Digital Reporting Now: Empowering Companies, Investors, and the Economy

Artwork acknowledgement: Rhys Paddick, a Yamatji/Noongar digital artist from Boorloo (Perth, WA)

Acknowledgement of Traditional Owners

Chartered Accountants ANZ acknowledges the land throughout Australia as Traditional Lands of the Aboriginal and Torres Strait Islander peoples and we respect their spiritual relationship with their Country and to their Elders past and present.

We also acknowledge them as the custodians of the Land and Waters, and that their cultural and heritage beliefs are important to Aboriginal and Torres Strait Islander peoples today.

Te Tūtohu i te Tangata Whenua

Nō roto mai i te kauanuanu, e tūtohu ana a Chartered Accountants ANZ ko ngā iwi Māori te tangata whenua o Aotearoa.

Acknowledging Tangata Whenua

Chartered Accountants ANZ acknowledges and respects ngā iwi Māori as tangata whenua of Aotearoa New Zealand.

He aha te mea nui o te ao?
He tāngata! He tāngata! He tāngata!

What is the most important thing in the world?
It is people! It is people! It is people!

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Foreword

Chartered Accountants Australia and New Zealand (CA ANZ) commends the Productivity Commission for focusing on harnessing data and digital technology in Australia. We appreciated the opportunity to discuss the importance of digital reporting and are pleased to present this comprehensive report. Our aim is to highlight the significance of digital reporting for Australian listed entities, drawing upon extensive research and stakeholder engagement.

CA ANZ has for several years advocated for legislation that would mandate digital financial reporting for listed companies and other equivalent public interest entities in Australia. We have formed this position based on extensive outreach to understand the views of investors, professionals, regulators, businesses, and focused research and analysis.

Australia has fallen behind other major markets around the world, most of which have required tagged, machine readable digital reporting for several years. In a complex global context where financial analysis and investment decisions increasingly rely on artificial intelligence and other technology driven approaches, Australia’s capital market is rendered effectively invisible or at best inaccurately viewed through continued use of paper and online PDF financial reporting.

The barriers to adoption in the listed company space have significantly decreased over the past five years, with the introduction of software solutions, integration into existing systems and teething issues having been addressed in overseas markets which means the costs and challenges are now marginal and far outweighed by the opportunity cost of falling behind the rest of the world and leaving Australian shareholders poorly served.

We set out four specific, actionable recommendations to embrace digital reporting, amplify Australian businesses on the global stage, and unlock efficiencies in the economy through streamlining Government reporting. The time for action is now.

Executive summary

Australia has fallen behind other major international economies by not mandating digital reporting. Australia's capital market is rendered effectively invisible or at best inaccurately viewed through continued use of paper and online PDF financial reporting. Artificial intelligence (AI) and digital reporting work together to generate meaningful insights. AI relies on structured, machine-readable data to function effectively, and digital reporting provides that essential foundation.

Digital reporting enhances productivity by automating data collection, reducing manual errors, and streamlining compliance processes. It also boosts investment by increasing transparency, improving data accessibility, and enabling faster, more informed decision-making by investors. As corporate reporting grows more complex, digital reporting becomes increasingly essential to ensure information remains usable, accessible, and meaningful for stakeholders. Digital reporting unlocks opportunities for efficiency in corporate reporting to Government, reducing the burden of regulation.

Australian investors are demanding modern digital access to financial information, yet Australia lags most leading economies in mandating digital reporting for listed entities. As investors increasingly rely on digital sources and data for decision-making, adopting digital reporting is essential to meet expectations and align with global standards.

Chartered Accountants ANZ recommends that the Australian Government:

1. **Amend the Corporations Act 2001 to require disclosing entities (i.e. listed companies and equivalent) to lodge their annual and half year financial reports in digital form.**
2. **Adopt the XBRL digital reporting format, using the IFRS Accounting Taxonomy for Australia's mandatory digital reporting.**
3. **Make digital reporting data freely available, with Government investing in digital reporting infrastructure to support the transition and implementation.**
4. **Review opportunities for Government to streamline inefficient and duplicative reporting to different agencies utilising digital reporting data.**

1. What is digital reporting?

Digital reporting using XBRL (eXtensible Business Reporting Language) is the process of preparing and submitting financial or business information in a standardised, machine-readable format. XBRL allows each piece of data in a report to be tagged with a unique identifier that explains its meaning, making it easier for computers to automatically read, validate, and analyse information from anywhere in the world. **Inline eXtensible Business Reporting Language (iXBRL)** combines the HTML and XBRL formats, resulting in one single document that is both human readable and machine readable.

