more substantial.

Good regulation can be a competitive strength in our globalised economy, but poor or excessive regulation is also a competitive weakness that risks investment being done elsewhere. The complexity of Australia’s regulatory framework is deterring business investment and undermining competitiveness. The UK has acknowledged its regulatory framework is holding back growth and investment and has opted for a reset in approach. Australia must do the same.

What is the solution?

Introduce an economic star rating for each new policy as part of the policy development assessment of any new policy. This would provide for a simpler, more consistent, and more transparent label applied to all new policies that allows for comparisons across sectors. The star rating should be developed through consultation with stakeholders, and be based on the net impact of a policy on economic growth, productivity and dynamism. That is, a five-star rating for a policy more likely to promote growth, and a half star rating for poorly designed regulation that saps growth.

	Year 1	Year 2	Year 3
Implementation timeline		●	

1.7 Commit to a focus on improving regulation opportunities through any future inquiries

✓ Creating a more dynamic and resilient economy

What is the issue?

Most policies, in isolation, are likely to have a small impact on the economy. Indeed, many policy interventions have been justified as their impact has been dismissed as small or negligible. However, the appropriate benchmark is whether a policy will have a net positive or a net negative effect on the economy. The result has been a disturbing trend in the assessment and development of public policy which has opened the door to the introduction of policies with small but harmful impacts – the cumulative effect of which compounds into something more substantial.

What is the solution?

Address the cumulative burden of regulation by committing to include the identification of improving regulation opportunities in the terms of reference of all future government inquiries.

The Treasurer recently wrote to the Productivity Commission to emphasise the importance of regulatory reform, including opportunities to streamline regulations and remove unnecessary duplication, as part of its five pillar inquiries.¹⁰ This is a welcome step that provides a benchmark for all future inquiries.

	Year 1	Year 2	Year 3
Implementation timeline	●		

¹⁰ <https://www.pc.gov.au/inquiries/current/5-productivity-pillars/australias-productivity-pitch/chalmers-letter.pdf>

2. Make it easier to invest

2.1 Establish a Single Front Door for investment

✓ Creating a more dynamic and resilient economy

What is the issue?

Australia faces an enormous investment task to support economic growth in the years ahead. Business investment is essential to incorporate the newest technologies and innovations into the domestic capital stock and to replace depreciated capital. Driving investment in research and development is also critical for driving productivity, new industries, diversifying the economy and providing new opportunities. The transition to net zero will entail replacing a large part of the energy generation and distribution capital stock. Commonwealth, state and territory governments have ambitious targets for new housing and infrastructure that will necessitate considerable new investment.

In this context, attracting and enabling investment will remain crucial and the BCA welcomes the government's proposed 'single front door' for investment. This has the potential to make it easier to invest in Australia, as well as fast-tracking investments so the benefits can be realised sooner.

Investors often encounter a fragmented and complex regulatory landscape. Successfully investing in Australia typically requires engagement with multiple agencies across different levels of government, leading to confusion, inconsistent guidance, and frustration over the lack of coordination. At the same time, there are several lessons that stand out from earlier efforts to promote Australia as an investment destination. To illustrate the scale of the challenge, Australia is now a larger investor in the US than the US is in Australia.

What is the solution?

Accelerate and prioritise the introduction of the Single Front Door for investment. At the same time, an ambitious approach should be adopted via the introduction of a new statutory body that brings existing functions around foreign investment attraction, facilitation and regulation under a single roof. This should be accompanied by equivalent bodies for each state and territory to ensure a joined-up approach to investment facilitation across the Federation. Engagement with the Front Door must be easy and not a barrier i.e. the Front Door should be easy to 'knock' on. Key features should include:

- A **prominent and centralised position** within the structure of government, including high level ministerial backing and ownership.
- An **open and flexible** approach to investment facilitation aimed at maximising foreign investment that is not necessarily tied to specific government priorities or existing processes.
 - This includes by being open to projects that might fall outside government priority areas but are nonetheless highly beneficial, and direct engagement with departments and authorised/key decisionmakers to ensure a collaborative, constructive and pragmatic approach to providing regulatory certainty, while improving accountability.
- A set of **tools and powers** that empowers and provides the authority, flexibility, scale and speed required to facilitate and compete for investment.

- Examples include tax incentives, faster approvals, planning flexibilities/guarantees, land access management, visa processing etc.
- An **economy-wide scope** of projects eligible for support and service, including both domestic and foreign projects.
- An **international investment champion** that develops a targeted, strategic and proactive approach to help promote Australia as an investment destination i.e. searching for investors to ‘knock’ on the Front Door.
- A **well-resourced and staffed** agency that includes officials with experience in transactions, navigating the regulatory environment, and understanding of government processes and priorities.

	Year 1	Year 2	Year 3
Implementation timeline	●		

2.2 Improvements to the Foreign Investment Review Board

✓ Creating a more dynamic and resilient economy

What is the issue?

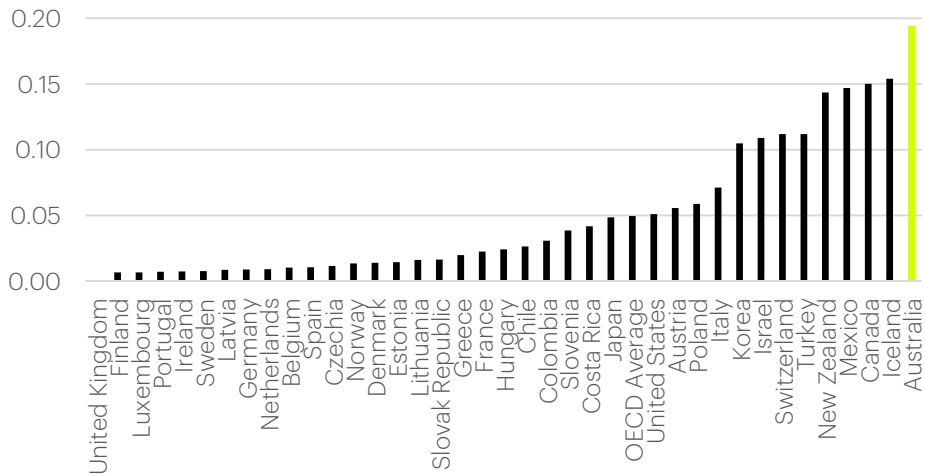
Australia remains a strong and stable destination for global capital, but faces growing competition from other jurisdictions. The Foreign Investment Review Board (FIRB) process under the *Foreign Acquisitions and Takeovers Act 1975* is frequently identified by BCA members as deterring foreign investment. This deterrent effect partly reflects uncertainty as to application of the government’s foreign investment policy and the role of ministerial discretion and conditionality in foreign investment approvals. It also reflects costs incurred by potential foreign investors, including upfront application fees (which have significantly increased over time), and delays in approvals.

In 2020 the Productivity Commission estimated that increasing the restrictiveness of Australia’s already relatively restrictive approach to regulating foreign investment could reduce Australian incomes up to \$7.1 billion per year – equivalent to around \$700 per household.¹¹ Australia’s foreign investment screening regime has been tightened since this analysis.

Anecdotally, BCA members have noted that Australia is sometimes carved out of global transactions to avoid delays and uncertainty as part of FIRB approvals. Restrictions on foreign government-related investors has the perverse effect of hindering investment from traditional investment partners such as the US and Canada when government pension funds have equity participation. The screening process/conditions can also cover topics that are duplicative (i.e. a restatement of existing domestic obligations), questions that are not relevant/fit for purpose to all transactions, lack flexibility and generally involves an extensive information gathering exercise that does not always align with commercial realities and practices. The use of tax considerations in informing foreign investment approvals is also a source of uncertainty around the financing structures used to support cross border deals. This is best demonstrated by the OECD’s FDI Restrictiveness Index, which consistently ranks Australia as having the most restrictive foreign investment screening regime across the OECD.

¹¹ Productivity Commission, *Foreign Investment in Australia*, Research Paper, June 2020.

OECD FDI Restrictiveness Index, 2023



Source: OECD

Changes to FIRB announced in May 2024 represented a step in the right direction.¹² Similarly, the transition of the FIRB application process to the new digital FIRB portal will also be critical but further work may be needed to maximise its potential.¹³ For example, New Zealand has seen improvements after it recently lifted its processing target for applications to 80 per cent to be addressed within half the statutory timeframe, alongside a new principle and focus on further welcoming foreign investment.¹⁴

What is the solution?

To enhance Australia's competitiveness, attract high-quality foreign investment, and minimise the chilling effect of FIRB fees and processes on investment and productivity:

- **Recalibrate the FIRB fee structure** by reducing the marginal cost of applications relative to investment size, ensuring fees are proportionate and do not discourage productive capital flows.
- **Adopt a new target** of 75 per cent of cases processed within the 30-day statutory timeframe to further drive streamlined and improvements to the approval process. This should also leverage and support further improvements in the new digital FIRB portal.
- **Expand and modernise FIRB reporting** as part of the digital platform upgrade, to improve visibility and accountability over FIRB processing times, decision outcomes, and whether streamlining targets are being met or exceeded.

	Year 1	Year 2	Year 3
Implementation timeline	●		

¹² <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/reforms-strengthen-australias-foreign-investment>

¹³ <https://www.afr.com/politics/federal/needs-a-lot-of-work-industry-says-firb-still-has-big-problems-20250527-p5m2j1>

¹⁴ <https://www.beehive.govt.nz/release/government-makes-it-faster-and-easier-invest-new-zealand>

2.3 Reconsider the fee recovery model and approach for the new mergers regime

✓ Creating a more dynamic and resilient economy

What is the issue?

The new merger and acquisition (M&A) notification regime commenced on a voluntary basis from 1 July 2025 and will become mandatory from 1 January 2026. Under this regime, all M&A transactions exceeding specified thresholds must be notified to the ACCC prior to completion. To support the administration of the regime, the government has mandated full cost recovery through a fee structure, which could see applicants charged between \$8,300 and \$1,595,000 depending on the type and complexity of the review.

This approach stands in contrast to international best practice and fee models adopted in comparable jurisdictions, where cost structures are more proportionate and calibrated to the scale of regulatory intervention.

In the second reading speech introducing the legislation, the Treasurer acknowledged that “most mergers have genuine economic benefits and are an important feature of any healthy, open economy.” We share this view and are concerned that the proposed fee structure could discourage transactions that would otherwise deliver significant economic and public benefits.

The current framework requires merging parties to incur substantial fees for transactions that, in many cases, are likely to result in net public benefits. Compounding this concern is the sequential assessment model, under which public benefit considerations are only assessed after competition issues have been addressed — potentially deterring parties from pursuing economically valuable mergers, particularly smaller or mid-sized transactions.

This is especially concerning when compared to the existing merger authorisation process, where the ACCC considers both competition and public benefit issues concurrently, for a flat filing fee of \$25,000. The stark disparity between these fees raises questions about whether the new regime adequately balances regulatory cost recovery with the need to facilitate economically and socially beneficial consolidation.

What is the solution?

We encourage Treasury to undertake a holistic assessment of how cumulative cost recovery charges may impact productivity and investment in Australia. In the context of the M&A notification regime, we believe it is appropriate for the ACCC to absorb some of the costs—particularly for lower-value transactions and noting the public benefits of mergers. This will be an important consideration if the government intends to expand regulatory activity that is dependent on full cost recovery, to ensure that such measures do not inadvertently deter economically beneficial activity.

	Year 1	Year 2	Year 3
Implementation timeline	●		

2.4 Abolish Australian Industry Participation Plans for private projects

✓ Creating a more dynamic and resilient economy

What is the issue?

The BCA supports sensible efforts to raise the participation of competitive local suppliers in major Australian projects. There are many government policies in place to highlight local opportunities to procurers, many companies have internal programs that look to source locally, and indeed many companies already have incentives to source product locally where it makes good business sense.

For over a decade, major private projects have been required to prepare Australian Industry Participation Plans, the purpose of which is to support work opportunities for domestic suppliers. After more than a decade and six reviews, the success and net benefits of the policy remain unclear, and it remains a costly and ineffective requirement. The requirement to produce a plan has been waived in certain circumstances, but even this has given rise to issues.¹⁵

The only recent attempts to reform the Act have focused on improving regulator performance.¹⁶ Proposed changes included:

- allowing for suspended or cancelled projects to cease providing plans, and
- ensuring regulators do not have to publish plans the day after they are received, citing circumstances where they are “received on a Friday afternoon or the afternoon before a Public Holiday”.¹⁷

What is the solution?

Remove the requirement for private sector projects with no government involvement or support to prepare Australian Industry Participation Plans. This would help remove a costly and unnecessary regulation while keeping the measure in place for Commonwealth Government funded projects of \$20 million or more.

