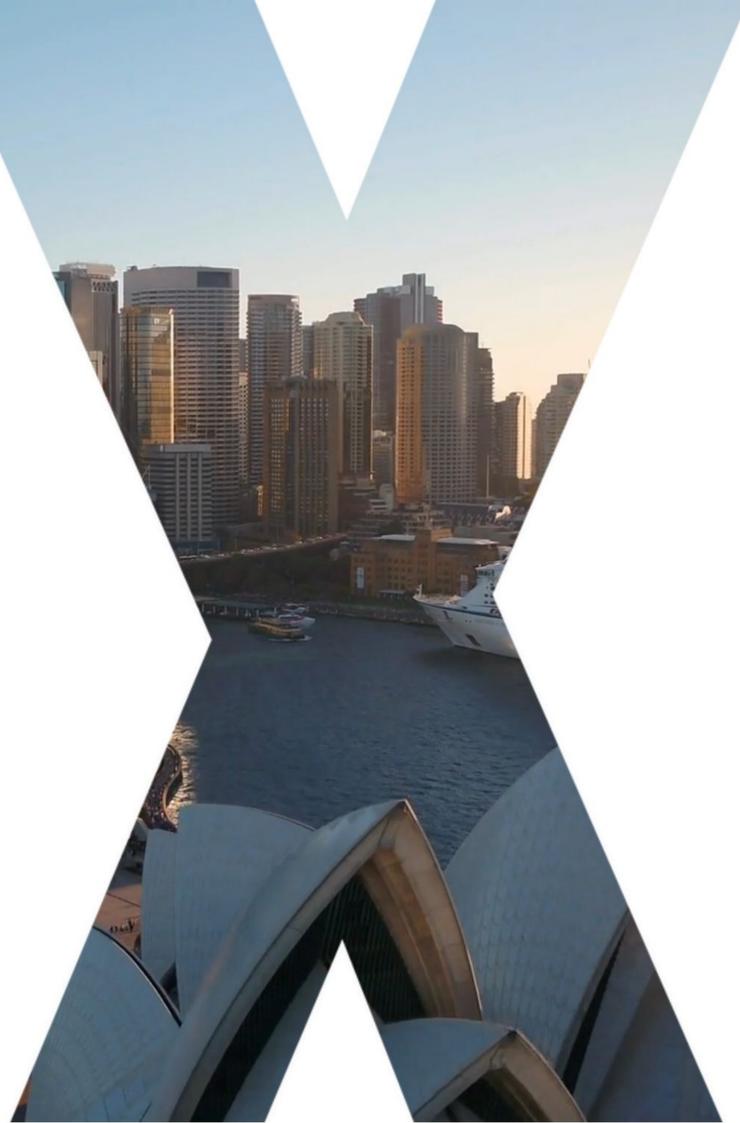


# Transforming Proxy Voting in Australia

Sponsored by:



//

A digital proxy chain means every vote, from every participant, counts with full certainty. That's the shift Australia has now made, and it's reshaping expectations globally.

**Dean Little, CEO, Proxymity**

## Executive Summary

Proxy voting in Australia has undergone one of the most significant transformations of any global market in recent years. Once known for its short deadlines, heavy manual processes and a crowded AGM season where operational constraints shaped investment governance, the market has now moved decisively toward real time transparency and automation.

This fact sheet draws on our previous Australia and New Zealand proxy voting study, updated industry data, and a series of interviews with custodians, global intermediaries and issuer representatives across the market. Collectively, they tell a consistent story: that digital connectivity has reshaped the Australian proxy chain for both issuers and investors, reducing risk and giving back valuable time.

From an issuer perspective, the shift to direct, digital disclosure has eliminated guesswork and significantly improved visibility of who is voting and when. **For investors, the gains are equally clear: complete meeting information 100% of the time, earlier access to materials, and confidence that votes will be counted accurately and on time.**

Market participants repeatedly highlighted how proximity to issuers, real time data flows and the removal of manual handoffs have changed expectations. As one senior custodian observed, **"We are on a level playing field now, clients see the information instantly, and we no longer spend time re keying or interpreting announcements."**

Australia's experience demonstrates what is possible when proxy voting is treated as critical market infrastructure rather than a back-office obligation. It offers a clear reference point for other markets seeking to modernise governance processes, improve stewardship outcomes, and align proxy voting with the realities of modern capital markets.