Why do we need it?

*"Just publishing corporate data in any format is not enough. To meet the needs of users, today's disclosures must be in a **consistent**, **comparable** and **computer-readable** form.*

\- XBRL International

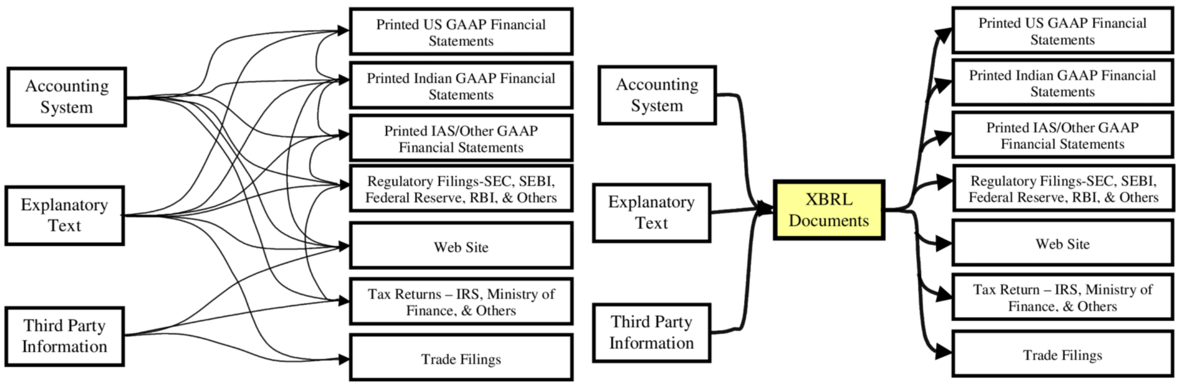


Figure 1: Before and after XBRL documents[1]

Standards-setters and regulators use a digital "tagging" alphabet and grammar to create words and build dictionaries (or 'taxonomies') defining exactly the information they need. For example, prepaid expenses of A$1,234,567 reported in the Statement of Financial Position could be digitally tagged as:

<CurrentPrepaidExpenses contextRef="e2025" unitRef="AUD">1,234,567</ifrs:CurrentPrepaidExpenses>

This means that the number can be read by computer programs and identified as prepaid expenses of $1,234,567 reported in Australian dollars for the financial year ending 2025. This can be evaluated relative to other information in the financial report or compared with the same tag for other entities.

- Make analysis across thousands of financial reports easier, faster and more accurate.
- Improve accuracy and reduce manual errors.
- Extract prompt and meaningful comparisons about business performance.
- Compare information in multiple languages, reporting frameworks and layouts.
- Provide high-quality input to harness the full power of artificial intelligence.
- Embed data validation capabilities to ensure consistent high quality.

[1] Extensible Business Reporting Language (XBRL): the digital language of business: an Indian perspective | Research Gate

2. Australia *falling behind* on digital reporting

Australia has fallen behind other major international economies by not mandating digital reporting. Australia's capital market is rendered effectively invisible to many key sources of investment through continued use of paper and online PDF financial reporting.

KEY FACTS

- XBRL is mandatory in most major economies, representing over **USD70.8 trillion (or 87.8%)** of the world's total market capital.
- **90%** of the world's ten largest economies mandate or are in the process of phasing in mandatory digital reporting for publicly listed companies and equivalents.
- A 2015 study published in the Journal of International Accounting Research found that XBRL adoption in China led to a **reduction in the cost of equity capital**.
- A 2022 Accounting Research Journal study covering **98 countries** found that XBRL adoption significantly improves financial reporting quality.
- In the 2024 Chartered Accountants IFRS Survey, over **50%** of Chartered Accountants support or strongly support the government making digital financial reporting mandatory for listed companies.

Mandatory or phasing in mandatory XBRL Digital Reporting for listed and equivalent entities in the top global economies

#1	**United States**	✓	#6	**United Kingdom**	✓
#2	**China**	✓	#7	**Canada**	✗
#3	**Japan**	✓	#8	**Saudi Arabia**	✓
#4	**Hong Kong**	✓	#9	**France**	✓
#5	**India**	✓	#10	**Germany**	✓

Based on relevant regulatory, legal and market sources accessed for each country in May 2025.

