

15 September 2025

Commissioner Stephen King  
Commissioner Julie Abramson  
Productivity Commission  
Submitted: Online

#### **Re: Information request 4.1**

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 Interim Report and Draft recommendation 4.1 on digital financial reporting. Our submission reflects retail shareholder perspectives, drawing on our previous submission to the Productivity Commission and recent stakeholder discussions, including alignment with positions that ensure fair, transparent, and accessible reporting for retail investors.

#### **1. Who should be required to submit digital financial reports? Should implementation be phased?**

ASA supports mandatory digital financial reporting for all disclosing entities, including listed companies and registered managed investment schemes, consistent with the *Corporations Act 2001 (Cth)*.

A phased implementation is appropriate to avoid overburdening preparers, with listed companies and large disclosing entities prioritised first. International experience, including in the EU, shows that phasing over three to five years supports a manageable transition while ensuring reform momentum.

#### **2. Are there other reports that should be submitted digitally?**

ASA's position is that digital financial reporting should be prioritised as the first step.

Expansion to digital sustainability and climate-related reporting is desirable, but only once the financial reporting framework is well established. This sequencing aligns with Treasury's 2023 consultation on climate-related disclosure, which confirmed financial reporting digitalisation should precede sustainability reporting.

Legislative and regulatory frameworks should, however, be designed with flexibility to accommodate future integration of sustainability disclosures in digital form. This will allow Australia to adapt to evolving international standards without requiring further legislative overhaul.

### 3. What can be done to enable high-quality reporting and the production of high-quality data? Is the digital reporting taxonomy adequate?

High-quality outcomes depend on strong alignment with international standards and robust governance of taxonomies. ASA supports:

- Ongoing alignment of the IFRS AU Taxonomy with the global IFRS Accounting Taxonomy (and, in time, IFRS Sustainability Disclosure Taxonomy) to reduce compliance costs and ensure comparability.
- Built-in validation checks, restricted extensions, and regulator oversight to safeguard data quality.
- Regular updates to the taxonomy, informed by structured feedback loops among regulators, auditors, preparers, and report users.
- Incorporating digital reporting into assurance processes as part of financial audits, to reinforce trust and reliability of tagged data.

High-quality digital reporting will also support the responsible use of emerging technologies, including artificial intelligence, which is increasingly used by both institutional and retail investors to interpret disclosures. Ensuring data is accurate, standardised, and comparable reduces the risk of misinterpretation when such tools are applied.

### 4. Should report preparers be required to prepare their digital financial reports in XBRL format, iXBRL format, either format or a different format?

ASA strongly supports iXBRL as the required format.

- iXBRL offers dual readability: machine-readable data for regulators and analysts, and human-readable documents for investors.
- It reduces inconsistencies between formats and ensures a “single version of the truth.”
- Jurisdictions including the US, UK, Japan, and South Africa mandate iXBRL, making it the international benchmark.

However, ASA also advocates that listed companies continue to provide their financial reports in PDF and other easily downloadable formats alongside iXBRL filings.

There are several reasons this dual approach is essential for retail investors:

- **Investor accessibility:** ASIC’s *REP 735 Retail investor research (2022)*<sup>1</sup> found that retail shareholders commonly access company financial statements directly from company websites and ASX announcements<sup>2</sup>. A PDF remains the most accessible and familiar format for these investors, particularly those less engaged with digital analytics tools.

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<sup>1</sup> ASIC, *REP 735 Retail investor research (2022)*, highlighting retail investors’ use of company financial statements and ASX/ASIC resources.

<sup>2</sup> Australian Securities Exchange, *Australian Investor Study 2023*.

- **Ease of use and communication:** The ASX *Australian Investor Study 2023* reported that around 7.7 million Australians invest on-exchange, many of whom rely on straightforward, easily readable documents<sup>3</sup>. Maintaining PDFs ensures broad accessibility, supporting investor confidence and inclusivity.
- **Continuity and comparability:** ASA has consistently noted in previous submissions, including its June 2025 Productivity Commission response on digital reporting<sup>4</sup>, that while iXBRL should be mandated, PDFs should remain available as a complementary format to ensure accessibility and comparability across investor groups<sup>5</sup>.
- **Practicality for retail users:** Many retail shareholders lack the tools or expertise to process tagged data directly. A PDF provides a practical, shareable reference document that aligns with existing investor practices, while iXBRL ensures structured data for regulators and analysts.

Accordingly, ASA recommends that the Productivity Commission's proposal specify that digital financial reports be submitted in iXBRL format, with a requirement to also publish a PDF version freely accessible and downloadable from both company websites and a centralised ASIC-managed portal. This ensures retail shareholders retain straightforward access while still advancing the benefits of structured digital reporting.

While advances in AI-driven analysis will make iXBRL data more accessible over time, a PDF format remains critical in the near term to ensure that all investors, including those less digitally confident, can continue to access and understand financial statements.

## 5. How should digital financial reports be submitted? How should they be made available to the public?

Digital reports should be lodged through a centralised, regulator-managed portal with free public access.

- ASA considers ASIC to be the appropriate host, given its statutory mandate and independence.
- Reports must be freely accessible, not fee-based, with APIs enabling bulk access and analytical use by investors, researchers, and regulators.
- This would align Australia with global best practice (e.g., SEC's EDGAR in the US and ESMA's ESEF framework in Europe).

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<sup>3</sup> Australian Securities Exchange, *Australian Investor Study 2023*.

<sup>4</sup> ASA, *Submission to the Productivity Commission Harnessing Data and Digital Technology Inquiry* (23 June 2025), which supported iXBRL as the optimal format but also recommended continued provision of PDFs for retail investors.

<sup>5</sup> ASIC, *REP 735 Retail investor research* (2022), highlighting retail investors' reliance on company financial statements and ASX disclosures.

Ensuring free and open access is critical for retail investors, who currently face barriers where reports are fee-based or fragmented across multiple channels.

#### **6. What should be done to ease the reporting burden for preparers?**

ASA acknowledges that implementation will impose transition costs. To ease the burden, government and regulators should:

- Provide clear guidance, training, and implementation support, including templates, education programs, and specialist assistance.
- Establish a centralised “tell-us-once” reporting portal that can serve multiple regulators, reducing duplication and compliance costs.
- Phase implementation over several years, starting with larger listed entities, while allowing smaller entities additional time to transition.
- Encourage collaboration between regulators, industry bodies (such as AICD, CA ANZ and CPA Australia), and reporting entities to streamline processes and build preparer capability.

Phased adoption should begin with the ASX 200, which represents around 80% of market capitalisation and is most relevant to retail investors through direct holdings and ETFs. Early tagging of these companies will maximise coverage and investor benefit while smaller entities are given more time to transition.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'RW', is placed over a light blue rectangular background.

Rachel Waterhouse  
Chief Executive Officer  
Australian Shareholders' Association