

ASA Submission to the Productivity Commission Economic Reform Roundtable | July 2025

Introduction

These recommendations directly support the Productivity Commission's goals and reflect the policy directions highlighted by the Prime Minister and Treasurer. Our proposals offer practical pathways to boost productivity, foster private-sector investment, and harness digital innovation in capital markets.

1. Digital Transformation of Financial Disclosure and Market Infrastructure

ASA strongly supports the mandatory implementation of machine-readable financial reporting (e.g., Inline XBRL). This reform:

- Reduces duplicative compliance burdens, echoing the Treasurer's call to regulators for measurable actions to cut red tape.
- Enhances data comparability and market transparency.
- Improves monitoring and enforcement efficiency.

Additionally, we recommend reforms to registry and proxy voting processes, including:

- Default digital-first shareholder communications.
- Centralised access to registry services.
- Standardised corporate action procedures.

These proposals align with Prime Minister Albanese's commitment to user-friendly Government systems and streamlined regulatory processes that enable private-sector growth.

International precedent:

U.S. Securities and Exchange Commission (SEC). (2021). Inline XBRL for Filers. Retrieved from <https://www.sec.gov/structureddata/osd-inline-xbrl>

European Securities and Markets Authority (ESMA). (2020). European Single Electronic Format (ESEF) Reporting Manual. Retrieved from <https://www.esma.europa.eu/issuer-disclosure/electronic-reporting>

2. Rebalancing Capital Markets for Transparency and Fairness

ASA supports reforming capital raising practices and improving retail access. Key proposals include:

- Encouraging streamlined disclosure regimes for public listings.
- Imposing minimum disclosure standards on large private placements.

- Promoting equitable structures like PAITREO over non-renounceable placements.

These reforms support the Government's emphasis on efficient, transparent markets and fairer participation in capital allocation, ensuring retail investors are not left behind.

International precedent:

U.S. Congress. (2012). Jumpstart Our Business Startups (JOBS) Act. Retrieved from <https://www.congress.gov/bill/112th-congress/house-bill/3606>

Pre-Emption Group (UK). (2022). *Principles of Pre-emption Rights*. <https://gowlingwlg.com/en/insights-resources/articles/2022/pre-emption-group-updated-statement-of-principles>

3. Holistic Tax Reform to Encourage Long-Term Investment

ASA acknowledges the Treasurer's and Prime Minister's statements that tax reform must support productivity, resilience, and budget sustainability. Accordingly, we recommend:

- A holistic review of the tax system.
- Indexing the \$3 million superannuation cap for inflation.
- Maintaining the exclusion of unrealised gains from taxation.

Retail shareholders, who invest directly outside of superannuation, are a growing segment of the economy. According to the ASX Australian Investor Study 2023, 10.2 million Australians now hold investments outside their home and super, with 7.7 million investing via public exchanges. Importantly, 22% of these on-exchange investors began investing in the last two years, and next-generation investors (aged 18–24) now make up 12% of the total investor population (up from just 5% in 2020). These younger Australians are increasingly building long-term portfolios through direct investment.

A stable and predictable tax framework is critical to sustaining confidence and encouraging long-term asset ownership. Tax settings that introduce volatility, complexity, or perceived unfairness may deter participation. Supporting intergenerational equity in tax policy will ensure that Australians at all stages of life can plan, invest, and contribute meaningfully to the country's long-term prosperity.

4. Financial Capability and Digital Inclusion

We support investment in scalable, plain-language digital tools to:

- Boost investor accessibility, engagement, and confidence.
- Reduce demand for regulators and financial advisers over time.
- Improve financial literacy and informed participation in capital markets.

This supports the Prime Minister's and Treasurer's digital inclusion agenda and helps ensure retail shareholders have equitable access to tools that support their participation in economic growth.

International examples:

UK Financial Conduct Authority. (2020). National Strategy for Financial Wellbeing. Retrieved from https://maps.org.uk/content/dam/maps-corporate/en/our-work/uk-strategy-for-financial-wellbeing/maps-uk-strategy-for-financial-wellbeing-2020-2030.pdf?_cf_chl_tk=8T6groiBvBhFYvw4MeUs_9vufhX22JdkWZvOK3xRaXk-1753311985-1.0.1.1-8MFPQ84a.vHNS2AjUds4JgQqb9AvZPfbhGRll1.KTg

5. Responsible Use of AI to Strengthen Oversight and Governance

ASA advocates for the responsible deployment of AI to enhance regulatory oversight, improve efficiency, promote digital innovation, and protect retail shareholders. The ASA calls on the Government and regulators to use AI to

- Detect anomalies in executive remuneration.
- Identify market misconduct trends.
- Reduce manual compliance processes and strengthen trust in regulatory systems.

These recommendations align the Prime Minister's warning that Australia must be proactive in preparing for AI's economic impacts, while safeguarding public trust and regulatory integrity.

Global trends:

European Commission. (2021). Digital Finance Strategy for the EU. Retrieved from https://www.sec.gov/files/sec_strategic_plan_fy22-fy26.pdf?utm_source=chatgpt.com

SEC. (2023). Strategic Plan FY 2022–2026. Retrieved from https://www.sec.gov/files/sec_strategic_plan_fy22-fy26.pdf

Conclusion

ASA's recommendations align with the Government's five economic reform pillars: productivity, resilience, digital innovation, tax sustainability, and regulatory efficiency. These evidence-based proposals drawn on international leading practice and offer tangible steps to strengthen Australia's capital markets and support the national interest.

We welcome continued engagement and thank the Commission for including retail investors in this important national dialogue.