

15th March 2013

Manager
Policy Development Unit
Standard Business Reporting
Infrastructure Division

Options Paper: Use of Standard Business Reporting (SBR) for Financial Reports submission.

CaseWare Australia and New Zealand distributes the CaseWare Working Papers product throughout the Australia and New Zealand Region. The software is XBRL ready and up-to-date with the current specification. We also distribute a financial reporting template that allows our customers to import data from any accounting package and then produce the financial statements.

Whilst our current financial reporting template is currently not ready for use with SBR, we have the capability to tag the data set required and produce the instance document (whether it be an inline XBRL html document or the standard xml file). We also have the ability to create a fully formatted PDF from the same data.

Whilst we are heavily involved with XBRL with our CEO serving as the Director of XBRL Australia, we have not enabled our financial reporting template to produce the XBRL instance documents. The core business decisions around this are there is no demand from our client base and it is cost prohibitive to tag and update each year for no-one to use. We have discussed this with one of our main corporate clients and they have basically told us that while it would be good to move forward with the new way of lodging, their prime focus for the financial reporting team is to ensure that they have all of the compliance issues covered off for their financial reports. Anything that takes time away from that primary goal will generally be lower down the list of their priorities.

Bringing the general discussion back to the option paper, option 3 means, as a software developer and distributor, we are highly unlikely to enhance our product due to lack of demand.

Option 2 is a step in the right direction but while there is no requirement to lodge, our customer base will not be seeking this ability from us.

This leaves Option 1 as the only option for the SBR program to achieve take up of the program for the lodgement of financial reports. This would be our preferred option. It would require software vendors to ensure their products will comply with the SBR program and produce the demand from clients required for vendors to start moving. Whether you go down the road of partial lodgement (like India with just Balance Sheet and Income Statement required) or full lodgement from the beginning, we believe it is the only way to further the progress of the SBR program in the financial reporting arena.

If Option 1 is selected we would need around 12 months for our template offering to become compliant with the SBR program and to be fully tested. This time would be taken up with the development of the lodgement tools and creating a system to easily update the existing taxonomy with any changes that come out every year, however we are investigating other options to fast track the lodgement system by working with some third parties. We would see this impact on our customers as minimal as most of the work we would be doing behind the scenes and our customers would just need to learn how to use the SBR lodgement process.

We ideally would like the taxonomy updates 4 months out from application. This would mean we would need 30 June taxonomy information by the end of February as our current release cycle is March each year. We have specifically chosen this cycle to allow our clients to update their systems effectively. Anything released to clients later in the year generally will not be adopted by clients as they do not have the time to get updates into their IT environments (some clients have a 2 month lag to get items through IT acceptance).

The entities in scope for lodgement would not really be an issue for us. The obvious choice would be listed public companies due to their level of accountability and the new process could provide the greatest benefit to all stakeholders.

If you would like to discuss any of the items in this submission, please feel free to contact me on 03 9660 4606 or at jd@caseware.com.au.

Regards,



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CaseWare Australia and New Zealand.