INFRASTRUCTURE PARTNERSHIPS AUSTRALIA

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The Federal Treasury
Via submission portal

SUBMISSION TO THE FEDERAL TREASURY'S DRAFT CORPORATIONS AMENDMENT (PROPRIETARY COMPANY THRESHOLDS) REGULATIONS 2026

Infrastructure Partnerships Australia is pleased to provide this submission to the Federal Treasury on its Draft Corporations Amendment (Proprietary Company Thresholds) Regulations, released in October.

Infrastructure Partnerships Australia is an independent think tank and executive member network, providing research focused on excellence in social and economic infrastructure. We exist to shape public debate and drive reform for the national interest. As the national voice for the infrastructure sector in Australia, our membership reflects a diverse range of public and private sector entities, including infrastructure owners, builders, operators, financiers, advisers, technology providers, regulators and policy makers.

Australia is currently experiencing a productivity crisis

The productivity challenge facing our country is clear and well-documented. For almost a decade, growth has been anaemic, competition has softened, and reform momentum has wavered. Current policy and market settings are not supporting growth as effectively as they should, and their cumulative drag on productivity is significant. In recent years, industry has faced growing compliance requirements, while policy settings have been less focused on growth and reform than in prior periods. Estimates suggest the cost of complying with Commonwealth regulation reached around $160 billion, or 5.8 per cent of Gross Domestic Product, in 2024, a material increase from $65 billion in 2013.[1]

Reducing the regulatory burden is essential to improving Australia's productivity performance

The **Nine of Diamonds** card in Infrastructure Partnerships Australia's Practical Productivity report calls for governments to update mandatory reporting for instruments such as modern slavery statements and climate-related disclosures to be efficient, proportionate to risk and appropriate to the crucial objective they seek to achieve. Regulatory reporting mechanisms – particularly non-financial corporate disclosures and environmental and sustainable governance reporting obligations – are important mechanisms in maintaining high levels of corporate governance and organisational accountability. However, while these obligations are intended to achieve important outcomes, the volume and complexity of reporting requirements are often not proportionate to risk. While compliance regimes often apply to businesses above a revenue threshold (for instance, $100 million

1 Mandala Partners (2025) $160 billion and counting: The cost of Commonwealth regulatory complexity

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consolidated annual revenue for modern slavery reporting), obligations around supply chain compliance can generate a substantial tail of highly inefficient 'white tape' with no visibility of positive contribution to the stated policy objective sought.

Non-financial reporting requirements, including Modern Slavery Statements and climate-related disclosures, are typically applied within a linear model, standardised obligations imposed uniformly across industries, business types and reporting periods. However, not all entities present the same level of risk in relation to the policy objectives these mechanisms are intended to address. Adopting a risk-based approach to the scope and frequency of mandatory reporting requirements would ensure that regulatory attention is focused on high-risk entities, while removing disproportionate and unnecessary burdens on low-risk organisations with demonstrated records of compliance or low risk. For the avoidance of doubt, changes in this space should not be considered as a mechanism to reduce the standards we hold ourselves to, but to measure compliance in an efficient and proportionate manner.

Federal Treasury's reform agenda admirably seeks to reduce this regulatory burden, but it could go further

Infrastructure Partnerships Australia welcomes Federal Treasury's reform proposal to increase the monetary proprietary company thresholds under the *Corporations Regulations 2001* to $100 million in consolidated revenue and $50 million consolidated gross assets. This reform measure, which targets the preparation of annual audited financial, directors' and sustainability reports, will undoubtedly contribute to reducing the regulatory burden for businesses and enable a more productive delivery of services.

The Federal Government currently has a unique opportunity to establish a long-term, risk-based approach to reporting thresholds for non-financial reporting requirements. Financial reporting requirements are, and should remain, a rigorous analysis of business efficacy. However, an adaptive, proportionate and efficient system for non-financial reporting requirements would reward businesses with established track records and those which present a lower-risk profile, while still achieving the crucial objectives these frameworks seek to achieve and materially reducing regulatory burdens for businesses.

By way of example, organisations that have consistently demonstrated audited low-risk outcomes with reference to sustainability reporting obligations for three annual reporting cycles could move to a triennial reporting cycle – subject to positive disclosure obligations for material change of circumstance.

While we welcome the ambition set out in the draft regulations to reform reporting requirements, we respectfully submit that the Federal Government should immediately undertake a broader strategic review of its non-financial regulatory reporting requirements and implement reforms to reduce unnecessary administrative burden. This review should include, but not be limited to, obligations that fall under all relevant non-financial regulatory agencies. The implementation pathway for reform should ensure the objectives the mechanisms seek to achieve are maintained and upheld, but transition to become dynamic and proportionate. This should prioritise opportunities to implement non-linear approaches to reducing the compliance burden, rather than simply raising the threshold of reporting requirements which will provide a short-term solution and does not reward organisations which consistently achieve high outcomes.

Infrastructure Partnerships Australia's Practical Productivity report can be found here or at https://infrastructure.org.au/productivity.

Infrastructure Partnerships Australia looks forward to further assisting the Federal Treasury on this review. If you require additional detail or information, please do not hesitate to contact Jamie Harrison, Senior Policy Adviser at jamie.harrison@infrastructure.org.au.

Yours Sincerely,



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