

Business Plan 2008 to 2010

Contents

MISSION STATEMENT	2
OBJECTIVES	2
STRATEGY	2
MEASURES OF SUCCESS	3
AWARENESS	3
ADOPTION	4
<i>Regulators</i>	4
<i>Software Developers</i>	5
ACTIVITIES	5
ADMINISTRATION	6
ADOPTION ACTIVITIES	6
AWARENESS ACTIVITIES	7
ASIA PAC INTERNATIONAL CONFERENCE	8
FUNDING	8
MEMBER SUBSCRIPTIONS	8
<i>Member Targets</i>	9
<i>Member Fees and Levels</i>	10
<i>Budget</i>	11
GOVERNMENT GRANTS	11
BUDGET FY08	13

Mission Statement

To promote the development and adoption of the XBRL standard in Australia.

Objectives

Our broad strategy to achieve this mission will be:

- To raise the **awareness** of, and demand for, XBRL as the preferred standard for electronic business reporting in Australia by consumers and preparers of business reports.
- To facilitate the **adoption** of XBRL in the preparation and consumption of Australian financial reporting by domestic and international users of business reports.

Strategy

The key stakeholders in the business reporting supply chain are:

- Businesses who prepare reports and filings;
- Accountants and other intermediaries who prepare business reports and filings on behalf of businesses, or otherwise advise business as to report preparation;
- Regulators and the ASX who consume business reports to oversee the markets;
- Investors who consume the business reports in order to monitor their investments or make investment decisions;
- Intermediaries who consume business reports in order to either advise clients directly in relation to investments, or on-sell the information; and
- Software developers who build systems to support all of the above.

Demand for XBRL should come from any or all of these stakeholders as each are interconnected, so demand from one tends to drive demand from another. A key enabler is the software developer community as they will provide the means for adopting XBRL. They have no inherent demand for XBRL in and of itself and have expressed interest in XBRL only insofar as it will meet customer demand.

Our main strategy for creating customer demand is to build on the XBRL Australia strategy and work to date that has focussed on the regulatory agencies that will drive demand, culminating in the recent formation of the Australian Federal Government Standard Business Reporting Management Group(SBRMG). This group is charged with driving the demand for standardised business reporting among federal agencies. Our strategy here is to support them in this work.

The other main group that will drive demand for XBRL data is investors. Individual investors are too large and too diverse a group to address directly and are less likely to have software that consumes company data directly. Therefore, we will focus on the professional investor community and address this group via the two main industry associations that represent them – IFSA and Finsia – and mainstream media opportunities.

The third main group of consumers of business data are the banks. We will continue our efforts to encourage their use of XBRL, primarily through their investment analysts via the activity above, but also via their external reporting and loan covenant monitoring areas.

Successful creation of demand for XBRL data by the main consumers of business reports will drive demand for XBRL-enabled software to both produce and consume that data. Our strategy here is to identify those software vendors and target them firstly with awareness of XBRL and secondly with technical help on how to implement XBRL within their applications.

Adoption of XBRL will require the existence of robust general use taxonomies. Again, this falls under the ambit of the SBRMG and we will support them in this work.

Measures of Success

We will know we have achieved these objectives via the above strategy when the following KPI's are reached.

Awareness

Over the next 3 years we will be successful if the following groups are aware of XBRL and its impact on their business to the extent described in Table 1 Awareness Levels. It is hoped that this level of awareness will drive sufficient demand for XBRL functionality to be delivered in their business applications to meet the KPI's for the adoption of XBRL.