# Problem Statements: The Case for Change

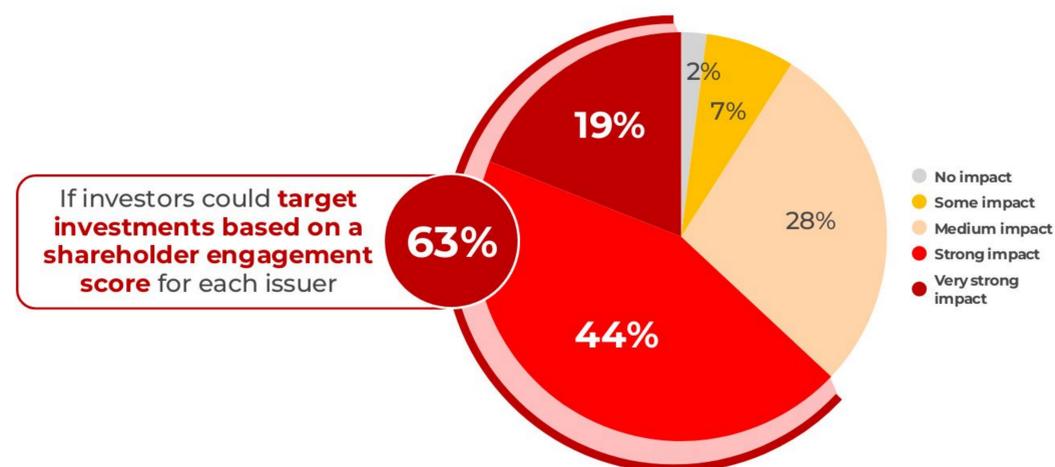
Sponsored by:

# Proxymity

## a. Why shareholder governance matters

Shareholder governance is no longer a peripheral discipline. It is a core component of both investment strategy and corporate accountability. Our previous research showed that **63% of investors would incorporate shareholder engagement into their investment decision making if reliable metrics existed.**

**63% of investors would incorporate shareholder engagement into their investment management decisions**



ESG continues to dominate this trend. Around **80%** of issuers and **71%** of investors cited ESG as a central driver of their governance strategy.

As one large super fund put it, **“We cannot meet our stewardship obligations without timely, accurate voting information. Governance is a live part of portfolio management.”**

Issuers recognise the shift. Most identify governance expectations, from regulatory bodies, shareholders, ESG ratings providers and asset owners, as a primary reason they must engage earlier and more effectively with investors.

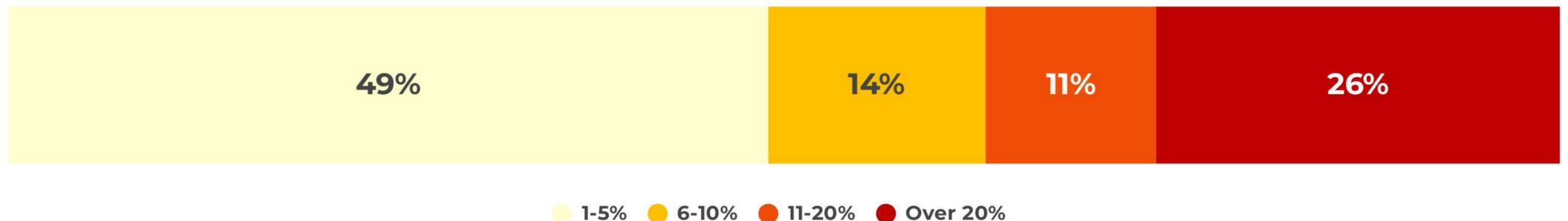
**71%** of investors see ESG as a core driver of their shareholder governance strategies

**80%** of issuers see ESG as a core driver of their shareholder governance strategies

## b. The growing cost of proxy voting

Proxy voting is also becoming more expensive. **26% of investors saw proxy voting costs rise by more than 20% between 2023 and 2024**, with several noting that this is being amplified by rapid growth in event volumes.

