

BRLF – Outcomes of Meeting on 7th October

- 1. Next Steps**
- 2. Outcomes agreed by BRLF stakeholders in attendance at meeting**
- 3. Feedback on Draft Vision, Mission and Objectives**
- 4. Other matters discussed at the forum**

1. Next Steps

Action	Timing	Responsible
1. Establish a smaller working group to further develop the vision, mission and objectives based on comments raised	Oct-Nov	Alison, Paul and Victoria volunteered to support Steve, Michael and Nick. Anyone else want to join this group? Call Nick
2. Working group to build a more detailed draft work plan of actions to be taken over next 12 months, resource requirements, timing etc. for discussion at next BRLF meeting	Nov-Dec	As above
3. Arrange next BRLF meeting for early February, and send out revised vision, mission, objectives and 12 month detailed plan Meeting to be held late Jan/early Feb	Dec - Jan	Steve, Michael, Nick
4. Investigate whether other parties in Australia are focused on pulling together the global reporting initiatives/ liaising with the IIRC and other global IR groups. Determine how best to work with them	Oct-Dec	Nick (with input from the BRLF members)
5. Consider updating the SKE reporting framework paper, or developing other guidance/ white papers – for inclusion in detailed workplan	Oct-Dec (in the workplan)	Small Working Group as part of workplan
6. Call / meet with representatives of other organisations to invite them to join BRLF (i.e. more CFOs, BCA, AASB, RIAA, ACCA, AICD, IFSA, ACSI, FRC, member of IIRC, IGCC, other Big 4, more institutional investors, fund managers and analysts)	Nov - Jan	Steve, Michael and Nick to divide up list and make initial approaches. All members to advise of other potential members – call Nick

2. Outcomes agreed by BRLF stakeholders in attendance at meeting on 7th October 2010

- Forum to be called the BRLF
- Established as a stand-alone effort/project under the Society of Knowledge Economics (SKE) with its own governance framework, funding, bank account etc. so that it can be independent from the SKE
- Chaired by Steve Vamos in the interim; once the organisation is better established there will be a process developed to select/elect a chair and advisory group/committee.
- BRLF to be an open forum for interested parties to attend and contribute
- The SKE 'Values' outlined in the attached power point pack will also be adopted for the BRLF
- The BRLF is predominantly focused on external reporting (although there may be opportunities and implications for organisations internal reporting)
- The BRLF will be 'framework agnostic', and will focus on Australian issues, putting the Australian view forward globally and influencing the debate in the development of a framework, followed by 'promoting adoption'
- The BRLF is not focused on cultural change (which is part of the broader SKE mission); but rather focused on the practical aspects of improved stakeholder reporting and communications
- Members of the BRLF will debate and discuss the BRLF outcomes, but once consensus is agreed, they will act as a 'coalition' to promote adoption of the BRLF position to their counterparts
- Members will continue to develop and promote their own ongoing business agendas in the Reporting area (albeit that they will seek to support the BRLF agreed position in such endeavours.)

3. Feedback on Draft Vision, Mission and Objectives

A. Draft Vision (to be further developed by small working group)

Draft: 'To position Australian organisations as leaders in the provision of integrated reporting which is strategy-aligned and supports decision making of key stakeholders. '

There were many concerns raised about the draft vision; as follows:

- Needs to be more positive, with focus on successful outcomes, value-creation and forward looking.
- The BRLF must be a 'link' to other initiatives, and between different stakeholders involved in the reporting supply chain
- For users it must rebuild 'trust', 'confidence' and provide better 'understanding'
- For reporters it must be 'affordable', 'simplified' and more 'useful' for stakeholders. It must not add complexity.
- 'Integrated Reporting' must be defined – maybe 'financial and non-financial' would be clearer at this early stage of evolution?

Steve summarised the vision required for the BRLF as follows:

- Being engaged internationally; and an engaged leader locally to develop the Australian way forward
- The outputs must enable the stakeholders to get better insights of organisations – to build trust and confidence in the organisations future performance
- The reporting organisations must also benefit from the BRLF outputs through opportunities for enhanced performance, future success and making reporting more simple/efficient

The agreed action is for a small working group to be formed to take on board these views and inputs and craft a more inspirational and forward looking Vision statement for circulation prior to the next meeting.

B. Draft Mission v2

(This was actually updated during the meeting from the v1 in the slide pack, but this will also be edited up by the small working group)

'Co-ordinating and influencing Australian stakeholders and working with relevant global initiatives to promote and drive the development and implementation of a strategy-aligned and integrated business reporting framework in Australia which reduces complexity and better supports decisions about the business for external stakeholders whilst driving organisational success.'