Table 1 Awareness Levels

Group	June 2008	June 2009	June 2010
Qualified Accountants Defined as members of the Institute of Chartered Accountants in Australia; CPA Australia and the National Institute of Accountants. This will be measured by an annual survey of accountants to be sent with each professional body's annual fee renewal letters, or such other member communication as deemed appropriate by each body.	50%	75%	100%
Registered Tax Agents (RTA) Defined as tax agents registered as such with the Australian Taxation Office. This will be measured by a survey of registered tax agents to be conducted by the ATO in conjunction with any mass communication by the ATO to RTA's.	50%	75%	100%
Professional Investment Analysts Defined as members of IFSA and Finsia. This will be measured by annual surveys of their members to be sent with each professional body's annual fee renewal letters.	50%	75%	100%

or such other member communication as deemed appropriate by each body.			
Federal Government Regulators Defined as any federal government agency that collects business information from the private sector	100%	100%	100%

Adoption

XBRL is a computer to computer data transfer standard and so adoption will be by the developers of software used by those who produce and consume business data. Demand will be driven by those who want to consume business data – regulators and investment analysts – and so our focus on promoting the benefits of XBRL data will be to those groups. These groups will have software that consumes the data and we will need to focus technical training on how to consume XBRL data to their software vendors.

The demand for XBRL data will require the preparers of the company reports they demand to produce those reports in XBRL. Thus, the software vendors of the applications that produce the reports/filings will require technical training in how to produce XBRL data. The preparers themselves will not need to know much about XBRL as it should be embedded in their software applications and the only training they will need will be the application specific training on how to use the XBRL features. High level awareness would be all that was required so that they understand the need for the additional features and training.

Our adoption targets are:

Regulators

These are the key to the entire strategy. Whilst not under our control, and thus not a KPI for XBRL Australia, the business plan is premised on the following adoption levels within the regulatory environment:

- By 30 June 2008 the Australian Taxation Office (ATO) will have commenced a project to implement and promote XBRL filings for a significant reporting obligation – that is, one that is required by at least 50% of Australian businesses under their oversight;
- By 30 June 2009 the ATO will have implemented the aforementioned XBRL filing, or at least a pilot of it, and at least one of ASIC (Australian Securities and Investments Commission), ABS (Australian Bureau of Statistics) or APRA (Australian Prudential Regulation Authority) will have commenced a new XBRL filing project;
- By 30 June 2010 at least two of the aforementioned agencies will have implemented an XBRL Filing project for a significant reporting obligation and at least 2 more will have commenced such projects.

Software Developers

The SBRMG are expected to drive the adoption of XBRL among the suppliers of software applications that handle the requirements for the projects mentioned above. XBRL Australia will support the SBRMG in this task but have no direct activity or responsibility in this area.

XBRL Australia will, however, directly facilitate the adoption of XBRL by developers of investment analysis, accounting and tax preparation software. To this end our targets are:

By 30 June 2008

- Three Australian based accounting and/or tax preparation software developers will have expressed their intention to incorporate XBRL import and/or export features into at least one of their products; and
- One supplier of investment analysis tools will have expressed their intention to incorporate XBRL import features into at least one of their products.

By 30 June 2009.

- Three Australian based accounting and/or tax preparation software developers will have commenced projects to incorporate XBRL import and/or export features into at least one of their products; and
- One supplier of investment analysis tools will have incorporated XBRL import features into at least one of their products.

By 30 June 2010

- Three Australian based accounting and/or tax preparation software developers will have implemented XBRL import and/or export features into at least one of their products and at least three significant customers (i.e. within their top 20 by revenue) will have installed it for use;
- Three suppliers of investment analysis tools will have incorporated XBRL import features into at least one of their products and at least three significant customers (i.e. within their top 20 by revenue) will have installed it for use.

Activities

The activities to meet the objectives fall into 3 main categories:

1. Overall Administration
2. Awareness Activities
3. Adoption Activities

Administration

The organisation has some operational activities that it must undertake to maintain a basic presence in the market. These are, in order of importance:

1. Maintain books and records, prepare statutory accounts, have them audited, lodge appropriate forms with ASIC, and hold statutory meetings;
2. Remit subscriptions to XBRL International;
3. Maintain the Australian jurisdiction pages on the xbrl.org website;
4. Manage member relationships and subscriptions;
5. Manage Australian member only discussion groups.

Adoption Activities

Adoption of XBRL by software developers will require:

- Education on the benefits of XBRL (to encourage them to invest further time/effort);
- Education on how to implement XBRL; and
- Basic taxonomies for general business reporting to use and potentially extend in their implementations. Specific or niche taxonomies will be developed based on the needs of those who require them. However our experience has been that the broader the application of the taxonomy, the less likely any one company will be to invest in its development. Thus, wide application taxonomies, such as IFRS, require an independent body to get them started. We will facilitate this task.