Proxy Voting costs change (2023/2024)



Much of this cost escalation stems from manual remediation, such as chasing missing data, correcting errors and clarifying announcements that arrive late or incomplete. Prior to digitisation, these inefficiencies were simply **“the cost of operating in Australia”**, according to one global intermediary. **“You threw bodies at the problem during AGM season. It was the only way to cope.”**



# Problem Statements: The Case for Change

Sponsored by:

**Proxymity**

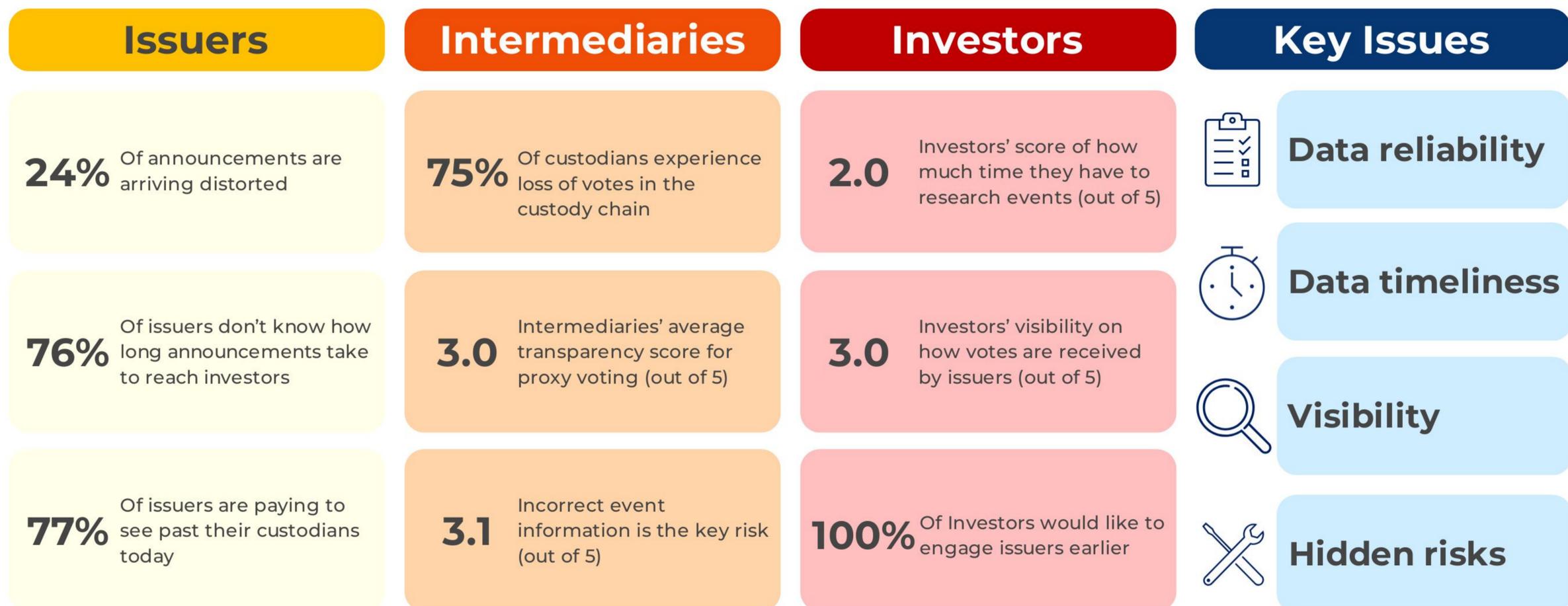
## c. Proxy voting in Australia: Legacy challenges

Many of the inefficiencies in the Australian proxy chain were structural.