Digital reporting in the world's major economies

XBRL is actively used across 65 countries and supports nearly 220 different reporting frameworks globally, and this number is continually growing. With millions of XBRL reports published every year, users worldwide rely on XBRL for high-value data, across different languages and in many different types of reports. Adopting digital financial reporting aligns Australia with global best practices and enhances the competitiveness of its capital markets. China was the first to mandate XBRL reporting for listed companies in 2007. The United States followed shortly after with the Securities and Exchange Commission (SEC) requiring public companies to file financial statements in XBRL, establishing the U.S. as a global hub for structured financial data. In the United Kingdom, iXBRL became compulsory in 2011 for Company Tax Returns, including financial accounts and computations submitted to Her Majesty's Revenue &

Customs (HMRC), and a new mandate is expected requiring all company accounts filed with Companies House to be submitted in XBRL as part of broader corporate transparency reforms. Meanwhile, Canada is actively exploring XBRL for investment fund disclosures, although a full mandate has yet to be introduced. Together, these developments reflect a global shift toward digital-first financial ecosystems, with XBRL playing a central role in modernising corporate reporting.

Australian companies are becoming invisible to international capital markets

In a complex global context where financial analysis and investment decisions increasingly rely on AI and other technology-driven approaches, Australia's capital market is effectively invisible through continued use of paper and online PDF financial reporting. When financial information is locked in static formats or contains inaccuracies, it cannot be reliably processed by algorithms. As a result, such data is either excluded from analysis or leads to misinformed decision-making. For this reason, many other countries have mandated structured, machine-readable financial reporting to support AI and technology-driven markets, and Australia is not amongst them (see section 3 for more on AI and digital reporting).

> ***"Data prepared by corporates is either digital, or invisible."***
>
> - **John Turner**
> Chief Executive Officer,
> **XBRL International**
> *EFRAG Conference* (2023)

Digital reporting improves financial reporting quality

Impact of XBRL adoption on financial reporting quality: global evidence (Tawiah & Borgi, 2022), published in the Accounting Research Journal, examined 98 countries finding that "XBRL is associated with an increased financial reporting quality". The study attributes this to that assumption that "XBRL-formatted financial statements improve information efficiency through increased searching efficiency, quality of display and comparability".

3. Unlocking the *power of AI* with digital reporting

AI relies on structured, machine-readable data to function effectively, and digital reporting provides that essential foundation.

KEY FACTS

- A 2024 study by Mercer found that **91%** of investment managers are currently or planning to use AI within their investment strategy or asset-class research.
- More than three-quarters of respondents in a 2025 McKinsey & Company study now say that their organizations use **generative and analytical AI** in at least one business function.
- Among investment managers currently using AI, data quality and availability is the most-cited barrier to unlocking the technology's full potential.

AI needs verified, machine-readable data

Modern AI tools rely on probabilistic methods and can misinterpret key facts, especially when encountering novel or complex information. The reality is that almost every corporate report does contain nuanced information unique to that company. When data and data definitions are already structured with XBRL, AI models can instantly identify concepts, compare figures across many reports in seconds and ultimately deliver more accurate, consistent and trustworthy insights. Digital financial reporting enables AI-driven sophisticated quantitative analysis and complex modelling. When there's no single, definitive version of the truth, uncertainty rises — and in corporate reporting, uncertainty can translate to costly mistakes.

> ***"You can have all of the fancy tools, but if [your] data quality is not good, you're nowhere."***
>
> **Veda Bawo**
> Director of Data Governance,
> **Raymond James**

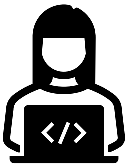
Together, AI and digital reporting will transform audit and regulatory landscapes

The ability to access and analyse structured electronic financial data will significantly enhance regulatory oversight by enabling more precise detection of anomalies, streamlined surveillance, and targeted enforcement actions. For auditors, digital reporting will support the creation of data-driven audit methodologies and encourage corporates to institute a range of digital controls, improving both the precision and reliability of audit outcomes. By standardising how financial information is captured and interpreted, AI-enabled systems can enhance the reliability and comparability of data. This not only improves the quality of risk assessments but also significantly enhances auditors and regulator's ability to identify anomalies, detect potential fraud, and uncover emerging financial issues at an earlier stage.

Rapid insights

Early risk detection

Transparency for investors



Lower cost, less manual work

Digital reporting is the gateway to intelligent analysis

Real-time, AI-driven analytics of digital financial data enable companies to make quicker and more informed decisions. For AI to deliver the most accurate insights, it needs financial data in a digital, machine-readable format. When financial data is structured using XBRL, AI models can instantly recognise key concepts without ambiguity, compare figures across multiple reports in seconds, and deliver insights that are more accurate, consistent, and trustworthy. Without digital reporting, the full capabilities of AI in financial analysis remain out of reach.