	Year 1	Year 2	Year 3
Implementation timeline	●		

2.5 Support the development of a corporate bond market

✓ Creating a more dynamic and resilient economy

What is the issue?

A well-functioning retail corporate bond market offers significant benefits for the economy, corporate borrowers, and retail investors. It can support Australia's economic growth by reallocating private savings to productive investments. A vibrant retail market provides a source of capital in addition to equity, bank debt, and wholesale bonds, enabling diversification of funding sources and greater flexibility in responding

¹⁵ <https://www.anao.gov.au/work/performance-audit/maximising-australian-industry-participation-through-defence-contracting>

¹⁶ https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6835

¹⁷ https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2Fr6835_ems_2d7a1eae-a3f5-4cd4-b7f0-89b27e98cd65%22

to changing market conditions. Corporate bonds offer more price and yield stability than equities, higher and longer-dated returns than bank deposits, and greater liquidity than real property.

Australia's corporate bond market remains underdeveloped compared to global and regional peers due to inhibitory policy settings. Currently, there are only six corporate bonds directly accessible to retail investors via a licensed exchange, with an aggregate market capitalisation of less than \$1 billion and held by fewer than 5,000 individual investors. This contrasts sharply with Australia's deep and liquid listed equity and hybrid markets. Previous efforts to amend the regulatory regime, including the introduction of a simple corporate bonds regime in 2014, have been insufficient to address the barriers. The fact that very few companies have issued under the simple corporate bond regime suggests that the right balance has not yet been struck between streamlining disclosure for issuers and protecting retail investors.

The main impediments include:

- **Burdensome Disclosure Requirements:** The current prospectus-level disclosure required for retail corporate bonds is costly and duplicative for listed entities already subject to continuous disclosure. This makes retail issuance of standard bonds prohibitively expensive and time-consuming compared to equity markets and wholesale/offshore bond markets.
- **Lack of Flexibility in Simple Corporate Bonds:** Current regulations prevent issuers of simple corporate bonds from facilitating early redemptions or extending bond maturity dates, exposing them to unacceptable refinancing risk. This lack of flexibility is a reason for issuer reluctance to use the simple corporate bonds legislation.
- **Prescribed Financial Ratio Disclosures:** The mandated financial ratio disclosures for simple corporate bonds do not adequately account for the diversity of business models and may not be informative or relevant to investors regarding an issuer's ability to service and repay debt.
- **Onerous Trustee Regulatory Obligations:** The retail bond market faces limited trustee availability due to the heavy regulatory obligations imposed on them, including additional costs, risks, and liabilities associated with retail bond issuance.
- **Regulatory Obligations for Credit Rating Agencies (CRAs):** Stringent regulatory requirements inhibit retail investors from accessing recognised, high-quality credit ratings. Only one of the six CRAs in Australia is licensed to serve retail clients, creating information asymmetry and reducing information available to retail investors.

What is the solution?

The following reforms would foster the development of a more dynamic and retail-accessible corporate bond market:

- **Streamline Disclosure Requirements:** Allow publicly listed companies to **rely on a "cleansing notice" regime** for retail bond offerings, supplemented by transaction-specific term sheet disclosure. A Cleansing Notice helps 'cleanse' the market by disclosing or confirming the absence of market-sensitive information, similar to the existing regime for equity rights issues. This regime could adapt section 708AA of the Corporations Act.
- **Enable Early Redemption of Simple Corporate Bonds:** This would align with wholesale market practices and provide flexibility for issuers to refinance. Investor protection would be achieved through full disclosure of early redemption rights rather than prescriptive legislative restrictions.
- **Provide Flexibility in Reporting Financial Ratios: Remove the requirement for prescribed financial ratios** for simple corporate bonds. Instead, require issuers to disclose key ratios relevant to their specific capacity to service and repay bonds.

- **Review Trustee Regulatory Obligations:** Review trustee obligations with the goal of increasing their availability for the retail bond market.
- **Review the Australian Financial Services License (AFSL) licensing regime for CRAs** to reduce access barriers for retail investors.

	Year 1	Year 2	Year 3
Implementation timeline		●	

2.6 Remove a regulatory barrier to investment in residential property

✓ Creating a more dynamic and resilient economy

What is the issue?

The Australian Securities and Investments Commission (ASIC) provides guidance on the disclosure of fees and costs in Product Disclosure Statements (PDSs) and periodic statements for superannuation and managed investment products through RG 97. These disclosures are an important element of the performance tests under the Your Future, Your Super (YFYS) performance tests. RG 97 supports the objectives of the YFYS reforms by ensuring transparency in fee disclosure, which is critical for performance evaluation and member decision making.

RG 97 requires superannuation funds to include stamp duty as an investment cost associated with investment in residential real estate. As stamp duty on residential real estate is a substantial cost relative to investments in other asset classes, this makes investment in residential real estate appear unattractive in fee comparisons with investments in other asset classes with similar returns. Superannuation funds therefore have an incentive to reduce allocations to this asset class to minimise this adverse fee comparison in the YFYS performance tests. To the extent that consumers rely on the YFYS performance tests in choosing a fund, superannuation funds have a strong incentive to minimise allocations to residential property.

The YFYS reforms and RG 97 disclosure regime has seen a reduction in superannuation fund investment in residential property, adversely affecting the availability of capital for new housing supply, particularly in the build-to-rent sector and other priority areas for government policy. The government has sought more superannuation fund investment in residential property, but the approach to fee disclosure currently taken by RG 97 works against this objective.

What is the solution?

ASIC should carve stamp duty out of the calculation of investment costs for superannuation fund investments in residential property to ensure a more meaningful comparisons of investment returns and associated costs. This entails either an amendment to the legislative instrument or repeal and re-issue of RG 97.

	Year 1	Year 2	Year 3
Implementation timeline		●	

3. Make it easier to employ people

3.1 Payroll tax compliance

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

Payroll tax continues to be a significant and important source of revenue for states and territories. However, it consistently ranks as one of the greatest compliance challenges for businesses operating across Australia. The inconsistent application of this tax has created a fragmented system that is complex and challenging to navigate, particularly for national enterprises. For example, a national business must comply with eight different payroll tax regimes and systems. There are differences in rates, thresholds, exemptions and administration across the country.

National Cabinet previously endorsed the Deregulation Taskforce workplan to streamline overlapping regulations, including to streamline payroll tax reporting for 170,000 businesses. It explored leveraging Single Touch Payroll data to reduce payroll tax compliance costs, save time and improve lodgement accuracy.

What is the solution?

Consolidate the eight separate payroll tax online platforms into a single national platform to simplify compliance for businesses that operate across multiple jurisdictions. The federal and state governments could look at other large-scale consolidations as a guide, for example efforts across various cancer screen registers following the passing of the *National Cancer Screening Register Act 2016*. The starting point should be to revive, prioritise and expand the National Cabinet commitment to streamline payroll tax compliance for more companies, particularly those operating in more than one state. Such a project may identify a need for harmonisation of payroll tax regimes to realise benefits.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	

3.2 Harmonise long service leave arrangements

- ✓ Creating a more dynamic and resilient economy

What is the issue?

Long service leave is a worker entitlement after a certain number of continuous years with an employer. It has been described as an “Antipodean idiosyncrasy”.¹⁸ The entitlements can vary by state and territory, as well as by any relevant provisions in an award or enterprise agreement (including preserved pre-reform

¹⁸ <https://www.pc.gov.au/inquiries/completed/workplace-relations/report/workplace-relations-overview.pdf>

terms in old industrial instruments). In addition, each jurisdiction – including the Commonwealth – have provisions around portable long service leave schemes for certain industries and occupations.

When all these factors are combined, long service leave is complex and costly to comply with for employers, uncertain for regulators, and confusing for workers – an issue that is compounded for national employers and employees who move between states or internationally. It can also act as a disincentive for worker mobility.

To illustrate some of the complexities around determining long service leave entitlements:

- All **employees** are generally covered by general state and territory long service leave legislation, except those who are covered by industry portable leave schemes. State based legislative entitlements can be supplemented by award or agreement terms, or displaced by preserved Federal long service leave award provisions.
- **Casual employees** will generally be entitled to long service leave, but any gaps between employment periods may be treated differently.
 - For example, gaps allowed around continuous service can range from two to three months across jurisdictions and can also depend on the reason for any disruption to continuous work.
- The long service leave **entitlement**:
 - Commences after 7 years in South Australia and the ACT, and after 10 years in other jurisdictions.
 - Ranges from an equivalent of 2 months after 10 years and up to 13 weeks and can accrue on a differing basis after the initial entitlement.
- Different jurisdictions have different rules around when pro-rata long service leave should be paid out on termination and whether it accrues on unpaid leave such as parental leave.
- Long service leave is **paid** based on a range of possible calculation methods – the last ordinary pay period, an ordinary expected pay rate, with inclusions at times for board and lodging. In most jurisdictions, it is to be paid out on termination in the usual course with other termination entitlements. In Victoria it *must* be paid by the final day of employment (subject to a recurring daily fine), which can be a significant administrative burden for employers with large workforces.
 - Where this is no fixed rate the calculation can be based on the highest average rate calculated over different period – such as 12 months, three year, five year – among other approaches.
- Can be **cash out** by mutual agreement in South Australia, Western Australia and Tasmania, and in some circumstances in NSW, Queensland and the Northern Territory.
- **Public holidays** do not use up long service leave days in NSW, Queensland, Western Australia, Tasmania and the ACT.
- With the exception of portable schemes, long service leave is a **contingent entitlement** that only becomes payable on certain service requirements been met.
- A recent Fair Work Commission decision around how to calculate payment for one day of long service leave under NSW legislation and the relevant enterprise agreement under the Commonwealth system runs at 20 pages.¹⁹

What is the solution?

Harmonise long service leave entitlements across Australia with a goal of better balancing compliance costs, complexity and entitlement. This process should be led by the Commonwealth Government with

¹⁹ <https://www.fwc.gov.au/documents/decisionssigned/pdf/2025fwc1370.pdf>

close consultation with state and territory governments, employer groups and unions. Any changes should deliver a net benefit to society.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	●

3.3 Harmonise labour hire licensing

✓ Creating a more dynamic and resilient economy

What is the issue?

Australia has state-based labour hire licensing laws in place in Queensland, Victoria, South Australia and the ACT. These schemes differ in terms of:

- Which suppliers are required to be licensed
- Obligations on host employers
- Reporting requirements
- Exceptions, e.g. for secondments, intra-company labour supply, small businesses
- License duration
- Penalties
- Extra-territorial application, and
- Application fees and processes.
- Employers can be required to apply for, report, maintain and renew several different licenses in different states. This problem is compounded for companies with national operations.

What is the solution?

Accelerate the process already in place to harmonise labour hire laws nationally, noting that workplace relations ministers in each jurisdiction had previously committed to an Intergovernmental Agreement to establish a harmonised national labour hire licensing scheme, being finalised by December 2024. In the BCA's view, the Queensland scheme, which has been in place the longest and is the clearest in terms of application and approach, should be the basis for the National harmonised model.

	Year 1	Year 2	Year 3
Implementation timeline	●		

3.4 Harmonise workers' compensation laws

✓ Creating a more dynamic and resilient economy

What is the issue?

Each State and Territory in Australia is governed by its own workers' compensation and injury management schemes. Overlaid on top of this are three Commonwealth schemes which apply to the

Commonwealth Government, Australian Defence Force personnel, some seafarers and some self-insured employers. Differences in the operation and application of these schemes create complexity, cost and administrative burdens for national employers. These differences include key definitions, coverage of non-employed workers, premiums, claims, reporting and administration, compensable injuries, rate of compensation, injury management and return to work processes.

Many states or territories have implemented incremental reforms to their workers' compensation schemes over time, often increasing the divergence between schemes.

To illustrate the compliance complexity of dealing with inconsistent workers' compensation legislation across jurisdictions:

- There are differences in the **definition of who is an eligible “worker”** between state-based workers compensation laws. In particular, the coverage of independent contractors differs between jurisdictions. Fishing ship crews have exclusions in Queensland and Tasmania (only in cases of profit-contingent remuneration ships).
- The **interaction between paid leave entitlements and workers' compensation entitlements** also differs based on jurisdiction. NSW permits the payment of workers' compensation if a worker is on paid leave. Victoria and the Northern Territory do not specify leave provisions under workers' compensation legislation, and default to the *Fair Work Act of 2009* (Cth) (which provides that employees are not entitled to accrue or take leave during a period of workers' compensation unless the workers' compensation law permits it or it is unpaid parental leave). Meanwhile, Western Australia specifies that any sick leave payments made, in lieu of workers' compensation, must be repaid to the employer, and are dependent upon the already existing leave accrual amounts. These provisions may be further altered by accident pay provisions in awards, enterprise agreements or employer policies.
- **Coverage for injuries occurring on journeys to and from work** also differs, ranging from no coverage for workers in Victoria, limited to accidents or injuries with a real and substantial connection to the employment for NSW and broader coverage where the journey is between a workers' place of residence and place of employment in South Australia. Journeys are covered in ACT and under the Commonwealth Seacare scheme with no restrictions, while Queensland allows coverage of journeys and breaks with restrictions based on the journey between work-related places of employment.
- The **coverage of breaks for injuries** on workers' compensation depends on the relevant scheme. Injuries that occur on breaks taken on-site in all jurisdictions are covered by workers' compensation (with the exception of the ACT, which has no reference). Western Australia, South Australia and Tasmania meanwhile do not cover breaks that are off-site, whilst every other jurisdiction covers off-site breaks.

