

Business Plan

2015

October 2014

Business Plan 2015

CONTENTS

1. Executive Summary	2
2. Introduction	5
3. Operational Business Activities in 2015.....	6
3.1 Operational Support Services.....	6
3.2 Professional Services.....	6
3.3 Compliance Support Activities	6
3.4 Marketing and Communications	7
3.5 Training Workshops	7
3.6 Technology Maintenance	7
3.7 Partnerships	7
3.7.1 Partnering with national eResearch Infrastructure Projects	7
3.7.2 Partnering with Subscribers.....	7
4. New Capabilities in 2015: Business Development and Innovation	8
4.1 Business Development	8
4.2 Innovation.....	9
4.2.1 Technologies and Trends Supporting Global Research and Education – Internationalisation of the Federation.....	9
4.2.2 Extending AAF Services - expand AAF's identity and access management products.....	10
5. Project Initiatives	11
5.1 Department of Education funded Project Initiatives	11
5.1.1 AAF Boost Program.....	11
5.1.2 Project Reporting.....	11
6. Support Model	12
6.1 Organisational Structure.....	12
6.2 Infrastructure Hosting.....	13
6.3 Member Meeting Support.....	13
7. Operating Expenses & Subscriptions	14
7.1 Overview	14
7.2 Subscriptions.....	15
7.3 2015 Expenses.....	16
7.4 2015-2017 Operating Budget.....	17
8. Risk Management	18

I. Executive Summary

The Australian Access Federation (AAF) provides the solution for accessing online resources and services within the Australian Education and Research sector. This is achieved by delivering a secure framework which exchanges information between an individual and a provider of digital data resources. The outcome of the AAF's work is to facilitate collaboration and sharing of data for the benefit of end users in Australian universities and research organisations.

The AAF was initiated by the Council of Australian University Directors of Information Technology (CAUDIT) in December 2008 and seed funded by the Department of Education (the then Department of Industry, Science and Research) in 2009 to provide an access Federation for organisations and institutions which undertake or support education, research, or research and development in Australia.

With 86 subscribers and in excess of 120 services (as at September 2014), the AAF has reached critical mass and has been operating as a self-funded service since January 2012.

The AAF has established a vital role as part of the Australian eResearch infrastructure landscape through its core value proposition of a shared service for the Australian research/education sector, and is an integral part of the National Collaborative Research Infrastructure Strategy (NCRIS). The AAF lowers the costs and effort associated with managing federated identity in each individual subscriber organisation. The AAF also removes inter-organisational barriers to collaboration by enabling people to quickly and easily connect with resources (e.g. national eResearch infrastructure such as research data storage (Research Data Storage Infrastructure (RDSI)), virtual laboratories (National eResearch Collaboration Tools and Resources (NeCTAR)), eResearch tools (NeCTAR) and instrumentation). Conversely, resource providers are able to quickly and easily connect their services to people. A national Federation also provides the capability for collaboration on a global scale through the interconnection of national federations.

In 2015, the AAF will continue to undertake the following operational activities:

1. Provide **operational support services** (Service Desk, Knowledge Base and technical documentation, assisting subscribers identify services of value to the Federation, best practice and technical architecture advice) to ensure existing Subscribers gain best value from their subscription;
2. Provide a range of **professional services** (install and configure Identity Providers, and software development services for bespoke federated identity management solutions) billed at market rates;
3. Provide **compliance support activities** associated with the Federation Rules and annual Compliance Statements;
4. Undertake **marketing and communication** activities that focus on promoting the AAF's value proposition;

5. Develop and deliver on-demand **training workshops** aimed at increasing the skill base across the higher education and research sector with respect to federating services for access via the AAF;
6. Ensure the **technology** on which the AAF depends is **appropriately maintained** (application patching, security bug fixes and minor enhancements to AAF's software stack where activities are critical for the successful operations of the federation); and
7. Continue **partnerships** with national eResearch infrastructure projects and other subscribers where practical.

In addition to the business activities required to keep the AAF operational, commencing in 2015 the AAF Executive has identified two new capabilities to be added to AAF's operations to further build upon the utility and value of the federation and to ensure long term sustainability into the future:

1. A **Business Development capability** to focus on the development and execution of a business development strategy to add a conservative number of new subscribers to the federation; and
2. An **Innovation capability** to build upon AAF's services and remain relevant to subscribers as their requirements evolve. Two key areas of innovation focus on technologies and trends to enable internationalisation of the federation and expanding AAF's services to undertake a program of work each year in line with AAF's technology roadmap.

