



Manager Policy Development Unit  
Standard Business Reporting  
Infrastructure Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
**Email:** [SBRpolicy@treasury.gov.au](mailto:SBRpolicy@treasury.gov.au)

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To whom it may concern

**Re. Options paper: Use of standard business reporting (SBR) for financial reports**

Thank you for the opportunity to comment on the Australian Government's proposed options paper on the use of Standard Business Reporting (SBR) for the lodgement of financial reports.

PwC supports initiatives that improve the transparency of financial reporting, the comparability of information in the global capital markets, and efficiencies in the systems and processes used by businesses. We believe the SBR initiative will provide significant benefits across all of these areas.

We encourage the Government to consider taking several additional steps before mandating the use of SBR in Australia. In brief, we recommend the Government consider developing:

- A more comprehensive engagement strategy with corporate Australia that is focused on understanding the costs and benefits of businesses adopting SBR to lodge their financial reports. Although we acknowledge the Government has already undertaken a consultation process with the business community on its proposals, we would encourage a more far reaching, comprehensive engagement strategy that aims to educate businesses on the potential benefits and costs of implementing SBR.
- A transition roadmap that focuses on implementing SBR (specifically iXBRL) in the medium term. In our view, this extended timeframe would allow sufficient consideration of the experiences of international businesses that use SBR; promote greater understanding of the costs/benefits of SBR; and improve clarity about the various implementation options available and what is likely to be the most effective approach for certain businesses.

Our more fulsome views on these matters and others are highlighted in our comments overleaf.

I would welcome the opportunity to discuss our views further. I can be reached on (02) 8266 2208 or via [kristin.stubbins@au.pwc.com](mailto:kristin.stubbins@au.pwc.com).

Yours sincerely

A handwritten signature in black ink that reads 'K. Stubbins'.

Kristin Stubbins  
Lead Partner, Strategy and Markets (Assurance)  
PwC Australia

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)



## **Our comments on the options paper: use of SBR for financial reports**

### **A comprehensive engagement strategy**

In our experience, the benefits of using SBR to lodge financial reports do not appear to be well understood by corporate entities. To ensure the business community do not perceive the use of SBR as an additional (and potentially unnecessary) compliance burden, we encourage the Government to formally engage with corporate entities at the most senior levels to educate them on the benefits of SBR and clearly understand the business costs associated with implementing it.

We believe this engagement strategy would be best taken as a first step, with an implementation plan (mandatory or otherwise) developed in conjunction with business once the costs and benefits of SBR are more widely understood.

### **A transition roadmap towards SBR**

We encourage the Government to consider developing a medium term transition roadmap that aims to move listed public companies and listed registered schemes towards lodging financial reports using SBR (specifically iXBRL format). iXBRL is a more sophisticated “extensible business reporting language” than the standard XBRL; it provides many more benefits, not least of which is the ability for financial information to be both human-readable and machine-readable.

In our view, promoting SBR (specifically iXBRL) over a medium-term timeframe that is supported by a detailed transition roadmap would bring many benefits. We encourage the government to consider extending its timeframe for SBR implementation and develop a transition roadmap that clearly sets out the following.

- 1. The SBR implementation options available and their associated costs/benefits.** Based on our international experience with SBR, XBRL and iXBRL, there are a number of different implementation options available to corporate entities. For example, some businesses choose external providers to outsource the implementation of SBR; some embed SBR and XBRL into their enterprise resourcing systems and use the tools for internal company analysis; others implement SBR at the end of the financial reporting process to eliminate the highly manual proofing process that is often required at this time. All of these options have varying costs and benefits associated with them, which are best considered by businesses before deciding on an implementation approach. We encourage the Government to develop a roadmap that provides businesses with information on the various implementation options available, the costs associated with each approach and the benefits that each approach is likely to provide.
- 2. International and domestic case studies showing how SBR has been implemented.** We believe that illustrative examples would help entities choose the implementation strategy that is best for them and help them maximise/minimise the upside/downside of any “lessons learned” by other entities. A number of these case studies already exist and, if drawn together in one place, would be useful in educating the market about SBR.
- 3. The software options currently available in Australia.** We understand that further development of software in Australia may be needed to aid the implementation of SBR, particularly with respect to iXBRL tagging.
- 4. A clear strategy about how SBR supports other reporting projects.** We encourage the Government to develop materials that educate the business community about how SBR aligns with other reporting projects that are designed to improve transparency and create efficiencies in financial reporting processes. For example, the Government could consider articulating the synergies between SBR and the integrated reporting report, specifically how iXBRL or XBRL will facilitate integrated reporting in the future.



5. **The vision for where SBR is headed more broadly.** We encourage the Government to clarify the long-term vision for SBR. For example, if all government reporting to all agencies will eventually be consolidated through one (or limited) SBR submissions, this could generate significant efficiencies for both corporate entities and government entities, which may hasten the implementation of SBR in Australia.