What is the solution?

Undertake a process to comprehensively review workers' compensation schemes across Australia to streamline premiums, reporting, compensation entitlements, injury management and return to work management and administration.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	●

3.5 Harmonise anti-discrimination legislation

✓ Creating a more dynamic and resilient economy

What is the issue?

Anti-discrimination law in Australia comprises a mix of overlapping and inconsistent protections contained in a myriad of complex Commonwealth, state and territory anti-discrimination laws, as well as commitments made by Australia in international conventions. In addition to the *Fair Work Act 2009* (Cth) the following laws regulate the prevention of discrimination based on certain protected traits or characteristics in Australia:

1. *Age Discrimination Act 2004* (Cth)
2. *Australian Human Rights Commission Act 1986* (Cth)
3. *Disability Discrimination Act 1992* (Cth)
4. *Racial Discrimination Act 1975* (Cth)
5. *Sex Discrimination Act 1984* (Cth)
6. *Discrimination Act 1991* (ACT)
7. *Anti-Discrimination Act 1977* (NSW)
8. *Anti-Discrimination Act 1992* (NT)
9. *Anti-Discrimination Act 1991* (Qld)
10. *Equal Opportunity Act 1984* (SA)
11. *Anti-Discrimination Act 1998* (Tas)
12. *Equal Opportunity Act 2010* (Vic)
13. *Equal Opportunity Act 1984* (WA).

Anti-discrimination provisions are also provided in workers' compensation legislation, work health and safety laws, and supplemented by the adverse action provisions in the *Fair Work Act*.

A person wishing to make a sexual-harassment complaint in NSW for example, may make that complaint to either:

- Anti-Discrimination NSW, where if not resolved, the complaint can proceed to the NSW Civil and Administrative Tribunal.
- The Australian Human Rights Commission, where if not resolved, the complaint can proceed to the Federal Circuit and Family Court of Australia or the Federal Court.
- The Fair Work Commission, where if not resolved, the matter can proceed to consent arbitration in the Fair Work Commission, or again to the Federal Circuit and Family Court of Australia or the Federal Court.

Separate procedural and representation rules, processes, costs and compensation caps apply in each jurisdiction creating enormous complexity for applicants, individual respondents and employers.

Similarly, an employer seeking to implement positive measures, such as to increase female participation in particular industries, is subject to inconsistent rules and exemption processes in every jurisdiction which severely restricts the ability of employers, particularly those operating nationally, to take positive steps to redress inequality.

These laws differ in terms of the traits that are protected, the areas of work and public life in which discrimination is protected, the tribunals and courts in which claims can be made, the limitation period in which claims can be made, defences to discrimination (e.g. where an employee cannot perform the inherent requirements of their role due to disability), rights to legal representation and claims for recovery of legal costs, and the damages and other remedies available.

This is confusing and complex for both workers and employers alike. It also creates a myriad of overlapping and inconsistent legal obligations that need to be considered, often with the support of legal advisors, to manage commonplace employment scenarios, such as supporting or managing employees whose capacity for work is restricted due to personal illness or injury. Workers may also be confused as to where best to bring claims for redress for unlawful discrimination, and the applicable timeframes for making their applications.

What is the solution?

The Commonwealth anti-discrimination framework should be reformed to create a single set of consistent anti-discrimination protections and dispute resolution process that covers the field nation-wide.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	

3.6 Review and streamline occupational licensing systems and requirements

- ✓ Creating a more dynamic and resilient economy
- ✓ Building a skilled and adaptable workforce

What is the issue?

Australia’s fragmented occupational licensing system continues to limit workforce mobility, particularly in the trades. In this context, the introduction of a uniform scheme of Automatic Mutual Recognition (AMR) of occupational licences was a welcome reform. It was estimated to boost the economy by \$2.4 billion over a decade and benefit over 168,000 workers – around 44,000 who will now work interstate that would not otherwise have done so if not for the reforms.²⁰ But key barriers remain as many occupations—such as electricians and plumbers—are exempt from AMR in several jurisdictions and Queensland does not participate in the scheme, undermining its intent.

These exemptions, along with inconsistent licensing standards, insurance requirements, and regulatory oversight across states, create a complex and burdensome system. Employers must navigate multiple regulatory regimes; workers face duplicative requirements, unnecessary costs, and delays—even when already qualified. This patchwork reduces the ability to deploy skilled workers efficiently, especially in sectors facing acute shortages or as jurisdictions respond to natural disasters.

In a positive step, the Australian Government announced in March 2025 its intention to establish a national licensing scheme for electricians. This reform aims to eliminate state-by-state licensing, reduce red tape, and support mobility—particularly for sectors critical to the clean energy transition. But more needs to be done.

²⁰ https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2Fr6689_ems_929e8657-5881-4cb2-91d0-2067086a3bbc%22

The Productivity Commission recently estimated reforms to occupational licensing that remove unnecessary requirements could boost GDP up to around \$10 billion.²¹

What is the solution?

A broad review of occupational licensing is needed to unlock the full potential of Australia’s skilled workforce. These reforms will enhance labour mobility, reduce business compliance costs, and help address critical skill shortages.

Priorities should include:

- Harmonising licensing requirements across states and territories to simplify recognition and reduce duplication. In the first instance, this should include a matrix of licence requirements in each state for key construction trades, such as electrical, plumbing and gas fitting, and carpentry.
- Minimising exemptions under the AMR scheme to ensure more occupations benefit from mutual recognition.
- Strengthening coordination between regulators to align regulatory practices and facilitate seamless cross-border work.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	

3.7 Address truck driver shortages

✓ Creating a more dynamic and resilient economy

✓ Building a skilled and adaptable workforce

What is the issue?

Jobs and Skills Australia has assessed truck drivers as having been in shortage the past three years.²² This shortage will be exacerbated as Australia’s urban freight task continues to grow and more truck drivers are needed to meet this demand. An ageing workforce will build pressure on an already strained trucking industry to meet growing demand for qualified drivers.

Licensing reforms are key to addressing this challenge. In 2023, Commonwealth, state and territory transport ministers supported progressing licensing reforms, meaning a driver would be able to upgrade from a Medium-Rigid licence to a Multi Combination licence in as little as six months. By contrast, this process would take a minimum of two years under current arrangements.

What is the solution?

Commonwealth, state and territory transport ministers should expedite and prioritise licensing reform for heavy vehicle drivers. This should be based on a competency-based regime to support a stronger, more resilient supply chain.

	Year 1	Year 2	Year 3
Implementation timeline	●		

²¹ <https://www.pc.gov.au/inquiries/completed/competition-analysis/report/competition-analysis.pdf>

²² https://www.jobsandskills.gov.au/sites/default/files/2024-10/2024_osl_key_findings_and_insights_report_0.pdf

4. Make it easier to do business

4.1 Simplify and rationalise the Corporations Act

✓ Creating a more dynamic and resilient economy

What is the issue?

The Australian Law Reform Commission (ALRC) Inquiry into the simplification and rationalisation of corporations and financial services law identified several main issues with the existing legislative framework, particularly within Chapter 7 of the *Corporations Act 2001* (Cth) and Part 2 Division 2 of the *Australian Securities and Investments Commission Act 2001* (Cth).²³ These issues contribute to a framework that is unnecessarily complex, hinders compliance, and imposes significant compliance costs.

The Corporations Act has grown significantly, almost doubling in length to over 4,000 pages and over 800,000 words since 2001. Chapter 7 of the Act, has almost doubled to 265,000 words, making it equivalent in length to the 10th longest Act of Parliament on its own.²⁴

The principal problems identified by the ALRC include:

- **Extensive use of notional amendments:** These provisions change the legal effect of other provisions without altering their text, making the law harder to navigate and understand.
- **Poor structure and framing:** The current structure makes the legislation difficult to navigate and understand, which impedes its effectiveness and increases compliance burdens. Financial advice provisions, for instance, are scattered across different parts of Chapter 7.
- **Complex use of definitions:** Substantial complexity arises from the way definitions are used and designed, including different and overlapping definitions across Acts like the *Corporations Act* and the *ASIC Act*.
- **Proliferating instruments and powers:** The framework is described as a "legislative maze" due to the multitude of legislative instruments and delegated powers.
- **Incoherent legislative hierarchy:** There is a lack of clarity and principled use of the hierarchy of laws (primary law, regulations, class orders, standards). This stems from overly prescriptive primary legislation, numerous delegated power sources, and poorly designed delegated legislation.
- **Problems with law-making processes and legislative maintenance:** Issues in how legislation is made and maintained are both a cause and symptom of complexity. The complexity undermines law-making and makes maintenance difficult. This can also limit the capacity for new policy initiatives.
- **Legislation split across multiple Acts:** Law applying generally to the financial services industry is split between Chapter 7 of the *Corporations Act* and Part 2 Division 2 of the *ASIC Act*, with additional requirements in other specific Acts.

²³ Australian Law Reform Commission, *Confronting Complexity: Reforming Corporations and Financial Services Legislation*, ALRC Report 141, November 2023.

²⁴ Australian Law Reform Commission, *Measuring Legislative Complexity*, 12 December 2022.

<https://www.alrc.gov.au/datahub/legislative-complexity-and-law-design/measuring-legislative-complexity/>

What is the solution?

The ALRC developed a reform roadmap that government can pick up and adopt. It recommended reforms aimed at simplifying and rationalising the law, particularly focusing on financial services legislation. The core of the recommendations involves establishing a reformed legislative framework.

The specific legislative and regulatory measures recommended include:

- **Creating a Financial Services Law (FSL):** Amend the *Corporations Act* to create a dedicated group of restructured and reframed provisions for financial product and financial services regulation, consolidating relevant provisions from Chapter 7 of the *Corporations Act* and Part 2 Division 2 of the *ASIC Act*.
- **Enacting the FSL as a Schedule:** The Financial Services Law should be enacted as Schedule 1 to the *Corporations Act*, providing a single location and clear legislative identity for the FSL.
- **Implementing a Single, Simplified Definition Regime:** Amend corporations and financial services legislation to enact a single, simplified definition for ‘**financial product**’ and ‘**financial service**’ in the *Corporations Act*, to be cross-referenced in other legislation. The definitions should be broad, covering the scope of both the *Corporations Act* and *ASIC Act*, with application provisions, exclusions, and exemptions used to adjust scope, not different definitions. Specific inclusions within definitions should be located in primary legislation.
- **Adopting a Principled Legislative Model:** Implement a model for financial services legislation comprising primary legislation containing key obligations and prohibitions, and **rules** or rulebooks (for detailed matters).
- **Creating Rules Powers:** Amend the *Corporations Act* to create powers for including/excluding products, services, or persons and powers to make 'rules' prescribing authorised matters. These powers should be vested in the Minister and ASIC, consistent with existing allocations, with a protocol to coordinate concurrent powers.
- **Implementing Safeguards for Delegated Legislation:** Amendments should include safeguards for the exercise of rule-making powers, such as requiring public consultation and consultation with an independent Rules Advisory Committee and requiring explanatory statements detailing consistency with legislative objects.
- **Restructuring by Regulatory Theme:** Restructure and reframe provisions within the Financial Services Law based on regulatory themes.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	●

4.2 Create a consistent Fit and Proper persons test across legislative frameworks

✓ Creating a more dynamic and resilient economy

What is the issue?

There are multiple legal and professional standards that determine whether an individual is considered a Fit and Proper Person (FPP), depending on the regulatory context. These include:

- APRA’s Prudential Standards, which impose FPP requirements on responsible persons within regulated entities such as banks, insurers, and superannuation trustees.
- ASIC’s licensing regimes, which require individuals with Australian Financial Services Licences and Australian Credit Licences to meet FPP standards.
- Professional bodies membership and registration requirements, including state-based law societies, CPA Australia, Chartered Accountants Australia and New Zealand, and the Tax Practitioners Board, each of which sets its own FPP criteria.
- The *Corporations Act 2001* and the *Superannuation Industry (Supervision) Act 1993*, both of which contain specific FPP requirements for some cohorts of auditors.
- The *Corporations Act 2001* and *Bankruptcy Act 1966*, which set out FPP requirements for liquidators and registered trustees in bankruptcy.