There was much discussion about aspects of the Mission, including:

- A focus on minimising complexity, whilst maximising simplicity
- The CFOs position that organisations need to withhold disclosure of confidential information (competitive issues); and in many areas internal management information is not consistent with external reporting. (It is sliced and diced for internal management purposes, but can be reconciled if required.) CFOs do not always see external reporting driving better management decisions.
- Again CFOs keen to ensure that the BRLF does not create more internal requirements that do not improve organisational performance.

C. Draft Objectives v1 (to be updated by small working group for comments raised below)

<i>Objectives of the ABRLF are to:</i>
1. Engage all key Australian stakeholder groups in a collaborative approach to improve business and integrated reporting, drawing together work being done today through a variety of disconnected initiatives.
2. Collaborate with relevant global forums to minimize any 'reinventing of the wheel', as well as to promote the Australian position.
3. Develop the required reporting systems, processes and practices for the proposed Australian approach to business and integrated reporting through: <ul style="list-style-type: none">➤ Assessing the good practices of international and local organizations through the development of evidence/ case studies (e.g. Microsoft, Novo Nordisk, United Technologies), and the running of pilots to demonstrate commercial/ sustainable value of proposed changes.➤ Aligning the Australian framework with global best practice initiatives i.e. through the development /use of the WICI business reporting framework, KPI libraries and XBRL taxonomies.
4. Promote training to assist both preparers and users in effective development and use of integrated reports.
5. Partner with government/ regulators/ industry bodies to reduce the current reporting burden, and to regulate, as required, core planks of 'the proposed Australian integrated reporting/ business reporting framework.

Comments from the BRLF on each objective:

Objective 1

- General agreement, but this drove the group to consider the need for a stock-take of reporting initiatives and frameworks out there. This could be a white paper, or even an update to the paper produced in 2006 by the SKE on reporting frameworks. **(Action for consideration in the detailed work plan)**
- There was discussion as to whether the BRLF's objective should include being 'the primary body' for this debate in Australia. It was agreed that it will become that if it is properly constructed and implemented by the members. (ie this is aspirational rather than an objective).

Objective 2

- This was generally agreed, although there is a need to find out if anyone else is already doing this from an Australian perspective. **(Action for working group)**

Objective 3

- There was agreement that the BRLF would not 'develop..' but rather 'influence the development..' or 'shape..'.
• A good discussion on 'how can the BRLF identify the Australian position and promote the Australian experience?' It was agreed that the BRLF was all about 'improving communications and sharing experiences', and being a central 'point of focus to join the dots in this fragmented debate'.

Therefore it would be an important objective for the BRLF to identify the critical needs and concerns of members and then develop an approach through which the BRLF members can help resolve them/ feed them into the global debate.

This in turn led to a discussion of the required outputs from Objective 3. The BRLF is a central reference group that will remain 'impartial', and facilitate cross institutional discussion and thinking to develop Australian points of view and/or white papers using the research skills (of the academics) and practical application skills. **(As noted above action for the working group to consider development of an update of the SKE reporting framework paper and/or a guidance paper on integrated reporting(like the G100 Guide for the OFR to underpin the ASX Corporate Governance principles).**

Further work is required to build required outputs into the next 12 month detailed project plan **(Action for small working group).**

Objective 4

- BRLF will not be a training business, but is will do 'capacity building' through sharing of experiences and any findings/publications of the working groups.

It may also work with training organisations (members) to promote adoption

Objective 5

- May need to be clearer as to whom the BRLF will seek to influence specifically; and this should include the parties developing the frameworks internationally.
- The BRLF should engage and co-ordinate to develop the Australian position, and then advocate that position and promote Australian experiences. The BRLF should be a catalyst to align members in developing the overarching Australian position, and where appropriate seek to influence decision makers here and overseas.
- The resulting framework must be more efficient and affordable for preparers.

The overarching action is for the small working group to develop these objectives based on the comments received, and then seek to build a more detailed year 1 work plan with key tasks, expected outcomes and required resources for discussion at the next forum.

4. Other matters discussed at the forum

- Governance structure – there was general agreement with the structure, but it was considered too early to try and name a potential Chair and elect or select the Advisory group.
- Advisory group - Steve put forward the potential types of people who could be on the advisory group – comments included:
 - May need more members from Academia and Government
 - Possibly need a public sector director
 - Government departments may prefer to be observers rather than members
- Next steps – see earlier there will be a small working group to advance the vision, mission, objectives and develop a detailed work-plan for next 12 months. **The main objective of this group is to develop the compelling case as to why and how a collaboration such as the BRLF can have impact and benefit it's stakeholders.** This will provide sufficient detail so that funding and resource requirements can be discussed and agreed. The working group will complete these tasks before Christmas, with a view for a next forum in late January/ early February 2011.