Productivity Commission consultation on Improving non-financial business reporting requirements

September 2026



AUSTRALIAN
FOOD &
GROCERY
COUNCIL

PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation bringing Australia's fast-moving consumer goods (FMCG) sector together to champion growth.

With an annual turnover in the 2024-25 financial year of $182.6 billion, Australia's food and grocery manufacturing sector makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity. Each business in the sector has contributed towards an industry-wide $4.5 billion capital investment in 2024-25, underpinning the sector's continued growth.

Food and grocery manufacturing together form Australia's largest manufacturing sector, representing over 33 per cent of total national manufacturing turnover. The industry makes a large contribution to Australia's rural and regional economies, with over 30 per cent of its 301,000 employees based outside metropolitan areas.

It is essential to the economic and social development of Australia that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

The industry's growth ambition to 2030 is set out in *Sustaining Australia: Food and Grocery Manufacturing 2030*, which outlines a path to expand domestic manufacturing, create jobs, increase exports and strengthen the sovereign capability of the entire sector.

This submission has been prepared by the AFGC and is informed by, and reflects, the collective views of the membership.

EXECUTIVE SUMMARY

AFGC supports a system-wide approach to reducing unnecessary non-financial reporting burden while retaining information useful to regulators, investors, customers, and other users. For food and grocery manufacturers, the issue is not reporting itself. It is duplication, inconsistent design and the cumulative effect of requirements that are developed and implemented separately.

For many AFGC members, the same people, systems and underlying data are increasingly used to meet multiple obligations. Differences in definitions, entity boundaries, reporting periods, methodologies and assurance expectations create repeated collection, reconciliation and rework. For multinational businesses, Australian requirements can also sit alongside parent-group reporting, customer requests and end-market requirements in other jurisdictions.

This is a productivity and an outcomes issue, with implications for investment within the sector. Sustainability, corporate affairs, legal, finance, procurement and operational teams have finite capacity. Resources spent rebuilding the same dataset or responding to duplicative requests are not available for emissions reduction, resilience, resource efficiency, pollution prevention, or work to understand and reduce impacts on nature. The cumulative reporting burden adds to the cost of doing business in Australia, and companies weigh these costs when comparing jurisdictions for new investment, expansion and manufacturing capacity. Where Australian requirements duplicate or diverge from those elsewhere without clear additional benefit, they reduce Australia's attractiveness as an investment destination.

AFGC supports a 'one input, many outputs' model. Common information should be reusable across reporting frameworks where the underlying data is equivalent. This requires interoperable systems, aligned definitions and reporting periods, recognition of equivalent information, proportionate assurance and better coordination between policy and reporting requirements.

Environmental reporting is an immediate opportunity to apply this approach. Better alignment between the National Greenhouse and Energy Reporting (NGER) Scheme and Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) can reduce repeated emissions work. Clearer boundaries around Scope 3 requests can limit unnecessary supplier burden. Design emerging nature-related reporting from the outset to align with relevant global standards and existing Australian systems and datasets, rather than adding another parallel reporting architecture.

AFGC asks the Commission to prioritise three reforms:

- measure cumulative burden across connected requirements;
- establish a government-wide model for reusing equivalent information; and
- develop a publicly available, government-wide roadmap that sets clear responsibilities and coordinates implementation dates, definitions, assurance settings and digital systems across jurisdictions.