The BCA also outlines the FPP requirements relevant to the trading environment in section 5.3, while they are also relevant in the context of the various labour hire licensing schemes. The lack of a consistent definition of FPP creates a fragmented regulatory requirement and introduces cost and complexity where many agencies and bodies essentially seek to achieve the same outcome.

What is the solution?

Undertake a comprehensive assessment of the various FPP assessments with a view to streamlining and removing duplication across the various regulatory frameworks and bodies.

	Year 1	Year 2	Year 3
Implementation timeline		●	●

4.3 Simplify and streamline data retention requirements

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

Modernising and harmonising Australia's data retention requirements is crucial for addressing data over-retention, a practice that elevates privacy and cybersecurity risks. This tendency stems from fundamental challenges in the current regulatory landscape.

Over-retention arises from several factors:

- unclear obligations prompting excessive caution due to jurisdictional discrepancies and vague language;
- overlapping requirements leading organisations to default to the longest timeframe for practical reasons; and
- historical regulator data requests discouraging proactive deletion.

Retention provisions relating to employment (such as payroll tax, workers compensation, work health and safety, Fair Work, long service leave etc) have varying retention periods across state and Commonwealth legislation ranging from 28 days to 40 years. Businesses with operations in more than one state or territory find this difficult to manage effectively.

What is the solution?

Effective reform must simplify requirements, align regulations, and ensure technical capability for structured data deletion. A clear, coordinated framework is paramount to reduce over-retention, enhance compliance, and bolster cybersecurity resilience. With that in mind, we welcome the recent discussion paper released by the Department of Home Affairs and the Attorney -Generals' Department which seeks to explore options for greater consistency in the application of data retention requirements set by various statues and regulations.

Strategic focus on implementation is vital, requiring careful planning for a smooth transition. Mapping and reconciling the complex web of existing regulations is key to providing a clear pathway and avoiding conflicting obligations for organisations. Government will also need to be cognisant of the need to balance the drivers of data destruction (e.g. for privacy reasons) and the drivers of data retention (e.g. to support legal and regulatory investigations).

A reasonable transition period is also essential, allowing organisations time to adapt policies, technology, and training. Fairness must guide this process, acknowledging the varying capacities among organisations to implement required changes.

Harmonisation of federal, state and territory requirements is fundamentally important and cannot be ignored. Consideration must be given to using common, standardised retention periods (e.g., 3, 6, 12, 30 years) as a cornerstone. Despite added complexity, this is vital for a sustainable long-term solution.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	●

4.4 Streamline environmental, planning and land regulations while maintaining standards

✓ Creating a more dynamic and resilient economy

What is the issue?

Permitting requirements for development can take years to achieve an outcome. This creates delay, risk, and cost for new homes, energy projects, resource projects, and new buildings and infrastructure.

In February 2025 the Productivity Commission released its report into Housing, which found that the complex, slow approvals process had a major impact on productivity in that sector. The Clean Energy Investor Group found that Federal EPBC Act assessments are the biggest challenge for delivering renewable energy projects.

These requirements are across Federal and state legislation (including administration by local government). It will require a determined push to reform to reduce time, cost, and risk for proponents so that they can make investment decisions and then follow through with those investments.

What is the solution?

At a Federal level, the EPBC Act requires reform. The independent Samuel Review provided a blueprint that strengthen environmental protection while providing streamlining of assessment and approvals by creating a new accreditation framework.

States and territories each have their own legislation with varying levels of efficiency. The BCA's 'Regulation Rumble' comparison of planning systems in 2024 found South Australia was the best performing while New South Wales was the most in need of improvement. The Federal Government's productivity incentivisation fund should reward jurisdictions that undertake wholesale reform.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	●

4.5 Streamline energy and fuel reporting requirements

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

Energy companies must provide similar data to regulators through different mechanisms and at different timeframes. This leads to duplication, costs and complexity, and tends to be a manual process. For example, this includes reporting under the:

- Petroleum and Other Fuels Reporting Act 2017
- ACCC's Fuel Price Monitoring Report
- Minimum Stockholding Obligation as part of the Fuel Security Act 2021
- ATO excise reporting.

What is the solution?

Streamline energy and fuel reporting requirements to reduce unnecessary compliance costs. As a starting point, regulators should better coordinate their data requests in line with their requirements under the Regulator Performance Guide.²⁵

	Year 1	Year 2	Year 3
Implementation timeline		●	

4.6 Further streamline export controls with other countries, particularly for AUKUS

- ✓ Creating a more dynamic and resilient economy

What is the issue?

Legislation was passed last year to update Australia's export control framework around controlled goods and technologies. It also ensures alignment with Australia's non-proliferation obligations to various

²⁵ <https://www.finance.gov.au/government/managing-commonwealth-resources/regulator-performance-rmg-128>

international counter-proliferation regimes such as the Wassenaar Arrangement, Australia Group, and Missile Technology Control Regime.

It is critical that export-controlled technology is managed in a responsible way, which includes all transactions being appropriately recorded. However, the law as currently drafted may be difficult to practically comply with and requires further clarity to ensure stakeholders such as the defence industry, academia and small- and medium-sized businesses properly manage their obligations.

What is the solution?

Begin a process of stakeholder consultation to ensure reforms to Australia’s export control framework around controlled goods and technologies meet the policy intent while better managing the impact on compliance for stakeholders. This will also better ensure the law preserves and enhances Australia and its’ Allies National Security postures.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.7 Review the deferred sales model for add-on insurance

✓ Creating a more dynamic and resilient economy

What is the issue?

The deferred sales model (DSM) for add-on insurance in Australia, introduced on 5 October 2021, was a response to the Financial Services Royal Commission’s findings of issues in the add-on insurance market, such as poor-value products and unfair sales practices. The DSM mandates a four-day pause between the sale of a primary product or service and the sale of associated add-on insurance, aiming to give consumers time to make informed decisions.

While the DSM applies broadly, certain insurance products have been exempted. Some companies have noted consumers flagging concerns around the inconvenience of the inability to purchase insurance immediately at the time of making a purchase. Businesses have also faced challenges adapting to the DSM’s requirements, particularly around:

- Determining when the deferral period begins, especially in cases involving financing arrangements.
- Understanding the interaction between the DSM and anti-hawking provisions, which prohibit unsolicited offers of financial products.
- The impact on sales processes and revenue, particularly for products that were previously sold concurrently with primary products.

What is the solution?

Conduct a post-implementation review of the DSM for add-on insurance ahead of its expiry in October 2026. The review should seek to better understand the impact of the policy on both non-exempt and exempt insurance products in preparation for an extension of the exemption.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.8 A tiered regulatory framework for banking

✓ Creating a more dynamic and resilient economy

What is the issue?

Australia’s banking system is widely regarded as one of the most stable and effective systems globally, largely due to its robust regulatory framework. Recently, however, compliance requirements have increased significantly, and legislation and regulation continue to apply broadly irrespective of a bank’s size. Consequently, the ability of small- to medium-sized banks to compete has been disproportionately affected by the compliance burden. This group of banks plays a crucial role in fostering innovation and driving competition within the deposit and mortgage markets.

What is the solution?

We encourage Treasury and the regulators to consider adopting a tiered regulatory framework. New Zealand’s Proportionality Framework is a good example of an approach that would help small- and medium sized banks efficiently manage their regulatory obligations while continuing to drive competition.

The BCA endorses the proposal put forward by the Australian Banking Association that would see three tiers of regulation:

- Tier 1 institutions with domestic assets greater than \$200 billion and/or institutions that are more complex in structure and business practice.
- Tier 2 institutions with domestic assets between \$20 billion and \$200 billion. These institutions are larger than the non-significant financial institutions (SFIs) but do not approach the size or complexity of the larger institutions.
- Tier 3 institutions with domestic assets below \$20 billion. This would reflect the existing non-SFI pool (notwithstanding the upcoming review of the SFI definition, there remains a distinction between the nature of the smallest institutions and the existing mid-tier of banks).

In the context of promoting competition, regulators should consider how different authorised deposit-taking institution (ADI) business models improve consumer choice and outcomes in the banking market. For example, a digital only business model might lessen the need for regulation in certain areas.

The adoption of different business models should be seen as evidence of market innovation and competition because success or otherwise will be determined by customer choice. It should not be seen as an unfair advantage that needs to be levied through regulation or, most concerningly, through transfers of value from smaller participants to the dominant providers in circumstances where additional costs will have a real impact on competitive outcomes.

	Year 1	Year 2	Year 3
Implementation timeline		●	●

4.9 Streamline digital onboarding and credit decision processes for banks

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

The issue centres on the guidance provided for APS220 - Credit Risk Management, specifically concerning the adoption of modern, streamlined approaches to credit decisions, such as automated decision engines. While APS220 (paragraph 41) encourages scalable and flexible approaches to credit assessments to support streamlining digital onboarding and credit decision processes, which helps keep costs down, improve customer experience, and enhance ease of doing business, other paragraphs (54-58) describe traditional techniques that focus more on personnel than systems. Despite feedback being taken onboard and changes made to the accompanying Prudential Guide APG220, the guidance requires further clarification to make the references to automated decisioning models clearer. This ambiguity means the guidance does not fully support the principles of scalability and flexibility outlined in paragraph 40 of APS220 in relation to automated processes.

What is the solution?

Allow the use of automated systems for credit decisions through the inclusion of a provision for ADIs to utilise an automated decision engine to determine credit applications. APRA should revisit the guidance (APG220) to clarify references to automated decisioning models and return to the first principles of scalability and flexibility found in paragraph 40 of APS220, thereby facilitating the implementation of automated solutions and their associated productivity benefits.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.10 Develop a single portal for product recalls

- ✓ Creating a more dynamic and resilient economy

What is the issue?

Product recalls are crucial for minimising potential harm caused by defective products. Various regulatory bodies such as Food Standards Australia New Zealand (FSANZ), the Australian Competition and Consumer Commission (ACCC), and the Therapeutic Goods Administration (TGA) establish and monitor recall requirements. This can lead to confusion among consumers and businesses, as each regulator has different reporting requirements, different methods for notification, and notices can be published on different dates. The ability to notify regulators of the need for recalls can also vary, with some available via phone and seven days a week, while others can only be contacted via an online form with a delayed response.

This can create confusion for consumers and businesses and unnecessarily increase compliance costs in managing the recall. For example, this may include the need to contact regulators and/or manufacturers to clarify the missing information to reinstate inventory, or contact multiple regulators to determine a single ‘source of truth’.

What is the solution?

Develop a single portal that recall parties jointly contribute to with consistent recall notice formatting. This would improve certainty for consumers and businesses, while machine-readable notices would allow for product recalls to be addressed more efficiently, quickly and accurately.

	Year 1	Year 2	Year 3
Implementation timeline		●	

4.11 Harmonise circular economy initiatives

✓ Creating a more dynamic and resilient economy

What is the issue?

The frameworks to support a growth in the circular economy have grown significantly over the past decade, however, in many areas they have developed in an uncoordinated manner. A lack of national harmonisation has resulted in a significant compliance burden for those participating in them which is undermining the circularity goals. For example:

- All state and territory governments have introduced, or plan to introduce, bans on certain single use plastics but definitions of ‘single use plastic’ are inconsistent across jurisdictions.
- Container deposit schemes across the country are administered as separate schemes with no centralisation or integration.
- Product stewardship schemes for e-waste would be better served by a nationally harmonised approach, which would avoid the incentive of disposal in the jurisdiction with the lowest standards.

The practical effect of these inconsistencies are that costs for consumers and businesses are higher than they need to be. In addition, access to some products is curtailed due to inconsistent/vague definitions, for example:

- One retailer has removed products from its bakery line as it cannot reasonably comply with bans.
- Retailers have banned online customers from certain postcodes from purchasing plastics or other products to comply with the various definitions – with the ban varying by product/postcode.
- Some definitions are prescriptive and now obsolete due to advances in materials e.g. thinner plastics are now more robust, flexible and recyclable than they once were but some laws incentivise thicker plastics by favouring them, which only adds material usage to the system rather than removing it.
- Business has been moving to ensure packaging and plastic products use materials that are recyclable (e.g. the shift to PET in deli containers) and enable reusability, but some laws force a shift to other plant based materials that are preferred because they are not plastic. These alternatives materials cannot be recycled through existing and planned waste systems, have a higher impact on emissions as they degrade, and can be difficult to source domestically – increasing supply chain uncertainty.

What is the solution?

National Cabinet should consider prioritising efforts to harmonise regulation in the circular economy. Efforts should on consistency in regulation, improvements in reporting and an encouragement for individuals and industry to participate.