4. Digital reporting is a *productivity boost*

Digital reporting enhances productivity by automating data collection, reducing manual errors, and streamlining compliance processes. It also boosts investment by increasing transparency, improving data accessibility, and enabling faster, more informed decision-making by investors.

KEY FACTS

- A 2023 study by Deloitte Access Economics estimates mandatory digital financial reporting for all large Australian businesses would grow the economy by up to **$7.7 billion**, based on efficiencies and cost savings in reporting.
- Increased access to global investment markets and improved accessibility of financial information for investors would further add to Australia's **productivity gains**.

"It's time for Australia to embrace digital reporting and the time to act is now."

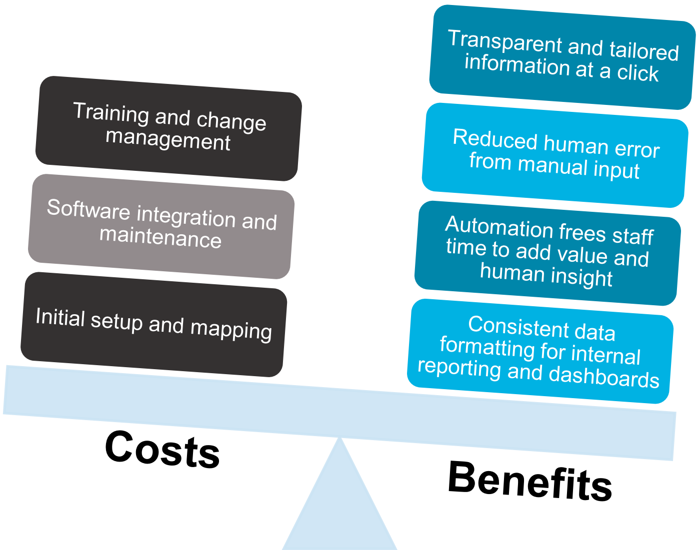
John Mahoney
Deloitte Access Economics

Digital reporting increases efficiency

For preparers, the automation of tagging and data extraction reduces the time and resources required to produce reports, freeing up time for higher-value activities like analysis and strategic planning. For users, the ability to quickly navigate and extract relevant information from digital reports reduces the cost of data processing and analysis. Streamlined access to structured data means more time is spent interpreting information to make informed insightful decisions and less is wasted sifting through countless pages of PDFs.

The benefits supersede the cost of digital reporting

Digital reporting can lead to significant cost reductions for both preparers and users of financial reports. For preparers, the automation of tagging and data extraction reduces the time and resources required to produce reports. For users, the ability to quickly navigate and extract relevant information from digital reports reduces the cost of data processing and analysis. The barriers to adoption in the listed company space have decreased significantly over the past five years, with the introduction of software solutions, integration into existing systems and teething issues having been addressed in overseas markets now meaning the costs and challenges are marginal and far outweighed by the opportunity cost of falling behind the rest of the world and leaving Australian shareholders poorly served.



Digital reporting improves financial reporting understandability and accuracy

Traditional financial reports are often lengthy and complex, making it difficult for unsophisticated users to comprehend the data. Digital reporting, through tags and structured formats, allows users to navigate and extract specific information easily, enhancing their decision-making capabilities and ability to easily compare performance through time and against relevant peer groups. Digital reporting reduces the risk of errors associated with manual data entry and transcription. By automating the tagging and extraction of financial data, companies can ensure that the information presented is accurate and reliable. This not only improves the quality of financial reports but also reduces the risk of human error associated with manual processes.

> ***"We are a small country, and we need to attract our fair share of the foreign investment from international capital markets into the Australian economy."***
>
> **Joanne Gorton**
> **Chief Executive Officer, Deloitte Australia**
> Why Australia must embrace digital reporting – or lag behind (2023)

5. Digital reporting *streamlines* complex corporate reporting

As corporate reporting grows more complex, digital reporting becomes increasingly essential to ensure information remains usable, accessible, and meaningful for stakeholders. Digital reporting unlocks opportunities for efficiency in corporate reporting to Government, reducing the burden of regulation.

KEY FACTS

- In a recent survey, Chartered Accountants said digital reporting and improving accessibility of financial reports should be **top priorities** on the International Accounting Standards Board's Agenda.
- 2023 research showed that some major listed company annual reports had increased in length by almost **400%** between 1984 and 2021.
- This research also revealed that most annual reports already dedicate almost 50% of their pages to content outside of the financial reports.
- Standard Business Reporting (SBR) was estimated in 2007 to save businesses around $800 million per year.

