Standard Business Reporting — an idea whose time starts now

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As a country with a relatively small population spread over a large landmass and three levels of government, the development of a 'seamless national economy' is vital for Australia's international competitiveness.

The time is ripe to ease the burden of business-to-government reporting while improving the quality and usefulness of the information for all parties. The Standard Business Reporting (SBR) Program brings fresh technical and collaborative approaches and a welcome maturity to financial reporting. It is part of an international pattern of regulatory reform in which both government and business achieve benefits. SBR, with Treasury as lead agency and endorsed by the Council of Australian Governments (COAG) as part of the Australian reform agenda, has the participation of several other agencies and all state and territory revenue offices.

Regulation of business and the associated reporting processes are essential for government's economic oversight and direction setting as well as the collection of revenue. The information needed by governments about business activities has become more complex and diverse, resulting in increasing demands from a variety of agencies. The requirements can be confusing, as apparently differing terms might refer to the same or very similar pieces of information known by a different title. The required information often resides in the systems business uses for its

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day-to-day accounting and record keeping, but has to be analysed, assembled, reformatted, modified, or re-entered before being sent to government agencies. Every entry error and every report that needs resubmitting incurs a cost.

It took a number of years before the systems were in place for electronic commerce to become user-friendly for consumers, and the journey is still not complete. Comparable benefits have not yet been fully realised for business reporting to governments, as many legacies remain from the days of paper-based forms. These challenges of transition to fully integrated electronic processing are intensified as Australian businesses participate in the global economy.

This paper outlines the background and progress of the SBR initiative. It describes the international influences on SBR, and the particular context that makes the Australian approach ambitious, achievable, and fit for purpose. The development of a unique and specific Australian taxonomy, harmonised across the participating agencies to simplify business reporting in a standard language which can be communicated electronically from businesses' accounting software using a single sign-on, forms the core of SBR. From July 2010, participating agencies and businesses using SBR-enabled software will be able to realise the benefits of reporting to government agencies directly from their own accounting systems. Savings are expected to reach approximately $800 million per year when fully implemented.

SBR's other innovative features include its co-design approach and work with stakeholders, predominantly commercial accounting software developers, accountants, payroll tax professionals and bookkeepers. While the current scope of SBR is quite specific, the possibilities for its future application are broad. This article outlines the many directions that Standard Business Reporting might take in the future, along with implications for economic management and investors.

Introduction

Government regulation of business is an important mechanism for ensuring that public and private interests are balanced (OECD 1997). Properly managed, the impacts on business can be minimal and the benefits to society maximised. There is increasing recognition internationally that regulatory reporting to governments can involve excessive compliance costs.

International financial standards are becoming more widely accepted as the world moves towards an even more integrated economy.

In Australia it is recognised that reporting and regulatory requirements are essential to the proper functioning of government, but that unnecessary, inconsistent and complicated regulation leads to a waste of both public and private money. Confusing reporting obligations can also be counter-productive, often stifling innovation. Regulatory reform has long been an issue in many jurisdictions. For example, most government agencies require an Australian Business Number (ABN) in their reports. In the early SBR analysis, it was revealed that there were nine different names used across multiple forms to describe the ABN across the participating agencies.

The report of the Taskforce on Reducing the Regulatory Burden on Business, *Rethinking Regulation*, released in April 2006, gave strong impetus for government to reconsider regulation which is 'unnecessarily burdensome, complex, redundant, or duplicates regulations in other jurisdictions'.

The Taskforce identified 100 reforms to existing regulation that would provide relief to business, and suggested that another 50 areas be further investigated.

The costs of regulation to business were seen as a distraction from core business activities, and particularly burdensome on small business. This is bad for everyone, especially if, as some of the submissions to the review indicated, compliance can take up 25 per cent of senior management's time. The report recommended a whole-of-government business reporting standard. This would, at the very least, open the door to more streamlined approaches.

A seamless national economy

COAG has supported reforms to eliminate overlapping and inconsistent regulations across States and Territories. COAG recognises that these differences must be ironed out so that businesses have the space to expand productivity and become more able to meet current economic and demographic challenges.