Summary of Recommendations

- **Recommendation 1:** Assess cumulative reporting burden across the business and value chain, including staff time, external cost, rework, systems changes and opportunity cost.
- **Recommendation 2:** Adopt a 'one input, many outputs' model based on common definitions, core data fields, common identifiers and interoperable systems, including common supplier information and reuse of existing sector reporting systems and data where they meet the policy purpose.
- **Recommendation 3:** Recognise equivalent Australian and international information, including parent-group and end-market reporting, and align definitions, entity boundaries and reporting periods where practicable, with reconciliation only for material differences.
- **Recommendation 4:** Look to global examples to identify alignment opportunities. Reporting systems should be based on stable principles, with measures that allow them to evolve and improve rather than becoming a 'set and forget' system.
- **Recommendation 5:** Improve alignment between the NGER Scheme and AASB S2 so reliable Scope 1 and Scope 2 data can be reused where reporting periods or boundaries differ.
- **Recommendation 6:** Set proportionate boundaries for Scope 3 and other value-chain requests, and accept recognised estimates, secondary data and shared factors where they meet the reporting purpose.
- **Recommendation 7:** Design emerging nature-related reporting to align with relevant global standards and existing Australian environmental reporting, data and systems.
- **Recommendation 8:** Develop a publicly available, government-wide reporting roadmap, overseen by a clearly identified lead body, to coordinate Commonwealth, state and territory reforms, responsibilities, timing, definitions, assurance settings and opportunities for reuse or mutual recognition.
- **Recommendation 9:** Require reporting requirements to have a clear purpose and identified users, measure whether information is used, and redesign, consolidate or remove requirements that impose material cost but provide limited value.
- **Recommendation 10:** Build implementation and capability support into new and emerging reporting requirements, including clear guidance, worked examples, stable transition periods and consistent assurance expectations.
- **Recommendation 11:** Invest in the shared infrastructure needed for interoperable reporting, including common taxonomies, data standards, authoritative datasets, pilots and implementation support for small and medium-sized businesses.
- **Recommendation 12:** Align federal packaging reform, the National Environment Protection (Used Packaging Materials) Measure 2011 (NEPM) and future product stewardship reporting with existing Australian Packaging Covenant Organisation (APCO) systems and data to avoid parallel reporting requirements.

THE CUMULATIVE BURDEN IS THE CORE ISSUE

AFGC supports reporting that serves a clear policy or market purpose and benefit. Our concern is that requirements are usually considered one at a time, while businesses experience them together. Any single requirement may be manageable in isolation, but the combined effect of many overlapping requirements is a significant cost. Assessing requirements separately can obscure the real cost of compliance and how requirements interact.

For food and grocery manufacturers, the reporting landscape can include NGERs, climate-related financial disclosures, pollution and environmental reporting, packaging requirements, payment times reporting, workplace and modern slavery reporting and emerging nature-related information requests. Many are managed by the same corporate functions and draw on overlapping business and supplier data.

The burden is not limited to entities directly captured by reporting thresholds. Small and medium-sized food and grocery suppliers are increasingly being asked to provide emissions and other sustainability information to larger customers. Many have fewer dedicated sustainability staff, less mature data systems and limited capacity to interpret changing methodologies. They can therefore incur disproportionate costs to establish systems, obtain external support and respond to repeated requests, even when they do not have a direct statutory reporting obligation.

Multinational businesses also respond to parent-company, customer and end-market requirements across jurisdictions. The same emissions, packaging, supplier or workforce data can be remapped to different definitions, periods, boundaries and evidence requirements. Domestic rules should avoid unnecessary divergence from relevant international standards and recognise equivalent information where the policy objective is met.

Modern slavery reporting provides another example of cumulative burden across supply chains and jurisdictions. Different reporting entities may seek similar supplier information using different questionnaires, evidence requirements and reporting periods. Greater use of common supplier information, recognised assessments and consistent guidance would reduce repeated requests while preserving transparency about modern slavery risks and action.

Our members consistently identify four sources of avoidable burden:

- the same or similar information requested more than once;
- different definitions, methodologies or entity boundaries for related data;
- misaligned reporting periods and implementation timelines; and
- different assurance or evidentiary expectations applied to information drawn from the same underlying systems.

