

20 March 2013

The Manager
Policy Development Unit
Standard Business Reporting
Infrastructure Division
The Treasury
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Dear Sir/Madam

**Options Paper
Use of Standard Business Reporting for Financial Reports**

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises with the purpose of advancing Australia's financial competitiveness. The G100 is pleased to provide comment on the issues raised in the Option Paper.

The G100 supports the SBR initiative and the objective to simplify and streamline the business-to-government reporting process and efforts to reduce the regulatory burden on business.

While we acknowledge that the take-up of SBR reporting by companies for lodging financial reports with ASIC is disappointing, this is in part, due to the failure to adequately explain the benefits to larger companies. It is important to recognise that implementation can involve significant costs to companies in systems development and training to achieve the promised benefits. Expenditures on systems development compete with other programs and activities for scarce resources and, as such, must offer comparable returns to justify the allocation of resources to the project. This is particularly so for large enterprises which have several large and complex systems.

The G100 believes that the adoption of SBR by companies for lodging financial reports should continue to be on a voluntary basis (the status quo option) as this enables companies to consider SBR solutions as part of planned systems upgrades and redevelopments as they arise rather than undertaking a one-off project to satisfy a regulatory requirement.

However, if SBR reporting is to be mandatory we believe that a significant transition period should be provided, such as 4-5 years, as this will allow companies to incorporate SBR reporting as part of routine systems redevelopment. Mandating without adequate notice is highly likely to result in companies taking a least-cost option such as outsourcing the preparation of the SBR report which, in part, defeats the objectives of the SBR initiative.

Members have indicated that the costs of implementation and compliance would vary significantly and depend on the approach taken. Implementation of SBR Reporting in isolation can be a costly exercise which could involve engaging consultants and would be dependent on whether existing systems could be upgraded to perform the additional reporting. For example, estimates provided range from \$14 - \$20 million and \$800,000 annual operating and maintenance costs for a full scale XBRL implementation for all regulatory reporting including financial reporting.

Under this approach implementation of lodgement of financial reports with ASIC would be undertaken as part of re-engineering all regulatory reporting which would be developed as part of a multi-year program. Adoption of lower cost approaches with selective migration of reports standardising regulatory reporting technology provides poor cost-benefit outcomes for the entity.

Yours sincerely
Group of 100 Inc



Terry Bowen
President