In 2008, COAG endorsed Standard Business Reporting (SBR) as one of nine additions to the regulation reform agenda (COAG Communiqué, 2008). The SBR business case and implementation plan were approved with an Australian Government commitment of $243 million over four years.

The Australian SBR program follows the lead taken by the Netherlands, collaborating across agencies to agree to develop a single set of definitions and language for the information reported by business to government.

Treasury is the lead agency on SBR, with participation from the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC), the Australian Taxation Office (ATO) and the Australian Bureau of Statistics (ABS), and State and Territory revenue offices (SROs). There have been extensive consultation and collaboration with stakeholder groups, including business, business intermediaries and commercial accounting and business software developers. The stakeholder group referred to above as 'business intermediaries' is a very large group and includes accountants, tax agents, financial advisors, payroll specialists and bookkeepers, as well as business and industry associations. Together the single set of reporting definitions has been developed that will eventually make it possible to map government reporting terms directly to the appropriate information in a business's financial/accounting or payroll system. The collection of agreed reporting terms is called the SBR Taxonomy, and has been developed in a technology standard called XBRL, or eXtensible Business Reporting Language. XBRL is discussed further on in this article.

While the main goal is the development of a single set of reporting definitions in a single language, a further goal is for the information to be sent directly and electronically from the business's system to the participating agencies, and remain in the control of the business.

It has been a long and challenging road. SBR represents a true paradigm shift in the way business maintains and uses its own financial, accounting and payroll information to satisfy its reporting requirements with government. As such, it is groundbreaking and has significant potential for reducing the burden of business reporting to government.

Even prior to the roll-out of SBR in July 2010, there are strong indications that the methodology, mainly centred on the development of a single set of reporting requirements across agencies, is applicable to other areas in need of regulatory and reporting reform. The Productivity Commission (PC), in its draft annual review of regulatory burdens on business, identified key sectors of social and economic infrastructure services that would benefit from less burdensome regulation, with draft recommendations in support of consistent reporting arrangements. The review

identified aged care, child care, information media, telecommunications, energy, air transport and education as areas subject to both Commonwealth and state and territory regulation and reporting requirements (Productivity Commission 2009).

The PC review process looks at regulation through the prism of efficiency and effectiveness, but also from a perspective of net policy benefits to both business and the community.

The review noted that past efforts to implement uniform national codes in areas such as transport regulation have often faltered as jurisdictions have been reluctant or slow to implement the changes.

The PC recommended that a more comprehensive methodology be adopted for ensuring regulatory burdens are eased, consistent with the approaches of Standard Business Reporting. The SBR Program regularly receives calls from other agencies that have roles beyond the financial reporting sector. Some are in the process of policy development where their reporting requirements could benefit from a standards or consistency approach, or perhaps want to know how they can apply the SBR methodology to their own reporting information and processes. Given the design and approaches for SBR have been completed and are now easier to communicate, most stakeholders, from other agencies as well as from the business community, are quick to grasp the potential of an integrated and consistent national reporting taxonomy. But the first challenge is to have SBR up and running for its currently scoped financial reporting across the agencies listed above, scheduled for July 2010.

Standard Business Reporting meets design criteria appropriate to the Australian context. SBR is much more than a collaborative approach to simplifying forms. The adoption of a single set of reporting definitions and process and systems, that allow the exploitation of financial and accounting information that has not been manipulated or reprocessed, will be a significant advancement for Australia. The implication of the integrity of the information coupled with time saved in gathering, analysing and reporting is also significant for the broader economy. SBR's open source approach and methodology[2] for development and co-design, given its vast stakeholder base, is akin to the exploitation of on-line social collaboration tools familiar to the business and

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2   Initially the term 'open source' referred specifically to a collaborative process of software development, in which the source code was available to anyone who wanted to change it. Today the term has been generalised to apply to any process which invites broad participation and transparent documentation.

software development communities. Such approaches are being considered as part of the early discussions of the potential of Gov 2.0[3] in Australia and elsewhere.