The cost is not limited to external fees. AFGC members report substantial internal effort to establish systems, collect and validate information, respond to assurance requests and rework material where expectations differ. For first-year climate reporting, members have reported limited assurance fees of around $100,000 to $200,000. The limited examples of reasonable assurance provided to AFGC indicate costs can be around three times limited assurance. These figures are indicative member examples rather than an industry-wide estimate. Internal preparation and rework can add considerably to those fees. For small and medium-sized businesses, the issue is often different but no less material: limited internal capability can mean a greater reliance on external advisers, new software or manual processes, while the same staff are also responsible for day-to-day operations.

AFGC members also identify a capability and governance burden as new requirements are introduced. Directors must understand enough of a new framework to exercise judgement and meet sign-off responsibilities, while sustainability, finance, procurement, legal, technology and assurance teams need new skills, controls and evidence. Where guidance, systems and assurance practice are still developing, uncertainty can drive conservative interpretations, additional information requests and rework. Guidance,

worked examples, appropriate transition periods and capability building should therefore be part of implementation, not an afterthought.

The burden assessment should capture these governance and capability costs, including director and senior management time, training, control design and the cost of building internal and external capability for new requirements. The opportunity cost of additional and duplicative reporting can impact the competitiveness of both a business and the wider economy.

The Commission should therefore assess the total burden across the business and value chain. This should include implementation cost, ongoing staff time, systems changes, external assurance and advisory costs, supplier requests and the opportunity cost of diverting scarce capability from operational improvement.

> **Recommendation 1:** Assess cumulative reporting burden across the business and value chain, including staff time, external cost, rework, systems changes and opportunity cost.

COLLECT ONCE, USE MANY TIMES

The focus should be on reducing the need for businesses to recreate substantially the same information for different reporting purposes. AFGC supports 'collect once, use many times'. This does not require a single form or a single regulator. It requires common inputs that can support multiple legitimate outputs.

An effective model should include:

- common entity identifiers and group-boundary rules;
- agreed definitions and calculation methods for frequently requested data;
- standard digital formats and data standards that allow systems to exchange information;
- secure reuse of information across agencies;
- recognition of equivalent information already prepared under another Australian or comparable international framework, including information prepared for parent-group or end-market reporting;
- a requirement to test for duplication before a new reporting obligation is introduced or materially changed.

Interoperability will also require government investment. Common taxonomies, data standards, digital interfaces, authoritative datasets and secure data-sharing arrangements are infrastructure that individual businesses cannot efficiently build on their own. Government should co-design these foundations with industry and other data users, fund pilots before wider implementation, and support sector tools and training where capability gaps are material.

AFGC members have identified this need particularly for Scope 3 emissions reporting. Smaller suppliers may not yet have established emissions data systems, while larger manufacturers and end customers need comparable data across the value chain. Investment in interoperable tools and shared methodologies would reduce repeated requests, improve data quality and allow more resources to be directed to emissions reduction rather than data translation.

Where complete alignment is not appropriate, the difference should be deliberate and material to the policy purpose. A clear mapping or proportionate reconciliation should suffice for minor timing, boundary, or

classification differences. Businesses should not be required to rebuild a dataset simply because it is being used for a different reporting output.

The Productivity Commission should consider the presence and absence of controls as a preference to the provision of just data. Reporting may be simplified if it is outcome-based rather than on data alone. Can there be a process to verify that a business has effective controls, instead of requiring the provision of raw data to allow others to make this assessment?

Members see the same productivity problem elsewhere in regulation. Businesses seeking approvals under the Australia New Zealand Food Standards Code can face lengthy and resource-intensive processes even where comparable assessments have already been completed by recognised international regulators using comparable scientific methods. Differences in how jurisdictions interpret and enforce national food standards can also add complexity and cost. Although this sits outside the inquiry's focus on non-financial reporting, it illustrates the value of risk-based regulation, mutual recognition of equivalent information and nationally consistent implementation. The same principles should guide reporting reform.

Australia already has a precedent for this approach through Standard Business Reporting (SBR). Its taxonomy defines common data elements once for reuse across multiple government reports and agencies. The same architecture should be considered for non-financial data where common definitions and secure reuse are feasible. The Productivity Commission should review international approaches for examples of efficient consolidated business reporting for emulation.

