

## **MEDIA RELEASE**

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# **AICD welcomes Federal Budget productivity push**

The Australian Institute of Company Directors (AICD) has congratulated the Federal Government on the productivity measures included in the 2026-27 Federal Budget.

The strong productivity focus of the Budget is an important step towards restoring balance to business and lifting Australia's long-term economic performance.

These are reforms the AICD has consistently called for and we particularly welcome the Government's decision to lift the monetary thresholds that define large proprietary companies.

Analysis conducted by Mandala Partners showed that by raising the reporting thresholds to \$100 million in revenue and \$50 million in assets it will deliver savings of over \$200 million to these businesses in the first year alone.

The AICD also supports steps announced tonight to simplify and reduce the costs of complying with the climate disclosure regime, particularly for medium-sized organisations.

AICD Managing Director and CEO Mark Rigotti said compliance costs have an enormous impact on how businesses allocate their resources, crowding out productive activity across the economy.

"Every dollar not spent meeting unrealistic or duplicative reporting requirements is a dollar that can be reinvested in the productive side of a business — whether that's hiring more people, investing in growth and technology, or lifting competitiveness.

"The scale of the compliance burden can no longer be ignored, with growth in senior compliance roles outstripping the broader labour market by 350 per cent."

"The Budget's plan to reduce regulatory costs by \$10 billion each year is a significant first step in unlocking productivity in the economy."

The changes will also provide significant relief for not-for-profit organisations, who will now be able to direct more funding to their core purpose rather than regulatory overheads.

*The Australian Institute of Company Directors Limited (AICD) is a not-for-profit organisation committed to strengthening society through world-class governance. A trusted voice in national policy creation and rollout, the AICD advocates for, informs and empowers those leading, influencing and shaping the future of contemporary governance. Its flagship Company Directors Course™ has been the gold standard in practical, real-world governance education for over 50 years - equipping leaders across all sectors with the skills and confidence to navigate complex boardroom challenges and lead their organisations with impact. The AICD is also home to the world's largest community of professionals committed to better governance for a better future. To learn more, visit [aicd.com.au](http://aicd.com.au)*

AICD research shows that increasingly complex regulation has driven a sharp rise in compliance costs and board focus. Over the past decade, board time spent on compliance has more than doubled from 24 per cent to 55 per cent, while the external legal spend has risen to \$16 billion, up from \$6 billion in 2010.

The AICD will continue to argue for a systematic stocktake of regulation and welcomes tonight's Budget measures that mark a meaningful step towards easing the burden on business and setting Australia on a more productive economic path.

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