SBR — simpler, better reporting

From a small business perspective, Standard Business Reporting will be almost invisible as the facilities will be built into the accounting systems that businesses use to manage their records. Moving up the scale to large business, much of the SBR abilities will still be built into accounting systems, but the range of reports will be broader. Some of the information mapping between the SBR definitions and the information in businesses' accounts will need to be set and tested by the business or its accountant. The good news is, however, that once mapped, the information can be used to satisfy a range of reporting needs.

The main purpose is to reduce the reporting burden for business. SBR therefore aims to simplify the process of reporting under Australia's current regulation, not introduce additional complexities associated with changed regulation.

From July 2010, businesses and their intermediaries will be able to see complete or partially complete reports and to send these reports to the appropriate government agency electronically directly from SBR-enabled accounting, financial and payroll systems.

It is important to understand that SBR will allow business, accounting and financial systems to become the portal to report to government. In this sense, SBR will operate much like a post office, simply moving electronic messages from businesses' system to the right agency, and returning an electronic receipt. For the 87 forms in scope, it will no longer be necessary to re-enter data into different systems or interpret terms for one agency that have a slightly different meaning for another. All this will ultimately save an estimated $800 million per year for business in 2013-14 when take-up of SBR is expected to peak at 60 per cent of target businesses.

For some of the simpler forms, the reports will be prefilled in the accounting system, and businesses will be able to complete the forms where necessary, check for accuracy and validity, and correct any errors before final submission. This will save time and effort with corrections.

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3   **Gov 2.0** is a taskforce that has been established to guide the application of social networking and integration advantages of Web 2.0 to the practice of government.see http://gov2.net.au/

In addition, businesses will be able to use a single sign-on not only to send reports to multiple agencies, but also to log onto the web portals provided by the agencies involved in SBR.

Along the way, because the terms used by different agencies have been harmonised into a smaller, single and consistent set of definitions — the SBR Taxonomy — business will understand better what government is asking for.

These benefits will cascade over time, freeing up business people and their professional intermediaries for higher level analysis and advising and streamlining the movement of financial information along the entire reporting chain. Behind this good news story is another, more complex tale about how SBR works.

The business case and implementation plan for SBR were developed in 2007. Since then the steps have been deliberate and carefully planned to bring all stakeholders along. There have been several iterations of the single set of definitions, or taxonomy, used for all reports in SBR's scope as well as some pilot testing. The program is also well advanced with the build of SBR's core services and single sign-on solutions, both described further below.

SBR is a voluntary program and the take-up rates for the use of the technology by businesses and their intermediaries will be on the basis of the time and money that can be saved, as well as the other benefits such as greater reliability of information reported. Further benefits such as financial reporting within the business, or to share between businesses, will emerge once the potential of having a standard set of definitions attached to a business's financial and accounting information can be seen.

The Netherlands leads the way

The first country to embark on a standard business reporting program was the Netherlands. The Netherlands led the way in collaboration across agencies, including its tax administration, Chamber of Commerce and statistical agency, to achieve a single reporting language, and implement infrastructure to allow reporting directly from businesses' accounting systems directly to the government. This project was initially called the Netherlands Taxonomy Project (NTP) but earlier this year was rebranded as the NL Standard Business Reporting Program.

Since January 2007, Dutch businesses and accountancy firms have been able to map the Dutch taxonomy to the financial data in their accounting systems and send reports directly from their systems to the right agency. Early indications were that businesses and accountants who used the facilities of the Dutch SBR Program would be able to save up to 25 per cent of their compliance reporting costs.

The Netherlands Government continues to work directly with software developers, intermediaries and business to implement SBR to enable government reporting to become a by-product of the information already in the businesses' accounting systems. Doing so enables SBR to be used not only for reporting to multiple regulators, but also for improving internal reporting and analysis.

The Australian SBR Program maintains close and regular contact with the NL SBR Program to share designs, issue resolution and lessons learned. This collaboration fosters the development and introduction of best practices.

Earlier this year the Netherlands Government announced further scope of SBR reporting to branch into the health and education sectors, using the harmonisation of data as the key concept. The NL SBR Program is also focused on growing the take-up rates of its existing SBR capabilities.

