

Press release
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From compliance to competence: upskilling for ESG in HR

- 35% of HR departments hold primary responsibilities for ESG reporting versus 45% of finance department in Australia
- 87% of HR leaders are well or somewhat prepared to manage reporting obligations but 88% of leaders foresee challenges in complying
- Ensuring data quality and reliability (35%) and time and resourcing constraints (30%) are the biggest challenges HR teams face in complying
- 45% of HR leaders say data analytics and insights is the biggest critical skill gap they have

Sydney, 28 October 2025 – HR teams state they are on top of their new Environmental, Social and Governance (ESG) reporting obligations but admit there is still a way to go to overcoming key challenges and skills gaps, new independent research by specialised recruiter [Robert Half](#) finds.

Under new legislated mandates¹ that came into effect from January 1, 2025, many Australian businesses will be required to disclose climate-related risks and opportunities (the AASB S2 sustainability reporting standard or 'E' metric) that will impact their business prospects over the short, medium and long term. The reporting required under AASB S1, predominantly focused on the 'S' and 'G' metrics remains voluntary.

Research by specialised recruiter [Robert Half](#) finds employers largely distribute primary responsibilities for ESG across finance (45%), HR (35%), and legal and compliance (33%) departments, while about a quarter (26%) have created a dedicated ESG team and 8% have a dedicated DEI (Diversity, Equity and Inclusion) team. Only 4% of employers do not conduct ESG reporting in their organisation, while 1% of employers allocate primary responsibilities to another team.

How HR departments are handling their requirements

Most (87%) businesses in which HR is responsible for ESG reporting say they are very well or somewhat prepared to meet their new ESG reporting requirements, particularly concerning 'S' (Social) metrics, but some employers admit there is still work to do.

Level of preparedness	Proportion of teams
Very well prepared	29%
Somewhat prepared	58%
Not well prepared	11%
Unsure	2%

Independent survey commissioned by Robert Half among 83 HR hiring managers in Australia.

Data and resource challenges ahead

When asked to outline what they foresee as the biggest challenges for their HR function to accurately collect, assure, and report 'S' (Social) metrics for ESG purposes, 88% reported they faced at least one challenge, including:

- Ensuring data quality and reliability 35%
- Time and resourcing constraints 30%
- Data availability and consistency across different systems 29%
- Complexity of assurance and audit requirements for 'S' data 28%
- Difficulty integrating HR data with other corporate reporting systems 27%

*“HR teams are demonstrating a strong level of preparedness for new ESG reporting demands,” says **Emma Sestic, Associate Director at Robert Half.** “At the same time, some companies acknowledge gaps that could hinder their ability to meet the new requirements, underscoring the need for timely action and strategic investment in ESG capabilities.”*

Within its role in allocating or developing internal resources, two in three (66%) HR teams are planning to address new ESG reporting obligations in a number of ways. To meet requirements:

- 34% are planning to significant upskill and train existing HR staff
- 31% are establishing a cross-functional ESG working group, including HR
- 23% are planning to create new dedicated ESG-focused HR roles

One quarter (25%) do not have plans for allocating/developing resources and expect to manage ESG compliance within current capacity and 2% expect to rely heavily on external consultants. The rest (6%) are unsure.

*“HR is playing a pivotal role in an organisation’s response to upcoming ESG regulations. While challenges are anticipated, HR teams are taking a proactive approach ensuring they have the right skills and talent in place to meet compliance requirements within the expected timeframe,” says **Sestic.***

Analytics and technology expertise the biggest skill gaps

HR leaders expect the professionals in their team will require new or enhanced skillsets to effectively manage ESG reporting obligations in the next three to five years. Data and technology skills are expected to be the most critical.

The critical skillsets required	Proportion of employers lacking this skill in HR
Data analytics and insights	45%
Technology and HRIS expertise	40%
ESG framework acumen	39%
Risk management and compliance	35%
Cross-functional collaboration	29%
Change management	28%

Independent survey commissioned by Robert Half among 83 HR hiring managers in Australia.

*“The modern HR leader needs to combine analytical and strategic expertise with strong people management skills, as the most critical competencies for ESG reporting lie in data analytics and technology, not just policy knowledge. This marks a major change, and the next generation of HR leaders will stand out for how well they use technology to turn data into insights that shape their company’s social impact story,” concludes **Sestic.***

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Notes to editors

About the research

The study is developed by Robert Half and was conducted online in July 2025, by an independent research company of 500 hiring managers in finance and accounting, IT and technology, and human resources. Respondents are drawn from a sample of SMEs as well as large private, publicly-listed and public sector organisations across Australia. This survey is part of the international workplace survey, a questionnaire about job trends, talent management, and trends in the workplace.

**About Robert Half**

Robert Half is the global, specialised talent solutions provider that helps employers find their next great hire and jobseekers uncover their next opportunity. Robert Half offers both contract and permanent placement services, and is the parent company of Protiviti, a global consulting firm. Robert Half Australia has offices in Brisbane, Melbourne, Melbourne South East, Perth, and Sydney. More information on roberthalf.com/au.

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