The introduction of business development and innovation capabilities as from 2015 is part of a three year strategy to sustain these capabilities as ongoing. The strategy consists of the following fee increases over 2015-2017 to AAF *Enterprise*, AAF *Team* and AAF *Hosted* subscriptions in line with AAF's strategic intent to operate at a break-even level:

- 11% (inclusive of CPI) subscription fee increase in 2015;
- 11% (inclusive of CPI) subscription fee increase in 2016; and
- 4% (CPI) subscription fee increase in 2017.

AAF *Publisher* subscriptions will maintain a 4% CPI increase annually over the three years in line with the strategy to grow new services connected to the federation (as outlined in the 2015-2016 Strategic Plan).

This strategy will see subscriptions raise a total forecasted income of \$908,211 in 2015, \$1,079,376 in 2016 and \$1,201,313 in 2017. Table I outlines the 2015-2017 operational budget inclusive of the above outlined strategy.

2015 will also see the completion of the 2012 grant awarded (via CAUDIT Inc) by the Department of Education to further enhance the services offered to subscribers. A key activity will be the completion of the *Identity Provider Improvement Project* and remaining project reporting.

The 2015-2017 operating budget is summarised in Table I.

	Budget 2015	Forecast Budget 2016	Forecast Budget 2017
Retained Earnings			
Forecast Retained Earnings as at 1 January	\$402,035	\$344,753	\$321,860
Income			
<i>Subscription</i>			
Forecast Subscription Income (existing subscribers)	\$752,448	\$881,409	\$922,149
Forecast Subscription Income (new subscribers ¹)	\$58,617	\$21,094	\$21,937
Forecast Increase in Subscription Income through Business Development activities ²	\$97,146	\$176,873	\$257,227
<i>Other</i>			
Forecast Professional Service Income ³	\$120,000	\$60,000	\$30,000
Forecast workshop income	\$4,399		
forecast Interest	\$18,000	\$18,000	\$18,000
<i>Project Income (Dept Edu Grant - 2015 only)</i>			
New Project Milestone ⁴	\$34,000		
Project IdP Improvement	\$43,000		
Project Reporting	\$4,000		
Total Income	\$1,131,610	\$1,157,376	\$1,249,313
Total Income + Retained Earnings	\$1,533,645	\$1,502,129	\$1,571,173
Expenses			
<i>Operating</i>			
Operational Expenses	\$850,214	\$875,720	\$901,991
Business Development Expenses (new)	\$149,210	\$153,686	\$158,297
Innovation Expenses (new)	\$124,000	\$127,720	\$131,552
Operating Surplus (2% Safety Margin)	\$22,468	\$23,143	\$23,837
<i>Project Expenses (Dept Edu Grant - 2015 only)</i>			
Project Expenses	\$43,000		
Total Expenses	\$1,188,892	\$1,180,269	\$1,215,677
Retained Earnings as at 31 December⁵	\$344,753	\$321,860	\$355,496

Table I: 2015-2017 Operating Budget

¹ New subscribers that have indicated a 2015 subscription.

² Based on a medium case forecast for new subscriptions.

³ A medium case Professional Services income forecast to support NCRIS funded activities.

⁴ Subject to Department of Education Approval. A new project milestone using re-deployed grant funds.

⁵ The AAF aims to maintain a cash flow buffer with its retained earnings of approximately 3 to 4 months of its annual operating costs.

2. Introduction

The Australian Access Federation (AAF) provides the solution for accessing online resources and services within the Australian Education and Research sector. This is achieved by delivering a secure framework which exchanges information between an individual and a provider of digital data resources. The outcome of the AAF's work is to facilitate collaboration and sharing of data for the benefit of end users in Australian universities and research organisations.

The Australian Access Federation (AAF) was initiated by the Council of Australian University Directors of Information Technology (CAUDIT) in December 2008 and seed funded by the former Department of Industry, Science and Research, now Department of Education, in 2009 to provide an access Federation for organisations and institutions which undertake or support education, research or research and development in Australia.

With 86 subscribers and in excess of 120 services (as at September 2014), the AAF has reached critical mass and has been operating as a self-funded service since January 2012.

The AAF has established a vital role as part of the Australian eResearch infrastructure landscape through its core value proposition of a shared service for the Australian research and education sector, and is an integral part of the National Collaborative Research Infrastructure Strategy (NCRIS). The AAF lowers the costs and effort associated with managing federated identity in each individual subscriber organisation. The AAF also removes inter-organisational barriers to collaboration by enabling people to quickly and easily connect with resources (e.g. national eResearch infrastructure such as research data storage (RDSI), virtual laboratories (NeCTAR), eResearch tools (NeCTAR) and instrumentation). Conversely, resource providers are able to quickly and easily connect their services to people. A national Federation also provides the capability for collaboration on a global scale through the interconnection of national federations.