	Year 1	Year 2	Year 3
Implementation timeline		●	

4.12 Streamline WGEA reporting requirements

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

The authority established under the Workplace Gender Equality Act (WGEA) plays a key role in promoting gender equality across the economy. The Business Councils supports the objectives of WGEA. There are, however, opportunities to streamline reporting requirements and enhance the quality of the data. To illustrate, employers may extract data from multiple payroll and human resources systems and do manual work joining up, interpreting and checking data from disparate systems to report to WGEA.

The first recommendation of the *Review of the Workplace Gender Equality Act 2012, December 2021* focused on improving the quality of data reported to WGEA and the regulatory burden on employers.²⁶ Central to this is a tasking new Gender Data Steering Group to undertake research and consultation to identify how to:

- enable WGEA to use data employers have already provided to government (such as Single Touch Payroll data), and
- invest in a way to assist employers to extract other data from their own employer systems using a digital solution where possible.

The government committed to implementing the Review's recommendations in August 2022.

A key benefit of streamlining the reporting process is that reporting entities can better focus on the objectives of WGEA reporting rather than on preparing reports per se. Indeed, the passage of the *Workplace Gender Equality Amendment (Setting Gender Equality Targets) Bill 2024* brings renewed focus to driving outcomes and the benefits from streamlined reporting in also tracking progress.

What is the solution?

Prioritise and accelerate the work of the Gender Data Steering Group to improve the quality of WGEA data and reduce the compliance burden on employers. There would be significant benefits from a 'tell us once' and 'digital first' approach to reporting.

	Year 1	Year 2	Year 3
Implementation timeline	●		

²⁶ <https://www.pmc.gov.au/resources/wgea-review-report>

4.13 Streamline ABS reporting requirements

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

Businesses, large and small, are currently required to report to many regulatory agencies, including the ABS, to support compliance as well as statistical outcomes. There are significant gains that could be made with improvements to compliance costs for businesses and administration costs for regulatory agencies such as through reduced time spent filling in surveys and improved accuracy. For example:

- A 2022-23 Budget measure to streamline ABS reporting through accounting software was estimated to deliver \$4.4 million in annual compliance savings, reducing reporting times from one hour to 5 minutes, and enabling the ABS to provide tailored reports for businesses to compare their performance to similar businesses.
- Improvements to, and modernisation of, the collection of agricultural statistics saved farmers 20,000 hours on average per year and improved the accuracy and quality of statistics.²⁷

BCA member companies have noted that improvements can be made to other ABS surveys in a way that streamlines data collection and minimises the reporting burden.

What is the solution?

Further streamline reporting to the ABS by exploring better linkages with other reporting requirements or through existing accounting software packages through a 'tell us once' approach. Going forward, a reduction in red tape could be achieved by building on this work to streamline other reporting requirements, particularly those imposed on small businesses.

	Year 1	Year 2	Year 3
Implementation timeline		●	●

4.14 Streamline Modern Slavery Act reporting requirements

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

Modern Slavery reporting has been an integral part of the reporting landscape for five years and is considered a crucial mechanism to mitigate the risk of modern slavery in driving economic activity. However, many businesses subject to this regime – as well as users of the reporting – would benefit from greater simplification and comparability, as well as alignment or harmonisation with international requirements.

²⁷ <https://www.abs.gov.au/media-centre/media-statements/abs-saves-farmers-20000-hours-year-new-agricultural-collection>

What is the solution?

To support businesses in complying more easily and engaging effectively with Modern Slavery Act reporting requirements:

- Consistent with recommendation 13 of the recent Statutory Review, it is proposed that the government develop a template for use by reporting entities. There is also potential for the government to provide further guidance on the data required to be included in such reports.
- Due to the limited risk exposure to modern slavery for most Australian businesses, a tiered approach may be beneficial. This ensures that high-risk sectors receive appropriate focus and resources, while low-risk businesses adjust their compliance efforts accordingly.
- Seek to align or harmonise reporting for organisations reporting in multiple jurisdictions to minimise the need to provide several reports, each with different reporting requirements.

The BCA acknowledges that the government has recently released a consultation paper titled *Strengthening the Modern Slavery Act*²⁸. The suggestions above should be considered as part of this consultation process.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	

4.15 Increase the FBT thresholds to reflect inflation over time

✓ *Creating a more dynamic and resilient economy*

What is the issue?

Fringe benefits tax (FBT) is payable on the taxable value of non-wage remuneration provided to employees. FBT has raised around \$4 billion of revenue the past two decades. By contrast, total Commonwealth tax collections have increased from around \$200 billion to around \$650 billion over this period. The ATO estimates the tax gap for FBT is the highest for all taxes at around 35 per cent.

FBT is a highly complex tax with significant compliance costs. To illustrate, one BCA member company has previously reported compliance costs for FBT are 40 times that of company tax for every dollar of revenue collected. Australia and New Zealand uniquely impose FBT on employers, while other jurisdictions tax fringe benefits in the hands of employees.

The onerous nature of FBT has led to exemptions to minimise compliance costs for valuing minor benefits where the cost of compliance can exceed the revenue raised. For example:

- Employers must identify and report on fringe benefits paid to each employee with a total value above \$2,000.
- Minor benefits are exempt from FBT where they are infrequent, irregular and below \$300.

However, these thresholds have been eroded by inflation as they have not changed in almost 20 years.

²⁸ [consultation-paper-strengthening-the-modern-slavery-act.pdf](#)

What is the solution?

Increase the FBT minor benefits exemption threshold from \$300 to \$500 and the FBT reporting threshold from \$2,000 to at least \$3,000 to reflect the impact of inflation since they were last changed. This will better balance compliance costs relative to revenue collected, and may also extend transfer payment eligibility for some individuals.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.16 Address the tax treatment of FBT for car parking

✓ Creating a more dynamic and resilient economy

What is the issue?

There has been a recent reinterpretation of law around FBT and car parking. This does not align with the original policy intent, has increased compliance costs and complexity.

Under the original interpretation, FBT is payable where an employer provides an employee with car parking and where there is alternative parking commercially available – typically reflecting the provision of high-value parking in central business districts.

Under the recent reinterpretation, the scope has dramatically increased – alongside compliance costs – as the definition of a commercial parking station has expanded to include hospitals, shopping centres, hotels, universities and airports. Employers must now consider these nearby car parks, how much they cost, how far away they are, time parked, and “geographical separation that is significant”, specifically:

- *geographical features such as rivers, railway lines, freeways and other physical obstacles which might render a car park and an employee’s primary place of employment near or close as the crow flies but not so in terms of the distance of the shortest practicable route between them.*²⁹

The 2020-21 Budget exempt small businesses from these issues. Indeed, motorcycles are already exempt from this issue as well.

What is the solution?

Consult to restore the previously-understood application of FBT to car parking benefits. This will reduce an unnecessary compliance burden, while maintaining the policy intent.

	Year 1	Year 2	Year 3
Implementation timeline		●	

²⁹ Taxation Ruling TR 2021/2

4.17 Simplifying share buybacks

✓ Creating a more dynamic and resilient economy

What is the issue?

The share buyback process for ASX listed companies currently requires:

- Daily buyback notifications (Appendix 3C) to the ASX – requiring around 30 minutes to an hour each day;
- The filing of a quarterly or monthly Appendix 3H to cancel relevant shares – requiring around a day’s worth of reconciliation work; and
- The sending of ASIC Form 484 every 28 days to cancel shares with ASIC – similarly requiring around a day’s worth of work.

Daily buyback notifications do not automatically feed into the cancellations for both ASX and ASIC. As a result, there is a significant amount of duplication, and considerable amount of time devoted to reconciliations.

What is the solution?

Daily notifications for the ASX should be utilised to meet the requirements of both ASX and ASIC. This approach would streamline the process, reducing the number of forms and the time necessary to comply with the regulations of both organisations.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.18 Greater access rights for registered agents in the ASIC Regulatory Portal

✓ Creating a more dynamic and resilient economy

What is the issue?

Initially, only officeholders can connect a company to the ASIC Regulatory Portal and subsequently invite others to assist in maintaining the registration. For companies with numerous subsidiaries, it is often impractical for officeholders to initiate portal connection or modify the list of invited users. This can lead to significant delays and inefficiencies where there are many subsidiaries – each of which must make this appointment.

The portal also does not indicate whether an Industry funding payment has been made, as only officeholders have access to this information, excluding registered agents. Registered agents are typically appointed to improve the efficiency of managing regulatory processes

What is the solution?

Registered agents should be granted the ability to connect a company to the ASIC Regulatory Portal and to view and discuss any issues related to industry funding payments with ASIC, like their responsibilities with the standard ASIC Portal.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.19 Resolving a discrepancy in the exit from and entry into a Deed of Cross Guarantee

✓ Creating a more dynamic and resilient economy

What is the issue?

A Deed of Cross Guarantee is an important and efficient legal instrument utilised by corporate groups to allow subsidiaries to be relieved from lodging some reports with the Australian Securities and Investments Commission (ASIC). There is a discrepancy in the exit from and entry into a Deed of Cross Guarantee. Exit requires approval from all parties, whereas entry only needs approval from the Holding Entity, the entering company, and the Trustee if involved. To illustrate:

- A company has 10 subsidiaries, all of whom are parties to a Deed of Cross Guarantee that is annually reaffirmed.
- If the company wishes to voluntarily deregister two of the subsidiaries – all 10 subsidiaries must also sign the Deed of Revocation.
- By contrast, to add a new subsidiary, only the holding company must sign the Deed of Assumption.

With many subsidiaries, the annual Deed of Cross Guarantee process is already complex and cumbersome. Adding the requirement for every company to approve a deed of revocation increases inefficiency.

What is the solution?

This process should be revised to require approval for a Deed of Revocation by the Holding company, the exiting company, and the trustee, similar to the Deed of Assumption.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.20 Enable health and care workers to work to their full scope of practice

✓ Delivering quality care more efficiently

What is the issue?

With increasing chronic disease, Australians will need to access timely care. Our health and care workers are some of the nation's best-trained professionals, with accreditation bodies setting high standards. But there are too few of them. In recent decades we've seen workers move from operating in siloes into multidisciplinary care teams. We can do more to deliver effective integrated teams by enabling health and care workers to perform to their full scope of practice. Australians should be able to access quality care when they need it. Scope-of-practice reforms should focus on the benefits for consumers while maintaining high quality and safe care.

Many workers are qualified and trained to deliver care but a range of issues including workforce design and planning, legislation and regulation and funding limit their ability to deliver to their broader capabilities. Our federated system and split public and private service delivery add further complexities. For example, each state and territory has their own respective drug and poisons regulations. We also need to change the way we work. Data shows we'll have a shortage of health and care workers for many decades to come, including medical, nursing and allied health professionals.

What is the solution?

The BCA supports the findings of the Unleashing the Potential of our Health Workforce Scope of Practice Review and urges governments to consider applying these findings to other settings, including aged and tertiary care, with appropriate clinical governance and standards. In the first instance, National Cabinet should work together to ensure applicable legislation and regulation is consistent.

The entire health and care ecosystem must collaborate to ensure Australians get the care they need. The BCA believes health and care workers should be able to perform the tasks they were trained for. A risk-based approach should inform any changes to scope of practice to ensure the delivery of safe care. This will help improve productivity in the health and care economy.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.21 Point-to-point transport benefits

✓ Creating a more dynamic and resilient economy

What is the problem?

Regulations on transport and roads need to continue to evolve with technology, so that Australians have convenient access to tangible improvements in services being delivered by technology enabled services. Some examples where regulations are impacting the ability of the public to get the most benefit of services in their everyday lives are:

- Across the country, states and territories offer subsidies for people that are dependent on a wheelchair, to get discounted access to an accessible taxi. Most jurisdictions limit this to taxis only, meaning that wheelchair users are not able to experience the convenience of ridesharing, where other locally available accessible vehicles could provide services during their downtime.
- Taxis have access to a number of curbside zones, to legally pick up and drop off passengers without facing penalty. But these rules have not been extended to ridesharing services, that are performing a similar service as taxi operators. This means rideshare operators either have to stop illegally, or to inconvenience their passengers by stopping away from their pick up or drop off point compared with a taxi.

What is the solution?

States and territories need to update their regulatory frameworks to recognise that taxis are now just one part of the broader point-to-point transport industry. Customers across the country enjoy the convenience of being able to choose whether they use a taxi or one of many registered and regulated rideshare

services. Regulation needs to be updated to allow rideshare services to have access to the same systems as taxis, so that customers are not inconvenienced by these legacy regulatory differences.

	Year 1	Year 2	Year 3
Implementation timeline	●		

4.22 Retail trading hours

✓ Creating a more dynamic and resilient economy

What is the issue?