The Netherlands SBR Program website is http://www.sbr-nl.nl.

The power of the SBR methodology is that a single national taxonomy, encoded in an internationally recognised open standards language (XBRL in this case), creates a national reporting standard. This provides a uniform platform for transmitting and receiving financial information. SBR-enabled software can communicate with all agencies in the program, using the same data definitions, and in reciprocity the agencies can communicate with all software developers. This consistency means data items can be harvested as needed by the business software. It also represents a big step towards a seamless national economy for Australia.

As discussed in the Taxonomy section below, an important boundary around the current SBR Program is that no legislative changes will be required. While further reduction of the reporting terms might be achieved by modifications to legal

definitions, the majority of progress on harmonisation of terms can be achieved without the need for such legal adjustments. As the SBR Taxonomy becomes widely used, any areas for possible alignment through legal processes will also become more apparent as the SBR Taxonomy will become the first single documented set of definitions spanning the regulatory frameworks of so many agencies. The quantum of legal definition inconsistencies as well as estimate of the costs and benefits of further alignment will become more evident as the Taxonomy matures, so this is a task best left for the future.

Components of SBR

There are five main components of work in the development of the SBR solution:

1.   Develop the reporting taxonomy and provide support in accounting systems.

2.   Develop the SBR core services: this is the new e-channel for secure on-line interaction.

3.   Create a single government authentication regime or single sign-on.

4.   Have government systems accepting reports from SBR.

5.   Educate businesses and conduct marketing to drive take-up once SBR is implemented.

The key components of interest to accountants would be the rationalisation/harmonisation of terms and definitions, the mapping of the taxonomy, and the use of the SBR-enabled tools when available. It is expected that SBR will become standard functionality in accounting, financial and payroll software, but the benefits accrue only when that functionality is used extensively.

The SBR benefits are much enhanced by the inclusion of Step 3, the single sign-on processes and systems for securely sending reports to any of the relevant agencies in the SBR Program. In time, this will also allow a business to interact on-line with the web based portals etc of all participating agencies via one credential.

Scale of Standard Business Reporting in the Netherlands and Australia				
The Netherlands	3 agencies	1.5 m businesses	30,000 accountants	180 software developers
	Reporting elements reduced from 200,000 to 4,500 (98 per cent)			
Australia	12 agencies	2.1 m businesses	100,000+ accountants	240+ software developers
	Reporting elements reduced from 9,648 to 2,838 (71 per cent)			

The SBR Taxonomy — a dictionary of harmonised language

The most important part of SBR is the SBR Taxonomy of underlying definitions, and the use of a consistent language to express their properties. To indicate the difficulties of bringing consistency to the reporting terminology, just consider the earlier example where there were nine different names used across multiple forms to describe the ABN across the participating agencies.

Clearly this exercise was not just a walk in the park. Less in this case is clearly more, because during the process some forms were dropped altogether. The effort has a payoff, because once the names for the data are agreed upon, the taxonomy encodes the definition and rules for the reportable items of all forms in scope. This allows consistent mapping from elements in the accounting software onto elements required in government reports. The taxonomy is being developed by the Government in collaboration with software developers and the accounting profession, and will be certified by the Government.

SBR is working closely with the Australian Government and state agencies, to 'harmonise' the information being reported from business to these agencies, as well as reduce duplicated data. The harmonisation of the reporting information results in the identification of things being reported which mean the same thing, but currently have a different name, and then agree on the single name that will be used to ask business for this information. The other related activity is identifying information which has the same name but a different meaning. A simple example that helps everyone understand this is the term 'employee', which has more than 50 legal definitions in Australia. While SBR will not be directly changing laws to harmonise regulations and law, examples such as these are being identified to the agencies as candidates for legislative alignment. In the meantime, SBR will ensure that a unique name is applied to these terms so that businesses reporting against them know the context in which the information is being sought (for example, payroll tax, income tax, OH&S, and the State it relates to). This will give certainty to businesses as to what is being asked for. It also means that any information that may be provided publicly and then used for benchmark comparisons will at least be comparing like for like.

