

31 August 2015

Mr John V Stanhope
Chairman
Business Reporting Leaders Forum

Via email: john.v.stanhope@gmail.com

Dear John

Integrated Reporting

CPA Australia is one of the world's largest accounting bodies with a global membership of more than 150,000 members working in 120 countries around the world, with more than 25,000 members working in senior leadership positions.

Our core services to members include education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, industries, academia and the general public. Our advocacy and representational activities are conducted in the public interest. It is in this context that CPA Australia supports the economic transformational power of sound corporate reporting.

CPA Australia supports efforts to improve the quality and transparency of corporate reporting. We view developments in integrated reporting and the activities of the International Integrated Reporting Council (IIRC) in advancing this objective and the role that integrated reporting can play in promoting behaviours that encourage long-term investment and wealth creation, within parameters of equity and sustainability. CPA Australia leads by example being the first accounting body to prepare an integrated report and has had a longstanding involvement in sustainability reporting. I am also a longstanding member of the IIRC.

CPA Australia acknowledges that the process of corporate reporting is one of continuous improvement to enable directors and management to clearly articulate and better communicate the company's performance and value creating activities to investors and other stakeholders. Integrated reporting offers opportunities to continue this process and, as explained in the <IR> Framework, should be allowed to evolve as a principles-based market-led development as companies respond to meet investor, market and broader societal expectations. As such, it is important that companies have the flexibility to adopt innovative approaches to reporting and that regulatory and legislative facilitate such experimentation.

Accordingly, CPA Australia supports international and domestic activities to review and address those matters which hinder taking a long-term approach to making investment decisions including investments in infrastructure. For example, a review by the IIRC and the International

Accounting Standards Board of corporate reporting requirements which may hinder investment in infrastructure would be a useful contribution to the debate. Also there is an emerging need to address impairment measures relating to 'stranded assets' potentially affecting flows of capital to economic and socially beneficial investments including infrastructure. Likewise, a similar review at the domestic level with the objective of achieving greater coherence in the numerous forms and mediums of corporate disclosure would be important in preparing Australia to respond to international developments in a timely manner.

CPA Australia considers that this might be best achieved domestically through providing the Financial Reporting Council with the powers to specifically deal with corporate reporting in a broad context or through the creation of a separate body or task force dealing with corporate reporting. Whatever the institutional arrangements, a primary task would be to advise on whether international developments such as integrated reporting should be adopted in Australia on an 'if not, why not?' basis or be given direct reference to in documents such as ASIC's guide for listed company directors preparation of annual operations and financial reviews.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adam Awty', written in a cursive style.

Adam Awty CPA
Chief Operating Officer
CPA Australia