Financial reports are becoming increasingly complex

As business operations and transactions become more complex, traditional financial reporting methods may no longer suffice. Financial reports have become longer and more complex in recent years. Investors, auditors and regulators are sifting through *hundreds* of pages for key information.

Digital reporting provides the flexibility and adaptability needed to address emerging challenges and ensure that financial reports remain relevant and useful. The tags and structured format mean the information can easily be presented in a customised format suitable for each user or class of user, making financial report review and analysis timelier and more effective.

Streamlining reporting to Government

The reporting burden on Australian businesses has been a persistent concern, with Government compliance costs continuing to rise despite digital reforms. Mandatory adoption of digital reporting remains the only available step change to unlock further efficiencies and reduce the impact of this regulation.

In 2007, the Australian Government introduced the Standard Business Reporting (SBR) initiative, aiming to reduce the regulatory reporting burden by streamlining data submission across agencies. At the time, it was estimated that SBR could save businesses around $800 million annually in compliance costs. The intervening period has seen overlapping reporting continue to increase significantly.

However, more recent data suggests that the burden remains significant. According to the Australian Bureau of Statistics, businesses continue to face complex and overlapping reporting requirements, particularly in tax, payroll, and financial reporting. The Productivity Commission has also highlighted that excessive regulation stifles productivity.

Mandatory adoption of digital reporting offers a transformative opportunity to reduce this burden. By standardising data formats and enabling real-time, automated reporting, XBRL can significantly cut down on manual data entry, reduce errors, and improve data interoperability across agencies. This shift would not only streamline compliance but also unlock efficiencies that benefit both businesses and regulators.

Increased ESG requirements

With the new climate and sustainability standards, companies will need to add ESG disclosures to their portfolio of reporting requirements. Companies with robust ESG reporting practices attract more investment and demonstrate better long-term performance, and detailed sustainability reporting is increasingly demanded by investors. With the introduction of mandatory climate reporting, the volume and complexity of corporate disclosures are set to increase significantly. Accordingly, it is important to prioritise the digitisation of financial reporting to establish the necessary infrastructure, standards, and practices that will support the increase in content. Without a strong digital framework in place, Australia risks producing fragmented and inconsistent sustainability data, making meaningful analysis and comparison far more difficult.

6. Australian investors are *demanding* digital reporting

Australian investors are demanding modern digital access to financial information, yet Australia lags behind most leading economies in mandating digital reporting for listed entities. As investors increasingly rely on digital sources and data for decision-making, adopting digital reporting is essential to meet expectations and align with global standards.

KEY FACTS

- 66% of Australian retail investors find current financial reports somewhat to very difficult to understand.
- 90% of investors believe digital financial reporting would help make reporting more **accessible**.
- 71% of investors support or strongly support a legislated mandate for digital reporting.
- Over 50% of Chartered Accountants support or strongly support the government making digital financial reporting **mandatory for listed companies**.
- Australian financial reporting stakeholders including investor associations, standards setters and regulators support the adoption of digital financial reporting.
- The Australian Parliamentary Joint Committee on Corporations and Financial Services has recommended the Australian government consider mandating digital reporting.

Australian investor demand for digital financial reporting

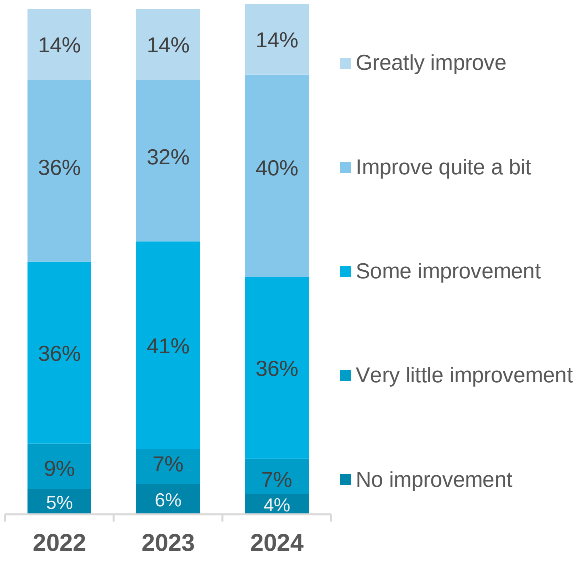
Source: CA ANZ 2024 Retail Investor Confidence Survey

Since 2019, Chartered Accountants ANZ has surveyed around 1,000 Australian retail investors to understand how they are navigating local and global markets and economies. The surveys measure confidence and effectiveness of Australian capital markets, global capital markets, Australian public companies and audited financial statements. Overwhelmingly, the support for digital reporting by Australian investors has remained steady over the years. Many investors surveyed find that financial reports presented by Australian listed companies are difficult to understand in their current form.