The market's September to November peak forced intermediaries to ramp up temporary staffing for short windows. Announcements were often incomplete, manually created, or passed through multiple layers of custody before reaching investors.

One custodian recalled days where **“over 1,500 client instructions came in, almost all from unstructured messages or faxes. There was no way to get everything right.”**

The result was perhaps predictable, with the constraints directly limiting the quality of governance and the confidence of investors trying to make informed decisions



# Problem Statements: The Case for Change

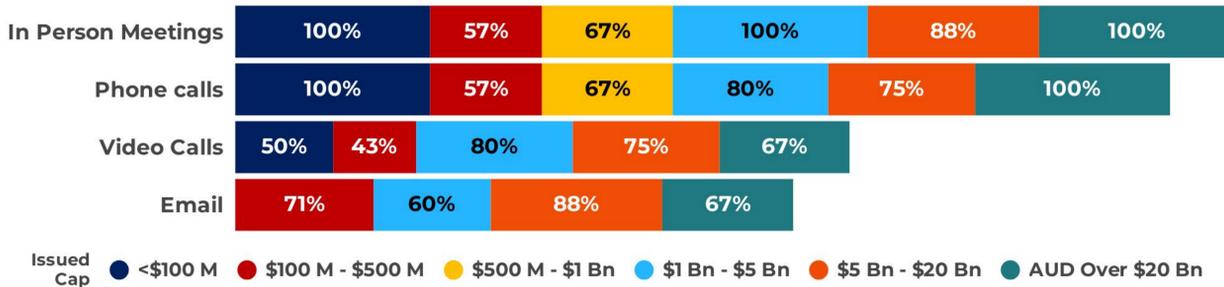
## d. The growing cost burden on issuers

Issuers faced a fundamental problem: they did not know who their shareholders were. Understanding who is investing in their company, and being able to engage with them, has long been a top priority. Yet achieving that visibility was costly.

**In 2023, the average ASX issuer took 3.5 additional steps beyond the required regulatory disclosure to reach shareholders.** These ranged from emails to targeted phone calls, video meetings or follow ups via IR consultants.

**76% of issuers paid third party firms to identify underlying investors, yet 38% still could not see how beneficial owners had voted.**

**Extra steps being taken by issuers to reach their shareholders**  
(% of respondents in each group)



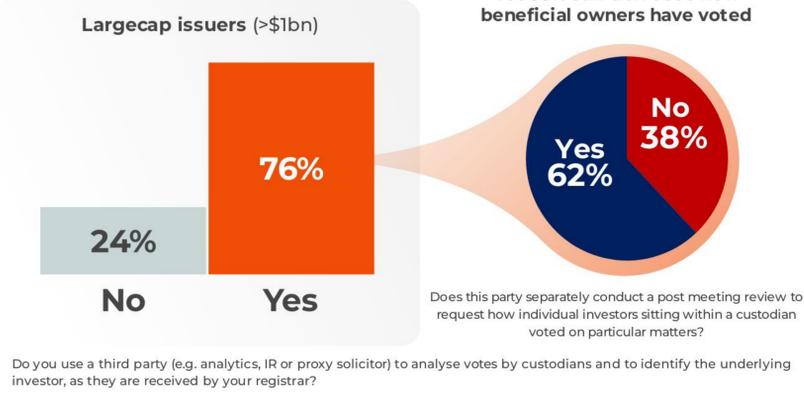
Average firm takes **3.5** actions to supplement regulatory disclosures – triggering a huge manual effort and duplication

What additional steps do you take to disseminate information to institutional shareholders, beyond regulatory disclosure (ie. Notice to ASX, publication of details on the IR section of your website and direct publication to registered holders)?

### 77% of top tier issuers are paying to see past the custodian – to limited effect

Do you use a third party to analyse votes by custodians and to identify the underlying investor?