PACKAGING REPORTING AND REFORM

Packaging reporting is another example of cumulative non-financial reporting burden. Under the NEPM, brand owners can meet their obligations through the co-regulatory APCO pathway or report to relevant state and territory jurisdictions.

The September 2026 Environment Ministers Meeting agreed next steps on waste and recycling reform, including continued work on packaging regulation. Future changes to the NEPM, packaging regulation or related product stewardship requirements should not create additional reporting obligations where existing APCO data and systems can meet the policy need.

Existing APCO systems and data should be used efficiently for Commonwealth, state and territory, NEPM and future product stewardship requirements. A ‘one input, many outputs’ approach would reduce compliance effort while preserving the information needed to support packaging, recycling and circular economy outcomes.

Packaging reform will test whether governments can coordinate requirements, reuse existing information and avoid creating new reporting burden.

Recommendation 2: Adopt a ‘one input, many outputs' model based on common definitions, core data fields, common identifiers and interoperable systems, including common supplier information and reuse of existing sector reporting systems and data where they meet the policy purpose.

Recommendation 3: Recognise equivalent Australian and international information, including parent-group and end-market reporting, and align definitions, entity boundaries and reporting periods where practicable, with reconciliation only for material differences.

INTERNATIONAL APPROACHES: DESIGN FEATURES AND LESSONS

The Productivity Commission should review international approaches for examples of efficient consolidated business reporting for emulation. International examples can inform specific elements of reporting design, but they should not be treated as evidence that an entire reporting regime is low burden. The relevant question is whether particular features reduce duplication while preserving decision-useful information.

The Netherlands' SBR model uses a common taxonomy, standardised digital data and reusable information to support reporting to different recipients. It is not a sustainability reporting regime, but it shows how common definitions and interoperability can reduce repeated data preparation.

Singapore's climate and sustainability reporting roadmap includes phased requirements and recognition of equivalent group reporting. Its requirements are based on standards developed by the International Sustainability Standards Board (ISSB). Qualifying subsidiaries can be exempt where an immediate, intermediate or ultimate parent reports using ISSB-based or equivalent standards and the subsidiary is included in that public report. This is relevant for multinational businesses.

New Zealand is better treated as an emerging policy direction rather than a settled model. The External Reporting Board's 2026 draft climate reporting roadmap proposes greater alignment with IFRS S2 and harmonisation with Australia, with a long transition period. The useful lesson is the explicit focus on cross-border comparability, stability and avoiding unnecessary duplication, not that the framework has already demonstrated lower burden.

In July 2026, the European Commission adopted revised European Sustainability Reporting Standards (ESRS) to reduce administrative burden, cutting mandatory data points by more than 60 per cent and introducing a value-chain cap for smaller businesses. At the time of this submission, the measures were subject to scrutiny before taking effect. This is useful both as a design example and as a caution: overly complex reporting can create costs that later require material simplification.

Across these examples, the common elements are standardised core data, recognition of equivalent reporting, proportionate requests to smaller value-chain participants, phased implementation as capability develops, and alignment with global standards unless a clear Australian policy reason exists to differ.

> **Recommendation 4:** Look to global examples to identify alignment opportunities. Reporting systems should be based on stable principles, with measures that allow them to evolve and improve rather than becoming a ‘set and forget’ system.

ENVIRONMENTAL REPORTING: WHERE ALIGNMENT CAN WORK NOW

NGER AND AASB S2

NGER and AASB S2 are examples of related requirements that draw on the same underlying emissions information. Members support the objectives of both frameworks, but differences in reporting periods and operational boundaries can require additional work without changing the underlying emissions performance.

Reporting entities should be able to use the most recent completed NGER data as the starting point for relevant AASB S2 Scope 1 and Scope 2 disclosures where reporting periods differ. Where timing or boundaries differ materially, a proportionate reconciliation or explanation should be sufficient. Reliable data prepared under an established domestic framework should not need to be recollected or recalculated solely because it is used for another reporting purpose.