The collective set of reporting definitions for SBR is referred to as the SBR Taxonomy. This has been assembled using XBRL, or eXtensible Business Reporting Language, which has been developed by the accounting community for financial reporting. XBRL has been used in other countries for the presentation of complex financial statements which are lodged with listing exchanges. With the use of XBRL, quicker and more accurate comparisons of company performance can be made to guide and advise investors. In the Australian SBR Program, XBRL is being used as the single language for accounting systems to communicate electronically with government. It is also used to map meaning to financial and accounting information to not only allow the

pre-filling of less complex reports to government, but simplify the aggregation of financial data which can be assembled as the basis of complex financial statements. This latter use will save time and money, as well as provide the benefits described above for investors and market analysts.

As far as harmonisation goes, SBR has already identified a potential reduction of 71 per cent in the number of unique pieces of data that business has to assemble, analyse and report to government — cutting them from 9,648 to 2,838. This leaves us with 2,838 items of data that cut across some 87 reporting forms currently under review, including financial statements, superannuation, income tax, payroll tax and business activity statements.

Australia is one of more than 100 countries that are moving towards more uniform accounting standards and languages. One widely used standard is International Financial Reporting Standards (IFRS). Over time, participation in the global marketplace will favour the adoption and possibly the convergence of uniform standards.

Australian businesses already provide financial reports which are compliant with IFRS. The good news is that IFRS is already produced in an XBRL Taxonomy form. Working with the International Accounting Standards Board (IASB), the SBR Program is influencing the change management and assurance processes used for the IFRS XBRL Taxonomy so that financial statements that result from the use of the IFRS and SBR Taxonomies will be compliant, can be depended upon and will have stability such that any mapping and related assurance processes can sustain across the years.

As well as complying with IFRS, the SBR Taxonomy will also include the relevant Australian Accounting Standards to provide complete financial statements, for example on director remuneration.

Many other countries are using XBRL for financial and banking supervisor reporting. There are significant benefits in the use of XBRL in this field of reporting, but the true benefits start to accrue when the reporting requirements of many (such as government regulators) are defined in a single set of definitions, such that once mapped, the information might serve multiple reporting purposes. This is what SBR sets out to do.

SBR Core Services

This seamless functionality for the end user, which allows businesses and their professional intermediaries to send reports directly from their accounting system to the relevant government agency, is the essence of the SBR core services. This is what allows SBR to operate like an electronic post office. The SBR system will also provide immediate feedback confirming receipt and also the compliance of reports, or if

needed an error report. These are important features to save business time and money. Like a postal service, the SBR transmission channel does not keep reports, but only handles the information to pass it along. These services are now being constructed.

The SBR Core Services are simply an interface between a business's accounting system, and the agencies. As such, businesses will not see the SBR Core Services, and will not log onto SBR to report, as all of the reporting functions will be built into their software. Therefore the functionality of this key component is very important, but has not been described here.

Single secure sign-on

The absence of a single secure sign-on for business to report to or access the electronic services of many agencies was highlighted as a significant issue in the initial SBR business case. The overall design for SBR would allow reports for many agencies to be created within and sent directly from businesses' accounting systems. It would not be tenable if the business were then confronted by the need to enter a different user ID and password depending on which agency the report was going to. The situation across the agencies in SBR's scope involved nine different user IDs and passwords and two different digital certificates — potentially in the hands of one business user!

SBR has since designed the processes and systems that will allow a business to register once for a digital credential (with the Australian Business Register — ABR) and then use that credential to not only send reports from its accounting system via SBR to the right agency, but also log onto the various web portals for the agencies with which it has a relationship.

This facility will initially be available for use across the agencies in SBR's current scope, and will be made available into the future for use with other government agencies across the country.

Government systems accepting reports from SBR

The work required to adjust each of the agency systems to be able to receive reports from SBR has been planned and funded, and is largely on track for delivery for July 2010. This work represents the opening of a new channel for incoming reports, and as it is an optional channel it will not result in the immediate closure of other alternate channels.

How does it all fit together?