Yet 38% still don't see how beneficial owners have voted



As one issuer agent put it, **“We were spending money just to chase information that the custodian chain could not provide quickly or clearly enough.”**



## e. The risks for investors

For investors, these issues translated into real operational risk. Our research showed the top risks associated with proxy voting were reputational damage, regulatory penalties, internal audit issues and SLA breaches.

### What are the key risks for investors in each meeting?



Custodians noted that ambiguity around deadlines, especially in the absence of a formal proxy record date, often led to over voting and under voting. One custodian explained that the old batch settlement model meant **“a vote could be submitted on a position that was out of date within hours. It created a chain of remediation with the registry.”**

These pressures created a clear need for a modernised and transparent proxy system.



# Proxymity in Australia: A Fully Connected Market

Sponsored by:

**Proxymity**

Proxymity first launched in Australia in 2020 and is now used by the overwhelming majority of the market's issuers, custodians and investors.

## Issuer Connectivity

- 100% of the ASX 50
- 95% of ASX 200
- 72% of all ASX listed companies
- Representing 97% of total market value

## Sub Custodian Connectivity

- 100% of sub custodians active in the market are connected

This scale matters. With issuers providing information digitally and directly at source, intermediaries no longer need to interpret or reconstruct announcements.

As one APAC product head said, **“The moment issuers started populating their own meeting information, the whole chain sped up. It took days out of the process.”**

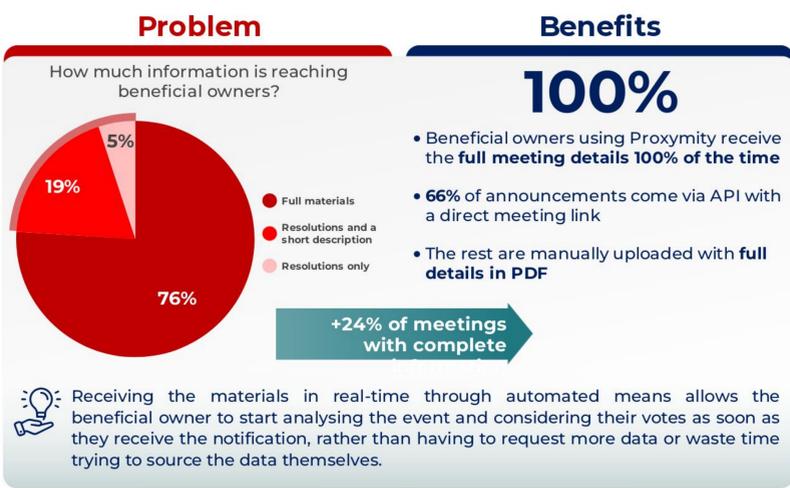
# What Value Is Proximity Delivering?

Sponsored by:



## a. Complete data, delivered instantly

With Proximity, 100% of beneficial owners receive full meeting details in real time, either through API, SWIFT ISO formats or the platform itself. This eliminates the need to source missing PDFs, request additional context or cross check announcement details.

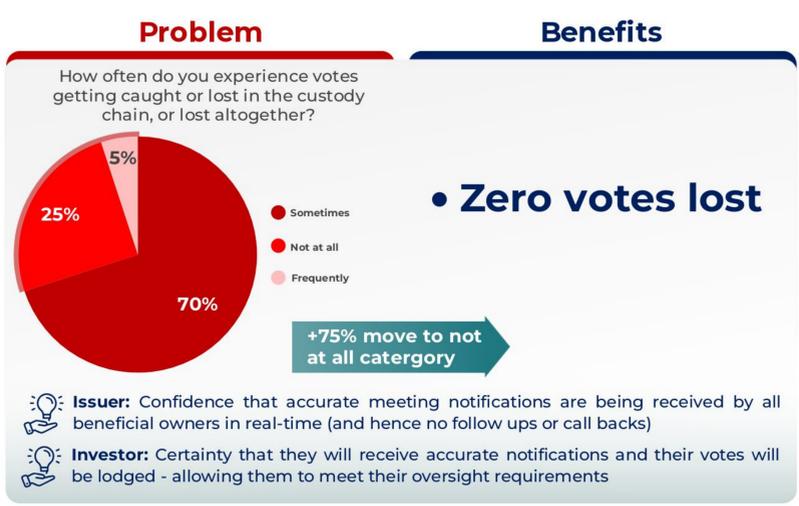


In practical terms, investors gain immediate access to the entire meeting pack, enabling faster research and earlier engagement.