The future of financial reporting is digital

According to a 2025 ASIC Discussion Paper, technology and data are fundamentally transforming the way capital is raised, allocated, and monitored. Investors are increasingly turning to digital platforms and tools to access and interpret financial information. Digital financial reporting plays a key role in this shift by enabling faster, more personalised analysis and reducing dependence on static PDFs or manual data extraction. Support for mandatory digital reporting is driven by the ability to search for and extract detailed data, improve focus on data intelligence, and increase transparency. By making financial data machine-readable, comparable, and instantly accessible, digital reporting empowers investors to make more informed, timely decisions.

To what extent do you expect the availability of more customised, digital financial reporting would improve your ability to access financial information?



Source: CA ANZ 2024 Retail Investor Confidence Survey

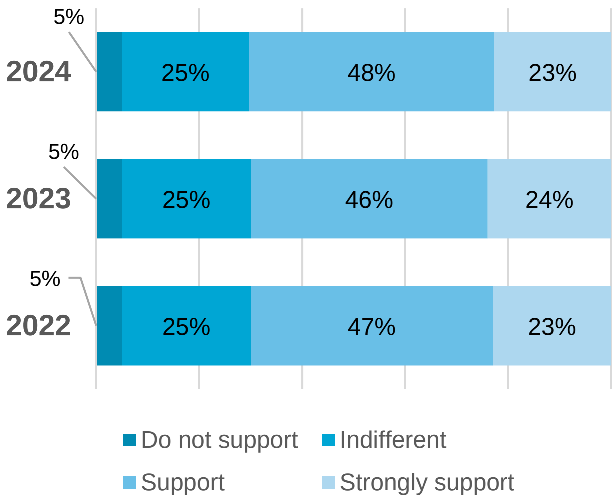
Support for digital reporting from major stakeholders in Australia

Key financial reporting stakeholders in Australia have over a long period supported the adoption of digital reporting. The Australian Shareholders' Association, representing Australian retail investors, has consistently advocated to make digital financial reporting standard practice. The Australian Accounting Standards Board (AASB), in response to the Parliamentary Joint Committee on Corporations and Financial Services (PJC) Inquiry into the Regulation of Auditing in Australia in 2019, strongly advocated that financial reports should be required to be lodged with ASIC pursuant to s. 319–322 of the *Corporations Act 2001* in digital form.

In November 2024, the PJC recommended that the Australian Government "consider mandating digital financial reporting for listed companies and other public interest entities in Australia", following an earlier recommendation in 2020. Evidence to the PJC's inquiry indicated further support for mandating digital reporting in Australia:

> *The Governance Institute of Australia (GIA) noted some of its members already produce digital financial reports for other jurisdictions, and that the imminent move to mandatory*

Investor support of mandating digital reporting in Australia



Source: CA ANZ 2024 Retail Investor Confidence Survey *climate-related financial disclosure may hasten the take up of digital financial reporting.*

The Australia Institute supported making digital financial reporting mandatory in Australia and noted the benefits of speed, reliability and lower costs if data was available in a consistent, machine-readable format.

ASIC noted that its submission to the committee's 2020 regulation of auditing inquiry supported mandating digital financial reporting in Australia. During hearings for the current inquiry, Mr Greg Yanco from ASIC stated that there is 'a groundswell of support' for digital financial reporting in Australia 'to make financial reporting and auditing a lot more efficient and consistent'.