Retail trading hours are heavily regulated in Queensland, Western Australia and South Australia, and can differ by the day of year, goods sold, company size, store size and location. This limits access and choice for consumers, and the ability of staff to be on site to prepare stores for the limited trading hours (e.g. turn on ovens, prepare tills etc.) or work more hours.

Consumer preferences have changed significantly over recent years, particularly during COVID, with customers shopping 24/7, and buying products online from any country. To illustrate, online retail spending has increased from around 3 per cent of all retail spending a decade ago, to around 11 per cent in 2024.

Retail trading hours were temporarily extended in response to COVID to offer more convenient and safer shopping for consumers, supporting employment and improving supply chain efficiency.

What is the solution?

The Commonwealth Government should raise the broad issue of retail trading hours at National Cabinet as part of a better regulation agenda. It should consider the benefits to consumers, businesses, and workers of moderating the heavy restrictions on trading hours in some jurisdictions.

	Year 1	Year 2	Year 3
Implementation timeline		●	

4.23 Delivery hour curfews

✓ Creating a more dynamic and resilient economy

What is the issue?

Planning approvals typically set hours of operation for major stores and distribution centres. This limits operational flexibility. During the height of the pandemic, these restrictions hampered supermarkets' ability to deal with panic buying, as they were unable to receive supplies after hours and restock shelves with product in a timely manner. State governments acted to temporarily lift these curfews to allow 24-hour operation of freight delivery and restocking.

These restrictions impact the general efficient operation of freight and increase congestion on the roads. For example, if a delivery misses the allowable operating period, it means it will need to be rescheduled for the next day rather than accommodated with a slight delay. Infrastructure Australia's modelling indicates

that congestion cost the economy \$19 billion in 2016, and without continued focus, will more than double by 2031 to reach around \$40 billion.

What is the solution?

The Commonwealth Government should support states and territories to drive increased flexibility and further relaxations to curfews over coming years. This will boost productivity of domestic supply chains and reflects industry's investment in quiet technologies.

The NSW government committed to permanently lifting restrictions for deliveries and non-trading activities in industrial and business zones following COVID. The changes allow businesses to operate 24 hours a day for non-trading activities in industrial and business zones. Businesses must ensure they comply with the EPA's Noise Policy for Industry.

	Year 1	Year 2	Year 3
Implementation timeline		●	

5. Make it easier to trade

5.1 Implement a Trade Single Window

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

Australia must effectively engage with other countries across our region and the rest of the world as the strength of our economy is underpinned by our openness. Openness to trade and investment helps drive productivity growth and improves living standards by increasing access to markets, enhancing product market competition and provides an important channel for the diffusion of technology across countries.

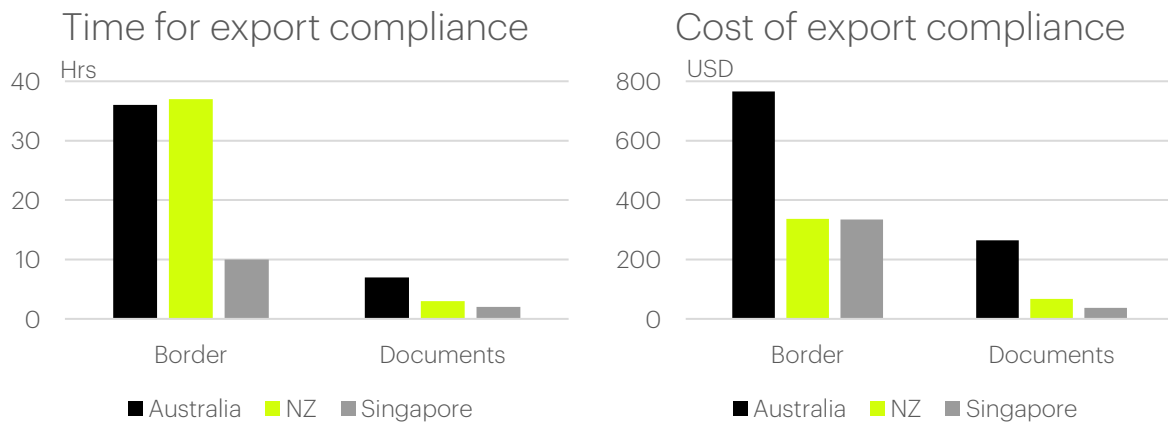
Despite the economic importance of trade to Australia, we may not be realising our full potential. The regulatory framework and administrative infrastructure around cross border trade lacks coordination, is unnecessarily complex and is often not fully digitised or automated. This may deter businesses – particularly small- and medium-sized businesses – from exploring their exporting opportunities. To illustrate, the regulatory costs of our cross-border trading system were estimated at over \$4 billion every year, due to complex, duplicative or manual regulatory requirements.³⁰ Australia’s cross border trade system has:

- over 200 pieces of legislation/regulation
- 32 agencies across government
- 145 government IT systems supporting trade
- 20 business facing trade portals.

Duplication is prevalent throughout the cross-border trading system, with a third of regulations duplicated in some ways across agencies, while more than half of the data provided to government by business is duplicated.

Recent years have demonstrated the acute urgency for reform. Global supply chain disruptions, adverse competition between major trading economies, and pandemic-induced changes have all contributed to pushing up the cost of traded goods. Although there are many factors influencing the effectiveness of global supply chains, an efficient cross border trade compliance system plays a role in reducing supply chain constraints and ensuring that goods move swiftly across borders at minimum additional cost to consumers.

³⁰ Ben Morton MP, *Speech to the inaugural Regulatory Reform Conference*, 16 February 2022



Source: World Bank

The Simplified Trade System Taskforce highlighted the process of exporting boxed beef to the EU:

- DAFF to understand quotas, to find key regulations for importing country requirements and to book inspections
- ABF to make an export declaration and to become an Australian Trusted Trader
- DFAT to check whether preferential tariff rates are available
- Austrade to understand market opportunities and whether they are eligible for any assistance mechanisms
- ATO to claim the exporter GST exemption.

The Simplified Trade System reforms to date have delivered welcome reforms around the Customs Regulatory Sandbox, Go Global Toolkit, Biosecurity Portal, and real-time notification through the Integrated Cargo System. And there are welcome reforms along the way, including the Digital Trade Accelerator Program, Simplified Targeting and Enhanced Processing System, Streamlining the Cargo Intervention Model, and Digital Verification Platform.

What is the solution?

Fully support, prioritise and implement the Simplified Trade System agenda and prioritise the creation of a Trade Single Window. As part of this, funding should be extended for the Simplified Trade System Unit to support delivery of, and provide certainty around, the agenda for business. This will help to make cross border trade cheaper, faster, and easier and should be supported by the publication of:

- The initial analysis and stocktake of existing trade regulations and choke points, highlighting areas where there are delays caused by government, process duplication and inconsistent interpretation, and a lack of information or transparency.
- A vision for a future system and roadmap to achieve the vision. A 'tell us once' and 'digital first' approach should underpin all the STS work to improve cross border trade compliance, as well as:
 - a single-entry point to government for individuals and businesses
 - a whole-of-government approach to reform that recognises changes must be end-to-end across the entire trade process – from the exporter's warehouse to the importer's warehouse
 - a national data harmonisation platform that different government agencies can use to share information

- common data formats should be the standard i.e. those used for the general conduct of day-to-day business and allow for common documents, and
- align with business processes as much as possible, which can help streamline and consolidate reporting.

Together, a stocktake of the existing system and a vision for a future system will support business to better understand and support the reforms and ensure critical momentum can be sustained through several years of implementation.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	●

5.2 Legislate for paperless trade, including UN MLETR

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

Paper remains a key part of the cross-border trading process, with around a third of regulations mandating the use of paper or manual processes. In the several centuries since bills of lading were written into law, a single shipment today can still require around 50 different documents which often need to be exchanged manually between stakeholders.³¹ This makes for a costly, slow and inefficient process, which can also be prone to errors and delays.

- One large logistics company reported using around 360,000 pieces of paper each year for cross-border trade.³²
- A large dairy exporter estimates spending over \$2.7 million a year sending paper-based trade documents around the world.

Trade within Australia for BCA member companies is already paperless for many transactions where there are no barriers through laws and regulations. The result is significant productivity benefits across the supply chain.

The Model Law on Electronic Transferable Records (MLETR) was developed as a global framework to confirm the functional equivalence of transferable paper trade documents in electronic form. Australia has committed to supporting MLETR through many international agreements and forums, including through Asia-Pacific Economic Cooperation, Commonwealth Trade Ministers, G7, Indonesia, Peru, Singapore, United Kingdom and the Regional Comprehensive Economic Partnership Agreement.

What is the solution?

Accelerate the implementation of the MLETR in Australia to help boost confidence in paperless trade, increase usage of electronic transferable records and help drive international trade. Many jurisdictions are already moving in this direction and there will be significant benefits in early adoption by Australia. To illustrate:

³¹ <https://www.maersk.com/insights/digitalisation/2024/01/15/digitalising-trade-documentation>

³² <https://web.archive.org/web/20240224094717/https://www.simplifiedtrade.gov.au/about-us>

- 69 jurisdictions have committed to adopt or align with MLETR, accounting for around three quarters of global goods trade and over 80 per cent of Australian goods trade.
- 12 jurisdictions have already implemented or aligned with MLETR, accounting for almost 19 per cent of Australian goods trade – around \$177 billion.

This should be the first step in a whole-of-government approach to achieving paperless trade across all relevant government departments and agencies. Recent analysis shows the adoption of MLETR and paperless trade more broadly across Asia-Pacific Economic Cooperation (APEC) could lift Australian GDP more than \$4 billion a year and lift real wages 0.23 per cent.³³

	Year 1	Year 2	Year 3
Implementation timeline	●		

5.3 Fit and Proper Person assessments reform in the trade environment

✓ Creating a more dynamic and resilient economy

What is the issue?

Fit and proper person (FPP) assessments screen for trusted or high-risk roles in the trade environment, such as licensing of brokers, depots and warehouses, approved arrangements, and some permits. This process is administratively burdensome due to the varying formats, completion methods, and different requirements of each government agency – often for similar information.

To illustrate, there are 18 assessments with 71 administrative decision points across four legislative acts (*Customs Act 1901*, *Biosecurity Act 2015*, *Excise Act 1901* and *Export Control Act 2020*) and three government agencies (Department of Agriculture, Fisheries and Forestry, Australian Taxation Office and Department of Home Affairs).³⁴

A single exporting business may have to provide similar information multiple times – and in slightly different formats – to be granted a warehouse licence from Australian Border Force, an excise licence from the ATO, and an export licence from DAFF. More than 6,000 FPP assessments were conducted in 2022-23 alone across those three government agencies.³⁵

What is the solution?

FPP assessments should be streamlined and duplication removed across government agencies, in line with the Simplified Trade System Fit and Proper Person Assessments Reform framework. A ‘digital first’ and ‘tell us once’ approach is paramount. This will reduce duplication and compliance costs for business and administration costs for regulators, while maintaining trust and integrity in the process.

	Year 1	Year 2	Year 3
Implementation timeline	●		

³³ APEC Committee on Trade and Investment, 2025, *A Path to Paperless Trade: Analysing the Legal Gaps and Economic Benefit of Adopting or Maintaining a Legal Framework that Takes into Account the UNCITRAL Model Law on Electronic Transferable Records (MLETR)*, February.

³⁴ Simplified Trade System – Consultation Paper 2024

³⁵ Ibid.

5.4 Abolish nuisance tariffs

✓ Creating a more dynamic and resilient economy

What is the issue?

Around 90 per cent of Australia’s imports enter the country duty-free due to Australia’s free trade agreements that have extended preferential treatment to Australia’s major trading partners. The government recently took welcome steps to set to ‘Free’ the rate of duty on around 500 tariff lines. However, for goods on which over 2,600 nuisance tariffs still apply, there is a significant compliance burden associated with establishing eligibility for duty-free imports under the terms of preferential trade agreements and domestic tariff concessions.

The Productivity Commission’s 2023-24 Trade and Assistance Review estimates that these compliance costs amounted to 2 per cent of the value of imports that benefited from a trade preference or tariff concession (between \$1.3 billion and \$3.4 billion in 2023-24). At the same time, Australia’s remaining tariffs raised only around \$2 billion of revenue. The Commission has identified 315 “urgent priority” nuisance tariffs for review for potential removal. These tariffs imposed at least five times more in compliance costs than they provided in tariff revenue, bringing in only \$13 million in revenue.

The compliance burden on Australian business can also be illustrated with reference to the size of the *Customs Tariff Act 1995*. The current Act is comprised of seven volumes, organised into 21 sections and 97 chapters, totalling almost 2,000 pages which businesses need to review to determine whether they can avoid a five per cent duty if the product satisfies preferential treatment

What is the solution?