To provide this education and taxonomy development, there must be a pool of resources able to educate the market in this manner. There are no commercially available courses on XBRL software development other than ones related to particular software applications. Therefore, XBRL Australia will provide the most cost effective avenue to the only global, vendor independent, educational source for XBRL; being the XBRL International mailing lists and consortium resources.

To ensure a basic pool of resources we will fund the following educational activities:

6. Attend XBRL International Conferences (see also AsiaPac International Conference at page 8) and create Australianised versions of training sessions conducted there to conduct in Australia. We will also gather intelligence about XBRL implementations around the world to assist local developers learn from their experience. The developer community has been engaged on a large scale in

The Netherlands, the EU and USA (banking initiatives) and the UK (company returns now and tax by 2010). The jurisdiction leadership will work with XBRL International to feed back the experiences in these large scale implementations to the Australian developer marketplace;

7. Participate in XBRL International working groups and disseminate that information to local members;
8. Attend other conferences, seminars and meetings that discuss issues of concern to our target audience in relation to business reporting.

XBRL Australia will, via its promotional activities at conferences and its website and mailing lists, encourage members to participate in the international working groups to ensure their views on the standard's direction and development are considered, as well as potentially growing the pool of educational resources at our disposal.

We will also identify the issues that interest software developers and run workshops on specific topics so that they are prepared for XBRL implementation projects. We have previously relied upon volunteers to educate themselves to the level required to educate others. However, this has not proven to be effective for a situation in which there is rapidly rising demand such as that which we expect over the next 3 years. Therefore, we expect to pay for people's time in this regard; not via direct payment for their time to educate themselves, but by paying them for their time in educating others.

With the pool of resources we have we will:

9. Run workshops on basic XBRL appreciation, and - as demand requires - more advanced topics such as taxonomy design and development, versioning, assurance, XBRL GL, etc.,
10. Assist in the creation and maintenance of general business reporting taxonomies that have very broad application.
11. Conduct one-on-one training sessions and discussions with targeted software developers who indicate a commitment to implementing XBRL in their applications. We will identify 3 vendors in the accounting, tax preparation and investment analysis software markets.

Awareness Activities

These activities are purely advertising and marketing related, aimed solely at increasing awareness of the standard and driving demand for more information on XBRL.

With the pool of resources we have we will:

12. Present XBRL at accountant and tax agent Business Forums and conferences in every Australian state;
13. Write articles for magazines and journals published by professional associations that deal with the stakeholder groups.
14. Utilise professional associations, member and government networks to exploit PR and mainstream media opportunities to promote XBRL;

AsiaPac International Conference

A proposal is that Australia host an XBRL International Conference. The November 2007 conference was due to be held in AsiaPac region but no jurisdiction nominated from this region. The ISC have decided to host the next conference in Vancouver, so we will endeavour to host the following one due for May 2008 in an Australian capital city.

However, the ISC is considering moving to regional conferences for May 2008 and only having annual conferences at the end of each calendar year. If this becomes the new procedure then we should bid for the regional event here in May 2008.

Hosting the conference in Australia would have benefits by creating many promotional opportunities for XBRL, increasing the availability of XBRL training to Australian businesses and members, and lowering our cost of attending the conference.

We would anticipate running the conference at a profit, but it would need initial cash flow funding from member subscriptions or a government grant. For conservatism, we have budgeted for this at break even.

Funding

The resources to undertake these activities will need to be paid. Experience has shown that volunteers do not achieve the results required within acceptable timeframes. The funds to pay for these resources have, in the past, been sourced from member subscriptions and government grants. It is proposed that this model continue.

Member Subscriptions

It has always been difficult to attract sufficient member subscriptions to fund a level of activity that has been capable of showing a significant impact. There have not been adequate funds to conduct any sort of meaningful research into why this is so. However lack of a compelling business case to support the jurisdiction's activities is reasonably supposed to be one of them.

Member Targets

Organisations that we would expect to reap net benefits from membership in excess of the subscription cost are larger organisations with significant regulatory and management reporting difficulties.