Recommendation 5: Improve alignment between NGER and AASB S2 so reliable Scope 1 and Scope 2 data can be reused where reporting periods or boundaries differ.

SCOPE 3 AND VALUE-CHAIN REQUESTS

As outlined above, small and medium-sized food and grocery suppliers can face repeated requests which require new systems, staff time or external support that is disproportionate to their size and direct regulatory exposure.

AFGC members support primary supplier data where it is material and useful for decision-making or emissions reduction. It should not be the default where recognised estimates, industry averages or secondary data are sufficient for the reporting purpose. More granular data can still be sought where it supports internal management, target-setting or specific reduction programs.

Requiring bespoke primary data from every supplier can increase cost across the value chain without a corresponding improvement in external reporting. Authoritative emissions factors and shared datasets can reduce repeated data collection and allow more detailed work to be targeted where it will support action.

Recommendation 6: Set proportionate boundaries for Scope 3 and other value-chain requests, and accept recognised estimates, secondary data and shared factors where they meet the reporting purpose.

EMERGING NATURE-RELATED REPORTING

Nature-related reporting is emerging, and the underlying data, methods and reporting architecture are less mature than for greenhouse gas emissions. This is an opportunity to avoid building another disconnected reporting layer.

Any future Australian requirements should, where appropriate, align with relevant global standards, including ISSB developments, and with existing domestic environmental reporting and datasets. They should also reuse existing governance processes, entity identifiers, digital architecture and data controls where feasible.

Nature information will not always mirror carbon information. Location, ecosystem condition and supply-chain context can be important. That makes clear definitions, interoperability and proportionate data expectations more important, not less. The objective should be information that supports better decisions and environmental outcomes, without requiring businesses to maintain parallel systems for closely related purposes.

The internal process of preparing annual disclosures for Directors' sign-off could potentially be the same in many domains, including nature, climate and modern slavery. The challenge for government is to make this as seamless as possible.

Recommendation 7: Design emerging nature-related reporting to align with relevant global standards and existing Australian environmental reporting, data and systems.

COORDINATED POLICY, SYSTEMS AND IMPLEMENTATION

AFGC supports stronger coordination across Commonwealth agencies and among Commonwealth, state and territory governments. A government-wide implementation map should identify major reporting reforms, common data fields, definitions, commencement dates, assurance settings and opportunities for reuse or mutual recognition. It should be publicly available, regularly updated and overseen by a clearly identified lead body. Coordination should be backed by investment in shared reporting infrastructure, including common taxonomies, interoperable digital standards, secure exchange mechanisms and authoritative datasets. Without this foundation, a ‘one input, many outputs' model is unlikely to be delivered consistently.

Many reporting reforms rely on the same business systems, governance processes, suppliers and specialist staff. When requirements are developed or commenced separately, businesses may need to redesign controls, contracts, supplier processes, and technology several times.

Implementation planning should also identify the capability needed across boards, management, reporting teams, regulators and assurance providers. New obligations should not commence before final requirements, guidance and core systems are available. Transition periods should allow organisations to build capability against a stable requirement, rather than repeatedly redesigning controls as expectations develop.

This implementation map should include packaging reform. Any new Commonwealth packaging framework, NEPM changes and product stewardship schemes should be designed to reuse existing APCO data and systems where feasible, with clear mapping where definitions or reporting boundaries differ.

For environmental policy, Australia will need sustained business investment and operational change to reduce emissions and improve outcomes for nature. Reporting should support that work. Fragmented requirements can work against it when the same specialist capability is repeatedly directed to data reconciliation and compliance rather than implementation.

Recommendation 8: Develop a publicly available, government-wide reporting roadmap, overseen by a clearly identified lead body, to coordinate Commonwealth, state and territory reforms, responsibilities, timing, definitions, assurance settings and opportunities for reuse or mutual recognition.