For many of the forms, SBR-enabled software will provide pre-filling of reporting information. It will allow editing and further data entry to complete the form and send the completed report securely to the right agency. It will also provide an electronic receipt confirming the delivery of the report. Real time processing, where provided by the agency, will add further information to the receipt.

As the scope of SBR involves a large range of reporting activities, there are several different ways that SBR will work. The reporting process for payroll tax and the business activity statement (BAS) can be largely automated within company software. More complex reports such as the corporate income tax return will more likely be provided to the business's accountant to check and complete the process.

Financial statements as an example

The purpose and level of reporting requirements across the agencies vary significantly, however the common ingredient is the business financial records that underpin all of these reports.

In the case of financial statements, it is important to remember that the purpose of the information being reported is significantly different to that provided on a form for the Tax Office.

Financial statements are created largely for governance of the company and are signed off by its board, and are eventually used as a report of performance to current investors and a source of advice to potential investors.

When provided to ASIC, the financial statements data is used within ASIC for regulatory purposes and eventually the financial statements are published for the analyst and investor communities.

In addition, for a financial statement, the use of the taxonomy will aid traceability and the aggregation of data, and also enable the report to be provided in a format that can help with market comparisons by analysts and investors.

Using SBR facilities, companies and their accountants will map the taxonomy to underlying financials which will allow aggregation of inputs to financial statements.

Software will allow translation of financial statement reports to PDF and/or XBRL documents, which can be sent electronically and securely from accounting software to ASIC.

In this scenario, the taxonomy mapping processes will replace current aggregation mappings, and be based on accounting standards and Australian regulatory terms.

Communication is key

SBR has been described as a classic example of using new technology to achieve a policy objective (OECD 2009). The policy goal drives the program — reducing the regulatory burden on business.

Demographic information — business intermediaries[4]

- More than 26,000 registered tax agents, responsible for lodging around 97 per cent of 2 million business-related income tax returns

- Approximately 100,295 accountants

- Approximately 124,700 bookkeepers

- Approximately 26,100 payroll specialists

- The major four accounting firms employ over 15,000 people in Australia.

SBR is a visionary but achievable project with a clear and demanding timeline. Its success is being supported by program management approaches as innovative as its goal of simplifying business reporting. SBR is a multi-agency initiative, but it is dependent on the software developer community to embrace it and include it in their accounting systems, and for the private sector to adopt it. SBR will not be mandated. Adoption of the capabilities provided by SBR is voluntary, focusing on the stakeholder groups and advising them of the benefits SBR will bring to stimulate their adoption of SBR. From the outset, SBR has sought to engage all stakeholders in the planning, design, build and testing of all SBR elements. There have been workshops for software developers and business intermediaries, managed through a stakeholder communication strategy. As of August 2009, several cycles of the taxonomy have been released for use, and a number of forms in scope have been completed for use in SBR-enabled software. End-to-end collaborative testing of the systems and software starts in October 2009. Via the SBR website, developers can access the taxonomy and the software developer's kit, and sign up for updates.

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4 Sources include ATO Knowledge Profiles, ATO Tax Agent Technology Survey 2008, and IBIS Accounting Services in Australia.

This inclusive approach has the added benefit of mitigating risk, as stakeholders have been brought along at every stage. They have helped to determine the overall design as well as the benefits, and are informed about and therefore well able to manage the risks. The stakeholders become part of the SBR supply chain. Software developers, businesses and their intermediaries have clear and reasonable expectations when they decide to join the SBR bandwagon, via SBR-enabled software. They want to be sure SBR will be implemented and that the benefits will be realised.

A clear outcome of this approach is stakeholder trust. They can be confident that the solution is fit for purpose, stable and dependable from year to year, and well managed across agencies, business intermediaries and software.

The seven benefits of highly effective SBR[5]

1. Single language to report to the agencies involved in SBR

2. Reduction in the cost of assembling, analysing and providing data to Government

3. Single secure sign-on to report to the agencies involved in SBR

4. Opportunities for streamlining the process of passing/aggregating data across different internal departments, offices or business units of a company

5. Increased interoperability of information across finance applications

6. Increased access to comparable performance information to guide investors

7. Improved data quality — less manual intervention leads to fewer errors.

The communication, change management and governance processes associated with SBR will continue well past the first main implementation on 1 July 2010. The SBR Taxonomy will have governance processes to ensure that reporting creep does not undo the simplification and benefits that have already been achieved.