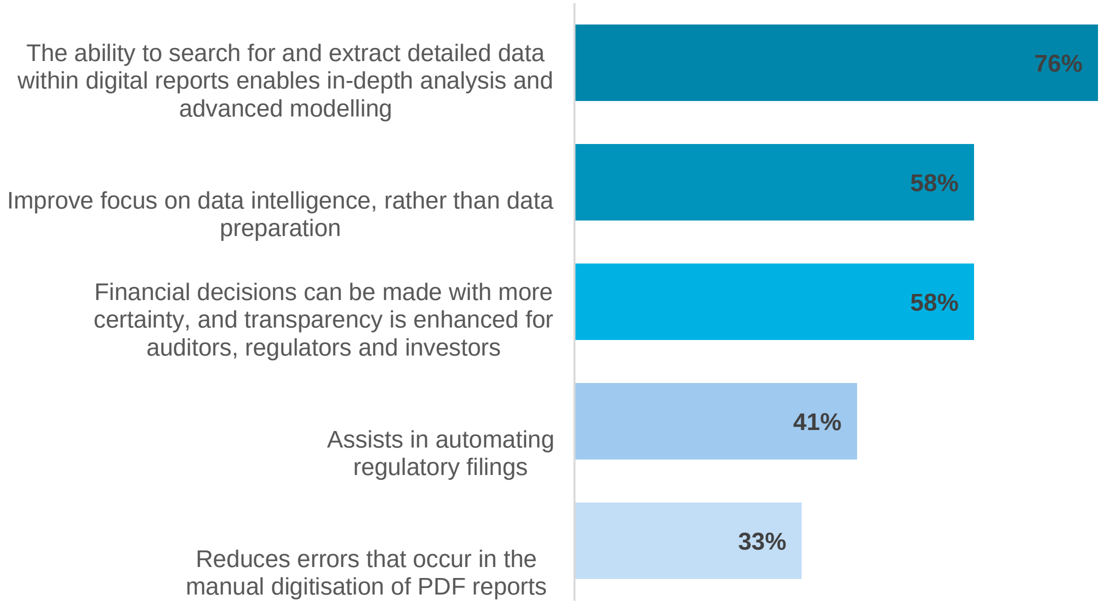
Many key stakeholders also expressed support for digital reporting in response to Treasury's Climate-related financial disclosure consultation in 2023. For example, the Australian Banking Association noted that "it has the potential to improve transparency of industry climate performance for investors and public stakeholders, enhance the ability of entities to collect climate-related data from key customers and suppliers and reduce ongoing costs," with some caveats. The Australian Sustainable Finance Institute stated that "Reporting should be digital to facilitate efficient submission and capturing of data." The Law Council of Australia suggested "digital reporting should be introduced in a holistic way, which addresses all entity reporting requirements, rather than be introduced only for sustainability risk reporting."

"Legislate to make digital financial reporting standard practice in Australia."

Australian Shareholders' Association

in response to the Parliamentary Joint Committee on Corporations and Financial Services

Top reasons Chartered Accountants support mandatory digital financial reporting for listed entities in Australia



Source: CA ANZ 2024 IFRS Survey

7. Arguments against mandating digital reporting

This section examines arguments that have been made against mandating digital reporting in Australia and important context.

Argument	Response
The costs to adopt digital financial reporting are too great for companies.	As illustrated in section 4 above, mandating digital reporting for large companies in Australia is anticipated to provide a net efficiency, representing a productivity gain of $7.7 billion annually. Although the costs and uplift required to adopt digital reporting were a key factor ten years ago, advances in reporting technology mean this is now likely to either be an existing capability or a nominal shift only for most listed and equivalent entities.
Companies can't 'tell their story' in digital financial reporting.	The iXBRL format enables both human readable and tagged machine readable digital data to be included in the same document (see also section 1). This allows companies to have a 'glossy' annual report like those currently produced, at the same time as a fully digitised financial report.
Analysts or investors have not asked us for digital reports.	As illustrated in section 6 above, there is strong demand from Australian investors and other key stakeholders for digital financial reporting. Furthermore, section 2, demonstrates how out of step Australia has become in comparison to other major capital markets that have adopted digital reporting worldwide, where digital financial reporting is a prerequisite for investment.
Companies could have done digital reporting voluntarily if the market demanded.	The value in digital financial reporting is in the ability of investors and other decision makers to compare consistently across companies. There is little incentive or value in an individual company voluntarily producing a digital report where others do not. For this reason, it is essential to have a mandate across all companies in a jurisdiction. This is like the adoption of Accounting Standards, where the necessity of laws and regulations are generally recognised as a given to ensure companies produce high quality and consistent financial information.
We don't need digital reporting as AI will just	The assumption that AI or large language models can do all the work of 'reading' and interpreting financials fails to recognise that

do all the tagging anyway	these tools are sophisticated statistical engines, providing probable answers, not declarative answers. The risk of using AI models to read PDF documents is that different models or even slightly different prompts can give different outcomes. As outlined in section 3, digital reporting means there is a single, authoritative version of the truth, unlocking the power of AI models to analyse financials.

