



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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Mr John Stanhope
Chairman
Business Reporting Leaders Forum

Submitted by email: john.v.stanhope@gmail.com

Dear John

Integrated Reporting

Chartered Accountants Australia and New Zealand (Chartered Accountants ANZ) comprises over 115,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

We believe corporate reporting is an important contributor to the national prosperity of a country. While the existing financial reporting framework is important, it has limitations as it is based on historical information and does not provide sufficient information for investors to make decisions on its medium and longer-term prospects. It also does not allow for a precise allocation of resources as it is focused on solely on financial resources while ignoring the important contribution of other resources such as intellectual, natural, human, social and manufactured capital.

The formation of the International Integrated Reporting Council (IIRC) in 2010 and the subsequent release of the Integrated Reporting <IR> Framework is an important development in addressing the gaps in our current reporting framework. With a focus on conciseness, strategic relevance and future orientation as well as improving the quality of information provided, <IR> will enable investors to make better decisions and for both organisations and investors alike to better understand the allocation of all resources.

Chartered Accountants ANZ is a longstanding supporter and advocate of efforts to improve the quality and transparency of corporate reporting. In 2008, we released a paper Broad Based Business Reporting with a follow up paper in 2009, to encourage business reporting beyond traditional financial reporting. The aim of these two papers was to enable a better understanding of an organisation's strategy as well as more precise and forward looking capital allocation and other decisions regarding an organisation's performance and prospects.

As a member of the IIRC I see the efforts of other countries who are moving at a faster pace than Australia in respect of adopting Integrated Reporting or its equivalent. Chartered Accountants ANZ supports moves to reduce 'corporate reporting red tape' to allow Australia to respond to international developments in a timely manner. We support a review of director liability in respect of making forward looking statements in the interests of better information for capital markets. We also support the activities that are currently taking place in Australia that complement and improve the transformation to <IR>. In addition, we believe further work should be done to determine whether <IR> should be adopted in Australia on an 'if not, why not?' basis.

Yours sincerely

Lee White FCA
Chief Executive Officer

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