PURPOSE, USE AND MEASURING REFORM

A reporting requirement should have a clear purpose, identified users and a credible explanation of how the information will be used. Before introducing a new requirement, government should test whether equivalent information already exists and whether the policy objective could be met through reuse, a proxy, or a less burdensome mechanism.

The effectiveness of reform should also be measured from the business perspective. Useful measures include staff time, external cost, systems changes, repeated requests, reconciliation activity, use of common data fields and evidence that reported information is informing regulatory or market decisions.

This would help distinguish reporting that creates genuine value from administration caused by duplication, inconsistent design or unclear use.

Government should also assess whether reported information is accessed, compared and used by its intended users. Requirements that impose material cost but show limited use should be redesigned, consolidated or removed unless there is a clear public-interest reason to retain them.

The level of granularity of reporting needs to be connected to a specific purpose or use case by Government. This must be a valid and current purpose. If this does not exist, then the cost burden of accuracy should not be unnecessarily imposed.

Recommendation 9: Require reporting requirements to have a clear purpose and identified users, measure whether information is used, and redesign, consolidate or remove requirements that impose material cost but provide limited value.

Recommendation 10: Build implementation and capability support into new and emerging reporting requirements, including clear guidance, worked examples, stable transition periods and consistent assurance expectations.

Recommendation 11: Invest in the shared infrastructure needed for interoperable reporting, including common taxonomies, data standards, authoritative datasets, pilots and implementation support for small and medium-sized businesses.

Recommendation 12: Align federal packaging reform, the NEPM and future product stewardship reporting with existing APCO systems and data to avoid parallel reporting requirements.

WORKFORCE AND PEOPLE-RELATED REPORTING

The principles outlined in this submission also apply to workforce and people-related reporting requirements. These can include workforce data, work health and safety (WHS) reporting and gender equality reporting. These contribute to the cumulative non-financial reporting burden on businesses and should be considered as part of a system-wide approach to reporting reform.

For example, WHS requirements can involve reporting, notification and record-keeping obligations across Commonwealth, State and Territory jurisdictions. Opportunities should be considered to improve consistency, reduce unnecessary duplication and enable appropriate reuse of information, while preserving the information required to support effective WHS outcomes. The Safe Work Australia (SWA) model WHS framework provides a national policy foundation, although implementation and enforcement occur through relevant jurisdictions.

Gender equality reporting is another relevant area for consideration. Relevant employers report under the Workplace Gender Equality Act 2012 (WGE Act) to the Workplace Gender Equality Agency (WGEA). These requirements should be considered alongside other workforce reporting obligations to identify

opportunities for common definitions, compatible data structures and reuse of information where this can be achieved without undermining the purpose of the reporting.

The AFGC considers these areas relevant to the Productivity Commission's broader examination of non-financial business reporting. AFGC will seek further input from members on workforce, WHS and gender equality reporting and expects to provide further insights during the next stage of consultation, including on opportunities to reduce duplication and improve alignment across related reporting requirements.

CONCLUSION

AFGC supports non-financial reporting with a clear purpose that provides useful information without undue impact on companies. The priority should be to remove avoidable duplication and fragmentation, not reduce legitimate transparency.

Common data should be reusable across domestic and international requirements, including emerging packaging and product stewardship obligations, while reducing indirect burden on small and medium-sized businesses. Government investment in shared systems and data infrastructure is needed to make interoperability work and free up capability for emissions reduction, resource efficiency and improved outcomes for nature.

AFGC thanks the Productivity Commission for the opportunity to contribute to the inquiry and welcomes further engagement with the Commission on this submission, related matters and subsequent stages of the inquiry.



The figures on this page exclude the fresh food sector and are based on 2024-25 ABS data.

1: This is total number of employees, head count basis and does not include seasonal employees.
2: Gross fixed capital formation for food, beverage and tobacco manufacturing subsector is taken as indicator of capital investment.