The compliance burden associated with remaining tariffs is a significant cost burden on industry, exceeding any benefit to industry and revenue raised. Abolition of Australia’s remaining tariffs would be of significant benefit to business and the static revenue loss would be substantially offset through dynamic revenue gains. Australia maintains a robust anti-dumping and counter-vailing duties regime that can be employed on an ad hoc basis to address any unfair trading practices by foreign producers in a targeted manner.

	Year 1	Year 2	Year 3
Implementation timeline	●		

5.5 Supporting tourism through visa changes

✓ Creating a more dynamic and resilient economy

What’s the issue?

With airlines from India expanding their international networks, we want to capture some of these new flights to increase travel between Australia and India, but existing visa setting are inhibiting growth.

The inability for Indian travellers to transit Australian ports to other destinations (such as New Zealand) without a visa makes it more difficult for Indian carriers to deploy their fleets to Australian ports. This is because they cannot consolidate transiting passengers together with Australian bound passengers to

support the economics of the route. This makes Australian airports less attractive compared to alternatives such as Singapore.

What is the solution?

Add India to the list of countries whose citizens are able to transit Australian airports without a visa.

	Year 1	Year 2	Year 3
Implementation timeline	●		

6. Support the transition to net zero with affordable and reliable energy

6.1 Streamline climate-related financial disclosures

- ✓ Creating a more dynamic and resilient economy
- ✓ Investing in cheaper, cleaner energy and the net zero transformation

What is the issue?

Since the establishment of the International Sustainability Standards Board in 2021, a significant amount of effort has been exerted to develop the infrastructure necessary to support investor grade sustainability reporting, commencing with climate-related financial disclosures. Our members have engaged extensively with government and standard setters as part of this process, and generally speaking, welcome the expansion of reporting to meet the changing needs of investors and other stakeholders.

As Australia embarks on a phased roll out of climate-related disclosures, we want to ensure that entities captured by the new reporting regime have the optimal opportunity to produce and assure these reporting obligations to the highest standard to meet the needs of users who will rely on this information to make informed investment decisions. Early feedback suggests that entities with a global footprint still strongly support the need to report on climate-related disclosures but see significant inefficiencies in needing to provide duplicate information across multiple jurisdictions. Often the information required to meet Australian requirements has already been produced elsewhere under similar reporting regimes, so having to replicate is costly and seen as adding little value to the users of these reports.

The benefits of even minor reductions in compliance costs can be significant across the economy. For example, Treasury estimated compliance costs associated with climate-related disclosures could average around \$1 million to \$1.3 million a year for companies over the decade across over a thousand reporting entities.³⁶

What is the solution?

Treasury, together with ASIC, should re-consider how relief can be provided to global entities captured by the Australian climate-related financial disclosure regime, who have already produced similar investor grade disclosures in other reputable jurisdictions.

	Year 1	Year 2	Year 3
Implementation timeline	●		

³⁶ <https://oia.pmc.gov.au/published-impact-analyses-and-reports/climate-risk-disclosure>

6.2 Harmonise the National Energy Customer Framework

- ✓ Creating a more dynamic and resilient economy
- ✓ Investing in cheaper, cleaner energy and the net zero transformation

What is the issue?

The Australian Energy Regulator (AER) regulates the energy retail market via the National Energy Customer Framework (NECF) in the Australian Capital Territory, Tasmania, South Australia, New South Wales and Queensland. Victoria has not wholly adopted the NECF and its energy retail market is regulated by the Victorian Essential Service Commission.

Energy retailers operating in multiple jurisdictions (including Victoria) are required to comply with two slightly different regulatory frameworks enforced by two different regulators, adding compliance cost and burden to energy retailers with no obvious additional benefit to energy consumers around consumer protections and retail price regulation. Some innovative products have also not expanded to the Victorian market due to the disparity in regulations.

What is the solution?

Victoria should adopt wholly NECF and be regulated by the AER along with other all other jurisdictions on the east coast.

	Year 1	Year 2	Year 3
Implementation timeline			●

6.3 Harmonise energy concession programs

- ✓ Creating a more dynamic and resilient economy
- ✓ Investing in cheaper, cleaner energy and the net zero transformation

What is the issue?

Each Australian jurisdiction operates its own energy concession programs with essentially the same purpose: to provide energy cost rebates where energy consumers need assistance.

Energy retailers operating in multiple jurisdictions are required to comply with multiple concession programs which are administered differently and often inconsistently, adding compliance cost and burden to energy retailers with no obvious additional benefit to energy consumers. By way of example, the Commonwealth Government's Energy Bill Relief was delivered across the country and demonstrates the benefits and efficiencies of a uniform approach.

What is the solution?

Harmonise all energy concession programs soon as possible and consider amalgamating them into a single program in the future, so that all energy consumers receive the same high standard of service and energy retailers can minimise compliance burden and cost in their participation in these programs.

	Year 1	Year 2	Year 3
Implementation timeline		●	

6.4 Harmonise energy efficiency and demand management schemes

- ✓ Creating a more dynamic and resilient economy
- ✓ Investing in cheaper, cleaner energy and the net zero transformation

What is the issue?

Energy efficiency and demand management schemes are policy initiatives designed to reduce energy consumption and manage demand, primarily through incentives and regulations applying to energy retailers and consumers. These schemes aim to achieve similar goals, including around reducing emissions, lowering energy bills, and improving energy security.

There are multiple such schemes operating across jurisdictions, each with their own targets, mechanisms, coverage, eligibility requirements, and administrative agencies. The result is inconsistencies, duplication, customer confusion, and inefficiency.

What is the solution?

Develop a roadmap to gradually harmonise the objectives and regulatory approaches of these schemes so that their collective effectiveness is maximised in the context of national energy market outcomes, such as reducing energy peaks, emissions and energy savings, in the long-term interests of energy consumers. Consideration should be given to adopting a single certificate regime across all jurisdictions, which could build on the approach in NSW and Victoria.

	Year 1	Year 2	Year 3
Implementation timeline	●		

6.5 Electric vehicle charging and fringe benefits tax

- ✓ Creating a more dynamic and resilient economy
- ✓ Investing in cheaper, cleaner energy and the net zero transformation

What is the issue?

Electric vehicles play a critical role in the transition to net zero. This transition will face challenges around cost, increasing the supply of new types of vehicles, deploying new charging infrastructure, changing public behaviour and expectations, and ensuring the tax system works alongside policy objectives.

Employers are increasingly offering workplace charging for staff with electric vehicles. The 2024 Electric Vehicle Ownership Survey found that 29 per cent of employed electric vehicle owners have access to charging at their workplace.³⁷ This is mostly done through dedicated chargers and without a requirement to pay to do so. Workplace charging is important for many people – particularly frequent commuters and those without access to charging at home.

³⁷ <https://electricvehiclecouncil.com.au/wp-content/uploads/2025/04/20250211-EV-Ownership-Survey.pdf>

The ATO's Fringe Benefits Tax Stakeholder Group has identified charging a private electrical vehicle at work would give rise to Fringe Benefits Tax.³⁸ It is investigating how to value this and proposes to issue guidance. This will be complex and costly to value/comply with in practice, risks discouraging employers from offering electrical vehicle charging at the workplace, and would work against the government's National Electric Vehicle Strategy.

The ATO's initial view suggests this will require legislative change to address. Any revenue impact would likely be small, while the overall compliance and behavioural impacts could be significant. That is, it is unclear that there would be net benefits from this approach.

What is the solution?

Legislate to ensure that charging a private electrical vehicle at work does not give rise to Fringe Benefits Tax.

	Year 1	Year 2	Year 3
Implementation timeline		●	

6.6 Establish a uniform grid connections guideline to support electric vehicle uptake

- ✓ Creating a more dynamic and resilient economy
- ✓ Investing in cheaper, cleaner energy and the net zero transformation

What is the issue?

The availability of fast charging at service stations is crucial for increasing the adoption of electric vehicles. However, many service stations are already operating at full capacity and are unable to expand charging facilities due to constraints on the available electricity supply in these locations. Opportunities for service stations to access dynamic connections are limited, especially where the lead time for electrical upgrades is substantial. Service station charging is essential for electric vehicles registered to addresses with no kerbside or home charging facilities.

What is the solution?

Establish a national, uniform grid connections framework, including requirements for:

- Dynamic and flexible connections that promote efficient grid utilisation and cost reflective use charges
- Connection processes streamlined through uniform Distribution Network Service Providers (DNSP) technical standards and requirements
- Enabling the contestable market to take on a greater share of network augmentation works from design to construction (via DNSP accredited services providers). This will enable the market to fund and control their connections, while freeing up DNSP resources to manage the fault response functions that lie at the core of operating an essential service.

³⁸ <https://www.ato.gov.au/about-ato/consultation/in-detail/stakeholder-relationship-groups-key-messages/fringe-benefits-tax-stakeholder-group/fringe-benefits-tax-stakeholder-group-key-messages-15-may-2024#ato-Chargingprivateelectricvehiclesatwork>

- Encourage DNSPs to minimise the time between when a connection is inspected, approved and energised.
- Allow networks to invest in parts of their network where they know capacity is needed soon to support e-mobility.

	Year 1	Year 2	Year 3
Implementation timeline	●		

6.7 Implement nationally consistent requirements for additional points of electricity supply

- ✓ Creating a more dynamic and resilient economy
- ✓ Investing in cheaper, cleaner energy and the net zero transformation

What is the issue?

The assessment and approval process for a second point of supply varies among DNSPs. BCA member companies note observing applications for third-party sites requesting a second point of supply that have been rejected multiple times in Queensland. By contrast, it is understood that these applications would likely have been approved if they were within, for example, the Ausgrid network.

What is the solution?

Establish national regulations that permit additional points of supply in alignment with the practices utilised within the Ausgrid network and New Zealand.

	Year 1	Year 2	Year 3
Implementation timeline	●		

7. Support the modernisation of the Australian economy

7.1 Revise the R&D Tax Incentive to support business innovation

✓ Creating a more dynamic and resilient economy

What is the issue?

Global R&D investment is highly mobile and intensely competitive, with countries actively competing to attract innovation activity and the skilled jobs that come with it. While Australia has strong advantages—such as a highly skilled research workforce—the competitiveness of our tax system is a critical factor in attracting, retaining, and commercialising innovation onshore. As other jurisdictions expand their incentive regimes, the risk is that the marginal R&D investment dollar increasingly moves offshore.

For many firms, the R&D Tax Incentive (RDTI) provides a form of downside protection that helps overcome risk aversion—especially where there’s no guarantee of return. It also plays a vital role in retaining and upskilling staff, and supporting the long-term capability of Australia’s innovation workforce.

But the compliance burden associated with the RDTI has grown substantially over time. For many firms, participating in the program requires dedicated internal resources—including, in some cases, a full-time tax specialist. Much of this burden stems from retrospective compliance activity, inconsistent regulatory interpretation, and the level of documentation required to justify claims. Several members told us they had reduced or stopped claiming altogether, despite continuing to invest in eligible R&D activity.

In addition, the current structure of the R&D Tax Incentive—particularly the \$150 million expenditure cap and the intensity-based calculation—undermines its effectiveness for large R&D-intensive firms. Indeed, large firms are the primary cohort the Strategic Examination of R&D has identified as key to boosting Australia’s R&D output, after recent declines. The expenditure cap places a hard ceiling on support, limiting the incentive for large-scale investment and making Australia less competitive for global firms. Once a company exceeds the cap, there is little additional benefit to continuing R&D domestically, increasing the likelihood that expansion will shift offshore.

The interaction between the expenditure cap and the intensity measure further weakens the incentive. Because only expenditure claimed under the scheme counts toward intensity, companies spending significantly more than 2 per cent of their operating expenses on R&D may be penalised. For example, a company exceeding the \$150 million cap could see its incentive rate halved (from 16.5 per cent to 8.5 per cent), despite higher overall investment. This reduces the relative advantage of conducting R&D in Australia for firms at scale.

What is the solution?

The RDTI should be revised to reduce the administrative burden, streamline reporting to reduce red tape and improve efficiency.

To improve the RDTI’s effectiveness, the \$150 million expenditure cap should be abolished while the intensity measure’s design should be reviewed. Removing the cap would ensure companies investing

heavily in Australian R&D are properly supported, regardless of size or structure, and signal Australia’s commitment to attracting large-scale innovation.

If abolition is not feasible, the cap should be raised to at least \$250 million and indexed to preserve its value. This would reduce the penalty effects created by the cap–intensity interaction and provide more equitable support for R&D-intensive firms. Reform is essential to encourage, rather than deter, major investment in Australian innovation.