## b. Zero votes lost

Previously, 75% of investors said votes were regularly lost or caught in the custody chain. Under the new model, votes are passed directly with no manual re keying, spreadsheets or fax based processes. This results in zero lost votes.

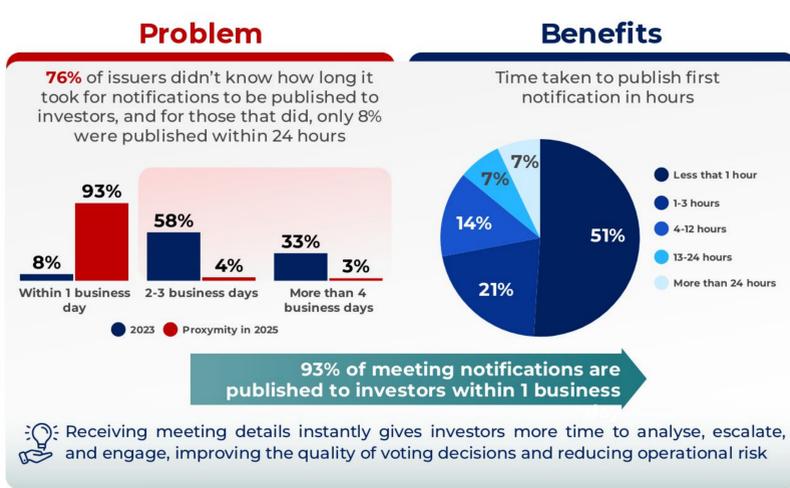


Custodians emphasised the operational relief. **“We no longer spend hours reconciling what the registry thinks we submitted. It is automated from end to end.”**

## c. A step change in timeliness

Timeliness was one of the greatest pain points in the legacy process.

**Before:** only 8% of meeting notifications were published within 24 hours  
**Now:** 93% are published within one business day



Announcements arriving earlier gives investors more time to review, escalate, seek internal approvals and engage with issuers. Several noted that this alignment with real time decision cycles **“brings proxy voting into the same world as every other part of modern finance”**, and recent benchmarks show that event data can now be captured and transmitted to investors in as little as 20 seconds.



# What Value Is Proximity Delivering?

Sponsored by:



## d. Three additional days for the investor

The average time gap between custodian ballot deadlines and market deadlines has improved dramatically:

**Before: 96 hours**

**Now: 24 hours**

**68% of events have a gap of less than 48 hrs**



This effectively returns three full days of decision making time.

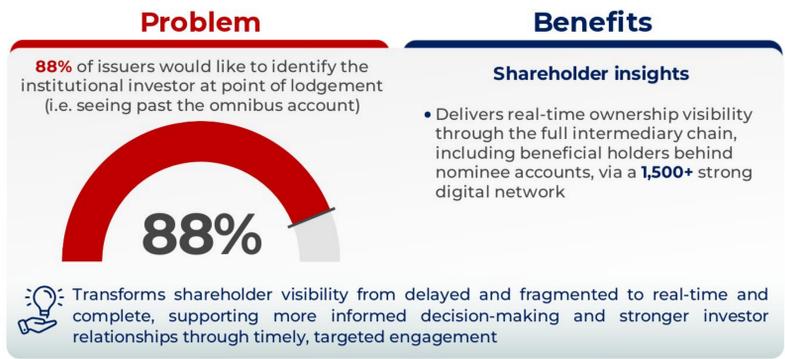
For investors using real time API connections or the Proximity portal, this gap drops to zero. They can vote up until the market deadline and can amend votes confidently as holdings change.