8. Recommendations

1. **Amend the *Corporations Act 2001* to require disclosing entities (i.e. listed companies and equivalent) to lodge their annual and half year financial reports in digital form.**

2. **Adopt the XBRL digital reporting format, using the IFRS Accounting Taxonomy for Australia's mandatory digital reporting.**

A *disclosing entity* is defined in section 111AC of the *Corporations Act 2001* as follows:

> **Meaning of a disclosing entity**
>
> (1) If any securities of a body (except interests in a managed investment scheme) are ED securities, the body is a ***disclosing entity*** for the purposes of this Act.
>
> (2) If any interests in a managed investment scheme are ED securities, the undertaking to which the interests relate is a ***disclosing entity*** for the purposes of this Act.

Disclosing entities are required to lodge annual and half-yearly financial reports under the Act. According to the Australian Securities and Investments Commission (ASIC), there are currently approximately **2,200 *disclosing entities*** listed on the Australian Securities Exchange (ASX).

Disclosing entities include those that may be described as 'public interest entities', for example, publicly listed entities whose shares are traded on the ASX, or other similar types of entities that raise capital from the public – e.g. a managed investment scheme, or fund. that is required to lodge annual and half-yearly financial reports under the Act.

We recommend that the XBRL format, and IFRS Accounting Taxonomy are adopted by the AASB for Australia's digital reporting mandate.

Why make it mandatory?

While voluntary digital reporting to ASIC has been possible for around 15 years, no voluntary submissions have been made. This is predictable given that legislation and standards are needed for there to be consistency and fairness from the perspective of both companies reporting and financial report users (as is the case more broadly with respect to financial reporting standards).

Why not private companies, not-for-profits and charities?

At this stage, the case for mandatory digital reporting is less immediate for private companies, not-for-profits, and charities. These entities face higher relative costs and fewer immediate benefits. The stakeholders and potential users of the information are less likely to be investors. While there are long-term advantages, including improved transparency and regulatory efficiency, further work is needed to assess feasibility and design a phased, well-supported rollout for these groups.

3. Make digital reporting data freely available, with Government investing in digital reporting infrastructure to support the transition and implementation.

The value of digital reporting data is realised through wide accessibility and availability to the full range of investors and other potential users in Australia and internationally. Australia's financial reports are at present locked behind a pay wall.

In 2023-24, ASIC reported approx. $84.4 million in revenue from "searches and information brokers' fees" (2022-23: $74.3 million), which is not all related to paid access to PDF financial reports. The productivity, transparency, and global competitiveness gains from digital reporting will deliver far greater value to the Australian economy and investors.

Australia has already collaborated with New Zealand on the joint corporate reporting database NZAU Connect. There is an opportunity to build on this existing partnership to gain efficiencies and reach.

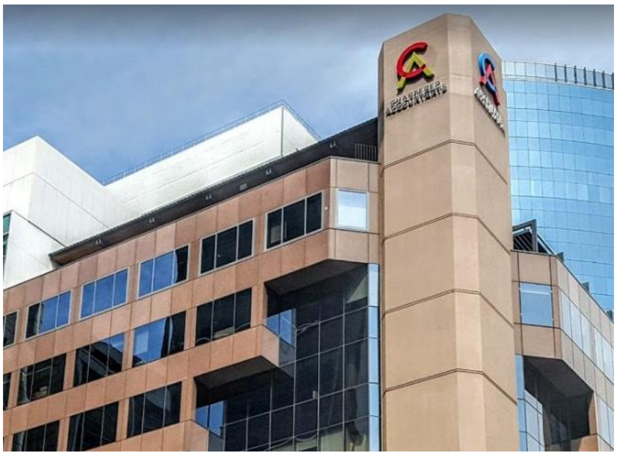
4. Review opportunities for Government to streamline inefficient and duplicative reporting to different agencies utilising digital reporting data.

The Australian Government has a clear opportunity to modernise and streamline financial reporting by adopting digital reporting standards similar to the U.S. Securities and Exchange Commission's (SEC) Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system and the European single electronic reporting format (ESEF) framework. Implementation would also create opportunities to consolidate and simplify other duplicative government reporting requirements, improving efficiency across agencies and reducing the compliance burden on entities.

Both EDGAR and ESEF have demonstrated how structured, machine-readable financial data can reduce duplication, improve regulatory efficiency, and enhance transparency. In the U.S., EDGAR enables investors and regulators to instantly access and analyse filings, supporting faster decision-making and reducing manual processing. Similarly, ESEF mandates harmonised digital reporting across the European Union, improving comparability and reducing the administrative burden on companies.

There are significant opportunities for streamlining Australian Government reporting by corporates and other entities utilising digital reporting capability. For example, duplicative reporting by Australian Prudential Regulation Authority regulated superannuation funds which now overlaps with ASIC reporting.

About Chartered Accountants Australia and New Zealand



Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 140,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 16 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.

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