	Year 1	Year 2	Year 3
Implementation timeline	●		

7.2 Continue to modernise business communications

✓ Creating a more dynamic and resilient economy

What is the issue?

Recent years have seen substantial reforms to the modernisation of business communications to ensure they reflect modern business practices and do not restrict the use of current and future technologies. This includes around electronic documents (such as signatures, execution, and the sending of), witnessing requirements, virtual meetings, and many more.

There are still instances where a more technology agnostic approach could be adopted. For example, this includes around requirements to maintain hard copy registers, physical inspections and records stored on computers – where instead many of these may now be maintained online (e.g. the cloud). The electronic provision of information is not always allowed, some of which was flagged as part of the lapsed *Treasury Laws Amendment (Modernising Business Communications) Bill 2022*.

At the same time, there are many instances where paper forms and wet signatures are still required. This unnecessarily increases costs and time spent on compliance by businesses. For example:

- All forms are paper based for foreign companies including original certified certificate of incorporation and notarised constituent documents, as well as ongoing forms (e.g. change of Australian registered address; change of directors; change of directors’ addresses; annual return; cessation of business).
 - A change of Australian director can be done electronically and relatively promptly. A change of an overseas director requires a paper form, wet signature, and posting of the documents which can take at least several days.
- ASIC forms such as 206, 207Z, 208, 210, 211, 2205, 2560, 280, 281, 315, 318, 402, 405, 406, 418, 488, 491, 5111, 7051, CF08, 909, 991 and 992 require hard copy lodgements/wet signatures.
- One company noted the move of a share registry just a few streets away for over 500 companies resulted in three months’ worth of work to locate directors, affix wet signatures, and mail the documents within the required timeframe. By contrast, an electronic lodgement process would have reduced this task to around a week.

What is the solution?

In line with modernising business communications and legislating for paperless business and regulatory communications, all existing and ongoing forms (irrespective of whether it is a domestic or foreign company) should be able to be lodged electronically and without wet signatures. Also ensure all processes

and regulations reflect modern business practices, such as clarity around maintaining, inspecting and storing relevant records online rather than in hard copy.

	Year 1	Year 2	Year 3
Implementation timeline	●		

7.3 Improve the Director Identification Number framework

✓ Creating a more dynamic and resilient economy

What is the issue?

Director Identification Number (DIN) framework, while important to combat risks such as phoenixing, has proved to be ineffectual in reducing compliance burdens and amplifies privacy risks for directors. The schemes benefits have also been undermined by a slower than expected adoption rate and challenges with the Modernising Business Registers initiative.

From a privacy perspective, although there are processes to suppress personal information of directors in certain cases, it has been observed that these processes can be slow (exacerbated by being paper based) and may lead to the misuse of personal information.

For international individuals appointed to an Australian board, application forms for a DIN must be submitted in paper format. These forms require a wet-ink signature and need to be processed manually by ASIC, unlike the electronic submission process available for Australian directors. This additional step can result in significant delays in filling vacant positions, can be more prone to errors, and undermine effective ongoing governance. To illustrate, consider two directors being appointed to a board:

- An Australian appointment can obtain a DIN within a week using their MyGov ID and Australian identification documents, after which the appointment can be made.
- An overseas director must provide certified copies of all identification documents, signing a paper form in wet ink, attaching the documents and post them to ASIC. This can take upwards of two weeks, and any communication from ASIC is similarly conducted via the post – resulting in extra delays. The appointment of the overseas director can be significantly delayed relative their Australian counterpart.

What is the solution?

The framework should be revisited with efficiency and privacy front of mind. DINs should be able to be used to fast-track and electronic lodging of all information with ASIC (at present, it's largely duplicative), and efforts should be undertaken to either further limit the personal information of directors being made available, or allow for proxy information to be utilised, for example the Company Secretariat details.

	Year 1	Year 2	Year 3
Implementation timeline		●	

7.4 Ensure corporate tax residency rules are fit for purpose

✓ Creating a more dynamic and resilient economy

What is the issue?

Corporate tax residency rules are crucial in determining how the operations and profits of a company will be subject to Australia's tax rules, or those of other countries. This impacts, among other things, whether a company can distribute franking credits to shareholders, be part of a consolidated group, whether withholding taxes apply and the application of tax treaties.

The longstanding rules were reinterpreted by the ATO following a 2016 High Court case.³⁹ This increased uncertainty and compliance costs, particularly given the potentially significant tax consequences of triggering Australian residency. Accordingly, this has also unduly hindered the operation of companies by requiring them to rearrange their affairs to comply with the test – often for little or no practical benefit. Practical examples include:

- Australian executives must be offshore to avoid the risk that an offshore subsidiary that is majority Australian owned could be considered to carry on business in Australia.
- Australian executives must travel offshore to attend board meetings – even attendance via telephone or video conferences can be problematic – and may avoid board meetings when they cannot, for whatever reason, travel offshore.
- It encourages the appointment of non-Australian resident directors and executives to the management and boards of offshore subsidiaries and joint ventures.
- It discourages the use of Australia as a location for the regional or global management and strategic oversight of offshore subsidiaries.
- Tax managers dictate which individuals can be directors of foreign subsidiaries and where meetings can take place and by what means they can occur.

What is the solution?

Amend the law such that the treatment of foreign companies will reflect the position prior to the 2016 High Court case. The 2019-20 Budget proposed amendments to this effect – consistent with the related Board of Taxation review into this issue – which should be released for consultation and duly implemented.⁴⁰

This will reduce uncertainty for business and minimise unnecessary compliance costs. At the same time, it will ensure corporate residency rules reflect modern corporate governance and business practices, including the use of modern technology for directors to fulfil their duties from Australia.

	Year 1	Year 2	Year 3
Implementation timeline	●		

³⁹ *Bywater Investments Ltd v Federal Commissioner of Taxation*

⁴⁰ The Board of Taxation, 2020, *Review of Corporate Tax Residency*.

8. Make it easier to support small businesses

8.1 Single definition of small business

✓ Creating a more dynamic and resilient economy

What is the issue?

There are many different definitions of small business across the Commonwealth government for small businesses to navigate. The impact is that small businesses face additional costs, complexity and hurdles in navigating their obligations, as well as for accessing support and services. It also has implications for laws, obligations and their interactions with larger businesses.

Table 1 The many Commonwealth Government definitions and thresholds for small businesses to navigate

	Employees	Turnover	Assets
Australian Competition and Consumer Commission	<100	<\$10m	
Australian Financial Complaints Authority	<100		
Australian Securities and Investments Commission	<100	<\$50m	<\$25m
Unconscionable conduct	<20		
Unconscionable conduct - manufacturer	<100		
Australian Small Business and Family Enterprise Ombudsman	<100	≤\$5m	
Australian Taxation Office		<\$10m	
CGT concessions		<\$2m	
Small business income tax offset		<\$5m	
Research & Development Tax Incentive		<\$20m	
Lower company tax rate		<\$50m	
Australian Bureau of Statistics	<20		
Commonwealth Procurement Rules (SME)	<200 FTE		
Cyber Security Ransomware Payment Reporting		<\$3m	
Fair Work Act	<15		
Single interest multi-employer agreements	<20		
Payment Times Reporting Scheme		≤\$10m	
Privacy Act		≤\$3m	

This issue also extends to state and territory governments where small business definitions also differ across policies, grants, procurement and small business commissioners. Thresholds similarly differ by employee counts, turnover, or can be a matter of judgement.

What is the solution?

Undertake a comprehensive stocktake of small business definitions and thresholds across all levels of government. This should then form the basis of developing a single consistent definition of small business to simplify compliance and access to support for millions of Australian businesses. This analysis should include an assessment of the implications of any potential changes.

	Year 1	Year 2	Year 3
Implementation timeline	●	●	

8.2 Better identifying small businesses

- ✓ Creating a more dynamic and resilient economy
- ✓ Harnessing data and digital technology

What is the issue?

The ability for large businesses – and government entities – to readily identify small businesses is critical to the success of many policies. For example, addressing unfair contract terms requires the ability to readily identify small businesses based on their number of employees and turnover. Employers may have contracts with thousands of small businesses, meaning there can be a difficult and costly process to comply with – and one that may be prone to error.

The Small Business Identification (SBI) Tool was introduced alongside the Payment Times Reporting Scheme (PTRS) to enable businesses to identify and verify their small business suppliers. It has been critical to the success of the PTRS in improving payment terms and practices between large businesses and their small business suppliers. However, the SBI Tool is not available for use beyond the PTRS. In addition, the *Statutory Review of the Payment Times Reporting Act 2020* recommended an exploration of further use of Commonwealth data to support the SBI Tool.

What is the solution?

Unlock the full potential of the SBI Tool by legislating to make it available for all businesses and governments wanting to provide tailored services or support for small businesses across Australia. While there are still issues with the SBI Tool in practice, it continues to be improved and should have much wider applicability. Indeed, increased reliance would help drive greater impetus to improve the SBI Tool.

The next step should be to improve and expand the SBI Tool data sources and capabilities:

- Australian Taxation Office data should be used to readily and reliably identify small businesses by turnover. Tax secrecy provisions should not be a barrier to the use of ATO data given the elimination method currently used for the SBI Tool, as well as existing tax transparency measures. For example, R&D Tax Incentive claims are published for all entities – some with as little as a few thousand dollars of expenditure.
- Workplace Gender Equality data (WGEA) could be used in addition to the existing SBI Tool data to readily and accurately identify small businesses under the 100-employee threshold (i.e. non WGEA reporting entities).

A tool for better identifying small businesses will improve the take up, efficiencies and effectiveness of small business policies (including the PTRS), and support the process around developing a single definition of small business.

	Year 1	Year 2	Year 3
Implementation timeline		●	●

8.3 Payment Times Reporting Scheme

✓ Creating a more dynamic and resilient economy

What is the issue?

The Payment Times Reporting Scheme (PTRS) was introduced to improve payment outcomes for small business through increased transparency large businesses payment times. The evidence is clear – payment terms and practices have improved over the past three and a half years. To illustrate, the latest data from the Payment Times Reporting Regulator show large businesses reported paying 68.9 per cent of invoices from their small business suppliers within 30 days – up from 63.2 per cent when reporting began.⁴¹

The PTRS was recently reviewed as part of the *Statutory Review of the Payment Times Reporting Act 2020*, which found the reporting requirements to be “onerous” and for the datasets to be “confusing, clunky and cluttered”.⁴² While the PTRS was recently reformed, the reporting burden on large companies remains unnecessarily onerous while there is a risk one confusing, clunky and cluttered system has simply been replaced with another.

There are many practical issues around the revised scheme and its implementation which unnecessarily increase compliance costs, while others that could help better achieve the policy intent. Examples include:

- Small Business Identification Tool – the process for identifying small businesses through the SBI Tool remains manual and cumbersome. At the same time, access is now restricted to the reporting entity rather than other entities within the group – undermining its purpose and efficacy.
- Reporting data – the new reporting data risk replacing one complex, confusing and unnecessarily burdensome data set with another and unnecessarily deviate from the review’s recommendations.
- Reporting frequency – biannual reporting increases compliance costs but the benefits for small businesses from this additional reporting are unclear.
- Government reporting – governments are among the largest procuring entities in Australia, but the Commonwealth Government’s Pay On-Time Survey has not been published for more than two years (having previously been published biannually) and is not directly comparable to PTRS data. Revised reporting requirements are purportedly being developed, but it is unclear why these are needed as the PTRS already exists and applies to corporate Commonwealth entities.⁴³

⁴¹ Payment Times Reporting Regulator, 2025, *Regulator’s Update – January 2025*.

⁴² <https://treasury.gov.au/sites/default/files/2023-08/p2023-428993.pdf>

⁴³ <https://treasury.gov.au/small-business/pay-time-survey-performance-reports>

What is the solution?

Improve the PTRS to better support the overarching objective of improving payment times for small businesses, while minimising compliance costs and ensuring reporting standards better reflect business practices/systems. This can be supported by:

- Small Business Identification Tool – making the SBI Tool publicly accessible and enabling reporting entities to connect to it in real time to readily identify small business suppliers, such as through an Application Programming Interface Tool.
- Reporting data – better align reporting fields with the recommendations of the Review of the PTRS to ensure reporting data is simple, useful, meaningful and compliance is not unnecessarily burdensome.
- Reporting frequency – shift from biannual to annual reporting to reduce the compliance burden on reporting businesses while not undermining the policy intent of the PTRS.
- Government reporting – expand the PTRS to non-corporate Commonwealth Government entities. This will provide small businesses with comparable payment times information for all their large customers in the one place. It also removes the inefficiency of government developing another separate reporting scheme, and aligns with recent reform to require non-corporate Commonwealth Government entities to submit WGEA reports similar to large companies.

	Year 1	Year 2	Year 3
Implementation timeline	●		



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