

23 June 2025

Commissioner Stephen King

Commissioner Julie Abramson

Productivity Commission

Submitted: Online

Re: Harnessing data and digital technology inquiry

The Australian Shareholders' Association (ASA) is the leading independent voice for retail investors in Australia. We welcome the opportunity to provide input to the Productivity Commission's inquiry into **Pillar 3: Harnessing Data and Digital Technology**, and we appreciate the invitation to contribute to this important consultation process.

Our attached submission outlines the benefits of digital financial reporting to shareholders and responds to the four questions in the Productivity Commission's short questionnaire, which seeks feedback on specific aspects of the proposed reform areas.

***Question 1: What are the benefits of digital financial reporting to shareholders?***

Australian Shareholders' Association (ASA) believes digital reporting delivers five key benefits to shareholders:

1. **Efficiency and accuracy:** Digital reporting automates manual processes, reducing errors and increasing the speed of financial disclosures. ASA recommends the adoption of iXBRL as the preferred digital reporting format for listed companies, using the IFRS Accounting Taxonomy. Already mandated in several jurisdictions, iXBRL supports timely, accurate and globally comparable reporting by embedding structured data within a human-readable document. It combines the benefits of HTML and XBRL in a single format, enabling both machine processing and intuitive access for investors.
2. **Improved data quality:** Digital systems enhance reliability through validation checks and reduce discrepancies between human-readable and machine-readable reports. iXBRL embeds structured data within a readable document, improving consistency.
3. **Transparency and accountability:** Structured digital reports allow easier access to comparable financial data across companies and time periods. This improves market transparency and strengthens investor oversight. ASA supports

targeted government investment in digital reporting infrastructure to accelerate adoption across listed companies.

4. **Regulatory alignment:** Jurisdictions such as the US, UK, and EU have mandated digital reporting, supporting greater regulatory oversight. Australia should align with these trends to avoid falling behind global standards.
5. **Cost and analytical benefits:** Over time, digital reporting lowers costs associated with manual data processing and physical storage. It also enables advanced analytics and paves the way for AI-driven tools that can analyse structured data at scale. These tools have the potential to improve financial modelling, detect anomalies, and enhance benchmarking, helping investors and regulators make more informed and timely decisions. As structured formats such as iXBRL become more widely adopted, the ability to harness AI in reviewing and comparing disclosures across companies will expand and offer tangible benefits to both institutional and retail investors. ASA believes iXBRL provides the optimal balance between investor accessibility and data use, supporting both current analytical needs and future innovation in financial reporting.

***Question 2: Are there any studies that quantify the benefits of digital financial reporting?***

The advantages of digital financial reporting are already being realised internationally.

**International:**

The [International Financial Reporting Standards \(IFRS\) Foundation](#) notes that digital reporting allows investors to efficiently search, extract, and compare financial and sustainability data. Over 90% of global listed companies are now required to report digitally.

**Domestic:**

The Parliamentary Joint Committee on Corporations and Financial Services examined the regulation of auditing in Australia and released its final report, *Regulation of Auditing in Australia*, in November 2020. Among its recommendations, the Committee called on the Australian Government to make digital financial reporting standard practice. The report noted that this shift would not only support the auditing profession but also improve efficiency and transparency across capital markets.

Separately, a [Deloitte Australia report](#) highlighted that standardising digital corporate reporting would significantly enhance the ability to analyse, compare and assess financial risk in Australia.

**Question 3: Should small and medium enterprises (SMEs) submit digital financial reports?**

The Australian Shareholders' Association primarily monitors ASX 200 companies and does not regularly engage with the financial reporting practices of small to medium enterprises (SMEs).

However, as a principle, ASA supports the long-term goal of standardising digital reporting across the Australian corporate landscape, provided any transition is appropriately phased and supported. A scalable framework may enable SMEs to adopt digital reporting over time, without imposing undue regulatory or cost burdens.

ASA recommends that any future policy be informed by engagement with SME stakeholders and tailored to their capacity, while still aligning with Australia's broader goals for improved transparency, comparability, and efficiency in financial reporting.

**Question 4: Which submission format is preferable for shareholders: XBRL or iXBRL?**

ASA strongly supports the use of iXBRL as the preferred format for financial disclosures in Australia. It offers dual benefits:

- Readability: Maintains a traditional report appearance for human readers
- Accessibility: Embeds machine-readable data for investors, analysts, and regulators

This format reduces inconsistencies between data sets and improves usability of financial information for a wide range of users.

However, companies should also continue to produce a PDF for ease of access, particularly for retail investors who may prefer traditional formats. While iXBRL serves regulatory and analytical needs, PDFs remain an important tool for investor communication and engagement.

Yours sincerely



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For more information about ASA's policy priorities, [click here](#).