This was a repeated theme in interviews. One investment manager said, "Those two days are the difference between being reactive and being properly informed. If sentiment shifts, we can reflect that right up to the deadline."



## e. Better issuer visibility

One of the most valued features for issuers is the significant improvement in shareholder transparency. **88% of issuers want to identify who is voting at the point of lodgement** and can now do so through Proximity's network of more than 1,500 intermediaries.

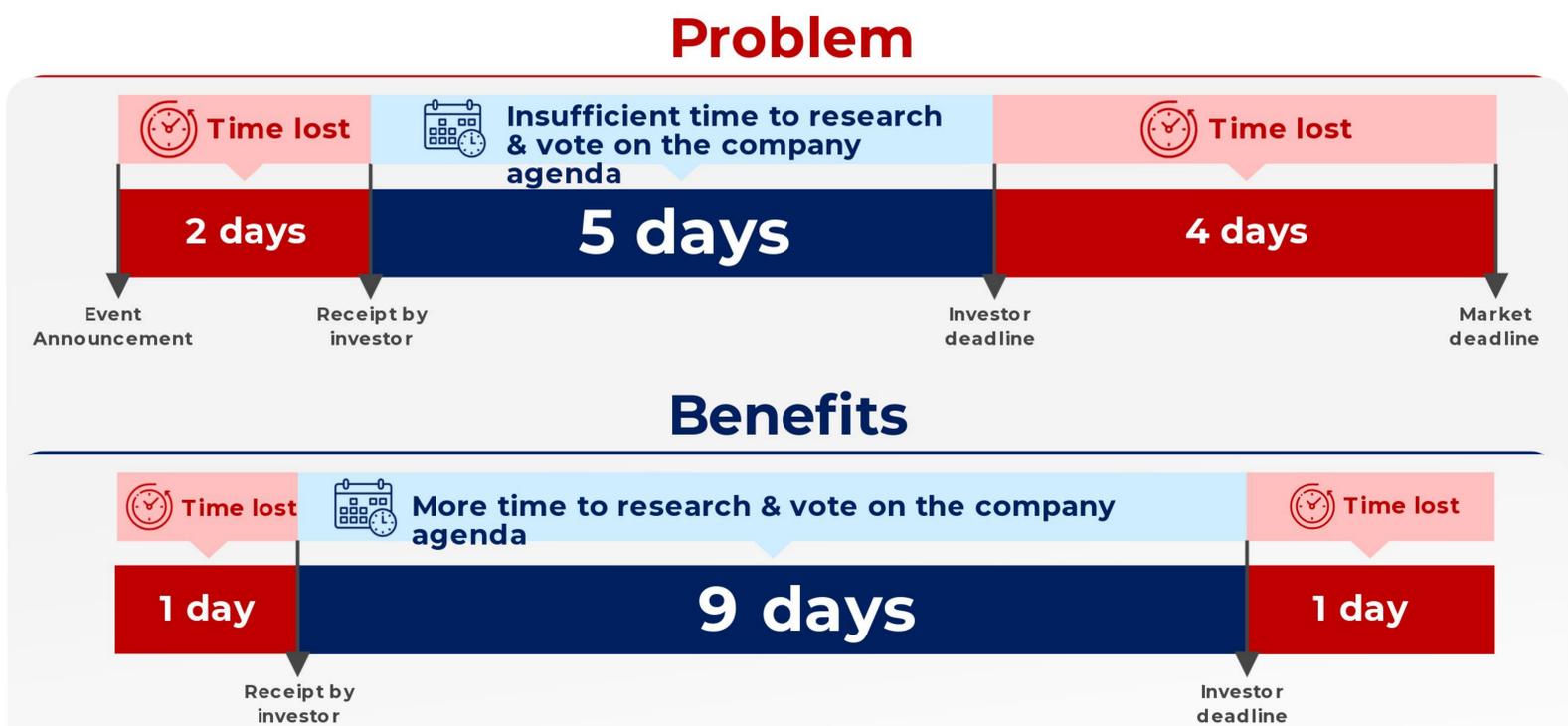


This enables proactive engagement and clearer forecasting of vote outcomes.