Banking and Financial Services

The most attractive targets here are the banks and insurers as they have significant regulatory burden, have complex organisational structures and, therefore, complex reporting issues. In addition, they are in an industry already well served by XBRL implementation success stories internationally – the US FDIC, in particular, but also the extensive work done in Europe on the COREP and FINREP taxonomies. Five Banks – the 4 majors plus Bendigo – have already expressed interest in joining. Two of them – ANZ and WBC – are past members.

The SBR Project has formed a “cluster” of agencies that are predisposed towards XBRL and contains the agencies that regulate banks and the ABS (that requires significant statistical information from banks and other financial services firms). This segment should be a priority target for recruiting members. Senior government officials should be utilised to encourage firms in this sector to join, similar to how Chairman Cox of the SEC has done in the USA.

Regulators

As mentioned, the SBR Project has already formed a cluster of agencies with a significant predisposition towards XBRL. These agencies should be encouraged to join the jurisdiction as a show of support for the standard and to also learn more themselves about what they are asking the markets to adopt.

ATO, AASB and APRA are, or have been, members of the jurisdiction. Others with the potential to benefit from XBRL adoptions - such as ASIC, FRC, ABS, CentreLink, Finance and Treasury - should be encouraged to join. Alternatively, the government may decide to provide support via a grant – see later.

Software Developers

This group have an opportunity to derive revenue from the sale of XBRL enabled products, so they are also a prime target. Some have also been members of the jurisdiction in the past -MYOB and Quicken, as well as many smaller providers. We need to access more firms in this segment, but their interest will only be ignited by customer demand. Our focus should be on the main developers, as in the past, but with more attention to bring them on as awareness grows. The SBR program and the ATO in particular will be important in encouraging firms to join. These firms are also wanting some certainty that XBRL will be the standard used by ASIC and the ATO before committing to it, so liaison with those agencies in pushing this message, as Cox has done in the USA, will be the key to success.

Consultants and Advisers

This group also has the potential to derive revenue from the adoption of XBRL through providing services to agencies and businesses that implement XBRL-enabled processes and systems.

Key targets are those already involved in the SBR Program, as well as those looking to win business there. Assistance from the SBR Management Group and heads of agencies involved in SBR to encourage bidders for SBR related contracts to be members of the jurisdiction will be extremely helpful here.

Systems integrators and consultants to Federal agencies and the major banks should also be high on our list of targets.

Member Fees and Levels

A significant issue with membership is the cost. For the larger organisations, \$7500 (plus GST) pa is not a large amount if the benefits can be demonstrated. For the smaller software developers, and even some government agencies, this is too much – regardless of the potential benefits. A model that applies varying fees to different membership types has been employed in the past, but has not resulted in great success.

The approach for FY08 will be to continue with the tiered membership, offering progressively more advantages to those on higher levels of membership. In the past, we have offered free membership to academics and students in a bid to encourage exposure of XBRL to the next generation of accountants, tax agents and software developers, but this not proven very successful. We do not want to distance this group but need to ensure they do not drain our resources either. We plan to reintroduce the \$100 academic fee to cover the cost of administering their membership.

Academic Membership

This will be \$100 pa (plus GST) and available only to practising academics. It provides access to:

- the mailing lists,
- member's area of the website,
- sharepoint files
- member discounts to XBRL conferences and workshops.

Academic members have no voting rights at company meetings but may attend as observers.

Ordinary Membership

This will be \$1000 pa (plus GST) and available to SME's. It provides access to:

- the mailing lists,
- member's area of the website,
- sharepoint files,

- member discounts to XBRL conferences and workshops.

In addition, Ordinary members' names will appear on the website (no logo). Ordinary members may attend company meetings and vote.

Sponsor Membership

This will be \$7500 pa (plus GST) and available to any organisation, but aimed primarily at those with turnover in excess of \$10 million pa. It provides access to:

- the mailing lists,
- member's area of the website,
- sharepoint files,
- member discounts to XBRL conferences and workshops.