SBR is to be implemented from 1 July 2010. By 31 March 2010, all of the government side work should be complete and ready for production. This means that software developers should be able to rely on the capabilities that have been put in place and tested, so that when they deliver their software to the business and accounting users

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5   Based on information in OECD 2009.

they should be confident it will work. Take-up by business will escalate over the subsequent three years.

The New Zealand Government recently announced the approval of an SBR program to develop a single reporting language and taxonomy, learning from the Netherlands and Australian experience. In August 2009, Australia and New Zealand formalised a Memorandum of Understanding on Standard Business Reporting. The agreed outcomes of the MOU include cooperation to ensure alignment between the Australian and New Zealand SBR taxonomies. Alignment of Australia's and New Zealand's SBR programs will be another aid towards a trans-Tasman single economic market.

What computes can also scale

The shift from totally paper-based reports to totally electronic records is not yet complete, but the path is irreversible. SBR is only possible in a world with electronic document transmission, and its future lies in further development of the open, inclusive methodology that sits behind this initial policy.

The scalability of electronic communications is highly dependent on open standards. In the early days of widespread Internet adoption, email attachments were sometimes inaccessible due to different standards for their transmission. Open standards make interoperability possible for the comparison or transmission of information. Issues about email attachments have long been resolved, but they appear again on larger scales. Open standards have become a vital element for the governance of the global system, as the following quote reveals:

Report of the Financial Crisis Advisory Group[6]

Because of the global nature of the financial markets, it is critically important to achieve a single set of high quality, globally converged financial reporting standards that provide consistent, unbiased, transparent and relevant information, regardless of the geographical location of the reporting entity.

The SBR Program is clearly focused on reducing the regulatory burden of business-to-government reporting within the clearly defined initial scope of financial reporting. However, SBR is also an important element in international e-government initiatives where the ultimate aim is better government.

Access to government information in a usable form is now a requirement for effective participation in a modern democracy. For Australia, the standard rail gauge has

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6 International Accounting Standards Board, http://www.iasb.org.

become an iconic but embarrassing artefact of our early federalism. That issue has also gone away, but has again been replaced with larger problems of standards. A conversation about more open protocols and standards for access to government information has been in the public domain since at least 1997.[7]

This open approach to information collection, storage and access is the driving force behind data.gov, a United States initiative to make information and data sets more available to the public. It offers searches of information by topic, agency, and data type. Data types available include XML, the language that XBRL derives from and extends.[8] There is also a facility to suggest additional data sets. Like SBR, it is not just a technology initiative, but has a clear set of policy objectives, including participatory democracy, improvements to government efficiency and effectiveness and transparency as a tool for accountability.

In this context, it is important to note that XBRL (or another open standards mark-up language for the documentation and presentation of information) can be used to represent many different kinds of data, not just financial. Sectors which are currently out of scope for SBR may soon be able to realise similar cost and time saving benefits from the SBR methodology. Any area, such as sport or the arts, that administers money or programs and has reporting requirements could potentially achieve both cost savings and better information access using the SBR methodology.

The benefits of streamlined reporting are not limited to government requirements. SBR can also be used for business-to-business reporting. Part of the elegance of the SBR design is the way its open standards facilitate scalability. This gives SBR the potential for achieving even greater benefits for the future. This brings the discussion of the future of SBR back to the starting point: the increasingly interdependent and globalised economy. As the world gradually recovers from the global financial crisis, it is likely that agreements and systems will be sought for problems with ever greater scope, scale and complexity. SBR will be part of the solution set, as it makes a real difference to the way business reports to government. It is an idea whose time starts now.

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7 Management of Government Information as a National Strategic Resource, The Report of the Information Management Steering Committee on *Information Management in the Commonwealth Government* (1997)

8 XBRL is XML-based. It uses the XML syntax and related XML technologies such as XML Schema, XLink, XPath, and Namespaces to articulate this semantic meaning.

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