## f. Market wide benefits: Three more days per event

When we map the old process against the digital model, the net result is clear.

Investors gain at least four extra days per event to analyse, model, escalate and vote. Issuers see fewer last-minute scrambles and more accurate early visibility of likely vote results.



Lightbulb icon: Over a standard event, using Proximity gives the beneficial owner at least 4 more days to make their elections.

Lightbulb icon: From the issuers perspective it means there will be less last minute elections, or missed deadlines.

# A Real Example: The Origin Energy Scheme of Arrangement in 2023

Sponsored by:

## Proxymity

The challenges facing Australia's legacy proxy process were highlighted in the Origin Energy scheme of arrangement vote in late 2023.

### The event exposed:

- Manually created meeting announcements
- Confusion when a new meeting was created after adjournment
- A reduced purchase and vote window because of fax based and multi layered custody voting
- Limited issuer visibility until the final hours
- Questions about the accuracy of vote transmission

### In contrast, a fully digital model would have delivered:

- Real-time announcement updates directly from the issuer
- No requirement for a new meeting announcement
- The ability for investors to vote on shares purchased up to two days before the deadline
- Immediate visibility of incoming votes for issuers

With Proxymity now supporting 97% of ASX200 issuers and all major sub custodians, the structural issues highlighted by the Origin case have largely been eliminated.

Area	What happened?	How Proxymity can make a difference?
Meeting announcement	Meeting announcement manually created due to lack of digital connections to issuers.	Direct connection with the issuer enabling the real-time announcement of meeting information. <b>Large window to assess the information and vote as needed.</b>
Accuracy	Confusion when a new meeting was created when the meeting was adjourned. Uncertainty if existing votes received would still stand.	Issuer is the source of truth, the meeting date would have been amended with all other details remaining the same. No new votes needed. <b>Golden source announcement.</b>
Vote window	Reduced voting window due to multiple layers of custody in addition to faxed based votes to the issuer. The window purchase shares to vote over closed 6 business days before the vote market deadline.	Clients using the Proxymity portal would be able to vote on shareholdings up until the market deadline on shares purchased 2 business days before the market deadline. <b>Shares settling on the vote deadline are eligible to be voted over.</b>
Issuer visibility of votes	Votes batched and not submitted until the market deadline. Issuers do not have visibility of votes until close to the vote deadline. Issuers are unable to work with investors to resolve any potential issues ahead of the meeting.	Votes are sent directly to the issuer on execution. Clients can vote early in the knowledge that their position is safe and votes will be automatically amended to take into account newly acquired shares. <b>Issuers have earlier visibility of votes and can work with investors to resolve any issues ahead of the vote deadline.</b>

# Where Could Proximity Help Next?

Sponsored by:

**Proximity**

Institutional investors have already experienced the transformational impact of a fully digital proxy chain. The next significant opportunity lies in extending these capabilities to the broader market. Retail investors, platforms and family-office structures represent a substantial pool of voting power that has historically been limited by manual processes and fragmented channels

## Unlocking this segment would materially shift market engagement:

- Around **30%** of issued capital in ASX300 companies is not voted
- Outside the ASX300, this rises to **65%**
- This represents roughly **1.25 billion Australian dollars'** worth of shares not voted each year

Bringing this capital into the digital ecosystem offer an unprecedented opportunity to elevate participation, stewardship and market transparency.

Proximity's new real-time APIs for platforms and brokers (including forthcoming support for ETF structures that allows all underlying voters to be connected) are designed to close this gap. For the first time, platforms can offer retail clients the same immediacy, precision and confidence that institutional investors already rely on. Market participants view this as a turning point. As one platform provider noted, **“We have never been able to offer this without taking on risk. If the workflows are digital, we can finally scale stewardship for retail investors.”**

The result is a **significant opportunity to drive new levels of industry engagement**, widen access to governance, and ensure that voting reflects the full breadth of Australia's investor community.