In addition, Sponsors' names and logo will appear on the website and all promotional displays and presentations at workshops and conferences run by XBRL Australia or at which XBRL Australia is presenting.

Sponsor members may attend and vote at company meetings and may attend board meetings as observers and be heard.

Facilitator Membership

Facilitator members have all the rights and privileges of Sponsor membership but are distinguished in all promotional displays and presentations as the key drivers of XBRL in Australia and have the right to appoint a director to the board of XBRL Australia Limited. There is no set fee for Facilitator membership as they accept the responsibility of directorship and thus agree to underwrite any budget deficit.

Budget

We have identified over thirty target companies for membership and applied probabilities to their likelihood of joining the consortium to arrive at the budget revenue figure of \$80,750. If all joined at the membership level we expect, the revenue would exceed \$180,000. However, this would be an unlikely scenario without a major shift in policy on XBRL by the Federal Government (such as mandating XBRL).

Government Grants

In Fiscal 2008 there are unlikely to be any Facilitator members, so any deficiency between the budgeted expenditure and Member Subscriptions needs to be covered. The most viable avenue for this to be achieved within the timeframe required is by way of increasing the membership fees and/or by government grant(s).

Increasing fees may have the effect of lowering member numbers and result in no net gain, thus is a higher risk strategy.

There may be several sources for grant funding and a priority will be to identify these sources and pursue them. Initial targets will be the SBR Project, which has based much of its work on XBRL, and AusIndustry, which has outlaid millions of dollars under its Regulation Reduction Incentive Fund (RRIF) and can use XBRL to bring together several disparate RRIF funded projects – e.g. EasyBiz, Red Tape Blueprints, NeDA, etc.

The total funding estimated to be required from the public sector is approximately \$165,000; meaning that the jurisdiction would be funded a little over 50% by the public sector and a little under 50% by the private sector. If the Federal Government wish to take an active role in the jurisdiction they could nominate as Facilitator members, appoint a director to protect their interests and pay the amount as and when required. Alternatively, they could provide a grant, as they have done previously, to achieve specific milestones as set out in the plan.

If no grant funding is available, then we can either increase fees or reduce the budgeted expenditure to the level where it equates with member funds.

Budget FY08

	By Function			By Nature	
Revenue	Members		\$70,250	Subscriptions	\$70,250
	Grants Req'd		\$134,961	Grants	\$134,961
	Workshops		\$0	Workshop Fees	\$67,250
			\$205,211		\$272,461
Expenses	Administration		\$62,331	Consultants	\$145,440
	1. Accounting tasks	\$15,030		Bookkeeper	\$4,250
	2. XBRL International Fees	\$29,271		Travel	\$63,750
	3. Website Maintenance	\$6,750		Registration	\$15,000
	4. Operational Management	\$5,760		Catering	\$10,000
	5. Australian Mailing Lists & Resources	\$5,520		Audit/Asic	\$4,550
				XII Fees	\$29,271
	Adoption		\$80,000	Bank Fees	\$200
	6. XBRL International Conferences	\$36,200			
	7. XBRL Working Groups	\$0			
	8. Outside Conferences	\$7,800			
	9. Workshops	\$0			
	10. Taxonomy Development/Maintenance	\$36,000			
	Awareness		\$62,880		
	11. Presentations	\$42,000			
	12. Articles	\$10,500			
	13. Media liaison and PR opportunities	\$10,380			
			\$205,211		\$272,461
Key Assumptions					
Consultants Hourly Rate	\$120				
Bookkeeper Hourly Rate	\$65				
USD/AUD Exchange Rate	0.8000				
Conference Attendees	2		TP/JR - PP paid for by ASX		
Workshop Presenter Fee	\$1,500				
Article Writing Fee	\$1,500				
XII Fee Arrears Waived for FY07 - this has been confirmed by Chair of XII International Steering Committee.					
May 08 Conference in Australia hosted by XBRL Au, Breaks Even					
PP travel and accommodation paid for by ASX in lieu of fees					
Participation in working groups is at members own cost, WG participants given priority for paid workshop facilitation and article writing					
All workshops break even for XBRL Australia					
All travel, accommodation and expenses for presentations paid for by event organisers					