Our Vision and Mission

The AAF's **vision** is to be the authoritative provider of access management services for Australian education and research.

The AAF's **mission** is to support collaboration and resource sharing through effective access management services.

3. Operational Business Activities in 2015

This section outlines the key operational business activities planned for 2015.

3.1 Operational Support Services

AAF personnel will provide a range of support services to Subscribers including:

1. Identifying services of value to other federation Subscribers;
2. Ongoing technical support to current and new Subscribers via the service desk, technical documentation and knowledge base; and
3. Subscriber support with interpreting and complying with the Federation Rules, implementing best practice technical architecture as well as Service Provider and/or Identity Provider configurations.

3.2 Professional Services

The AAF will provide a range of Professional Services (billed at market rates) to the sector in 2015, this includes:

1. On-request, and where practical, professional service engagements to install and configure Identity Providers;
2. Software development services for bespoke federated identity management solutions.

3.3 Compliance Support Activities

AAF will support the following key activities:

1. Annual Federation Rule compliance program:
AAF Personnel will assist Subscribers meet their compliance requirements, in particular to submit their annual Compliance Statement on or before 30 June 2015.
2. Compliance with any applicable legislation in relation to data protection and privacy including, without limitation, the Australian Privacy Act.

3.4 Marketing and Communications

The AAF will execute a marketing and communication plan that focuses on promoting its value proposition. Activities include:

- Presence at key industry events locally and internationally (e.g. eResearch Australasia, THETA, TERENA Networking Conference and the international Research Education Federations (REFEDS) meetings and APAN (APAC Identity Management Access Working Group) conference);
- Quarterly newsletters;
- Content rich *product centric* website which describes AAF products to Service Providers, Identity Providers and End Users; and
- An AAF Dashboard providing intuitive links to AAF's key technical products.

3.5 Training Workshops

The AAF's training strategy aimed at increasing the skill base across the higher education and research sector commenced in 2012. To date, AAF's training workshops have received a positive and growing response from Subscribers. Workshops will be provided on an on-demand basis over 2015. All attendees will be levied an attendance fee to cost recover expenses.

3.6 Technology Maintenance

The AAF will maintain the software stack of the Federation. This includes planned maintenance activities for application patching, security bug fixes and minor enhancements to the AAF software stack where activities are critical for the successful operations of the AAF.

3.7 Partnerships

3.7.1 Partnering with national eResearch Infrastructure Projects

The AAF will continue to partner with the National eResearch Collaboration Tools and Resources (NeCTAR), the Research Data Storage Infrastructure (RDSI) project and other NCRIS capabilities to assist with developing and supporting their identity management needs. This work will be done as part of AAF's Professional Services capability.

3.7.2 Partnering with Subscribers

In late 2013 and 2014 the AAF worked with AARNet in identifying a number of service enhancement areas for common federated access management requirements to achieve mutually beneficial outcomes for Australian education and research. Where practical, collaboration with AAF's subscribers will continue in 2015.

4. New Capabilities in 2015: Business Development and Innovation

In addition to the business activities required for AAF operations, the AAF Executive has identified two new capabilities to be introduced in 2015. These capabilities will further build upon the utility and value of the federation to AAF subscribers and ensure long term sustainability of the service into the future.

The introduction of business development and innovation capabilities as from 2015 is part of a three year strategy to build and sustain these capabilities as ongoing. The strategy consists of the following fee increases over 2015-2017 to *AAF Enterprise*, *AAF Team* and *AAF Hosted* subscriptions in line with AAF's strategic intent to operate at a break-even level:

- 11% (inclusive of CPI) subscription fee increase in 2015;
- 11% (inclusive of CPI) subscription fee increase in 2016; and
- 4% (CPI) subscription fee increase in 2017.

AAF Publisher subscriptions will maintain a 4% CPI increase annually over the three years in line with the strategy to grow new services connected to the federation (as outlined in the 2015-2016 Strategic Plan).

4.1 Business Development

While the AAF provides an efficient authentication framework for collaboration and access between its current subscriber base (all Australian Universities, CSIRO and a number of state based research and research organisations), the need for collaboration beyond these boundaries is forever increasing. To address this need an AAF business development capability will be introduced in 2015. The new capability will focus on the development and execution of a business development strategy each year to bring on board to the AAF a conservative number of new subscribers from the following sectors: education providers, government departments, research organisations and commercial service providers connected to the federation. As outlined in the budget (see table 4), it is forecast that business development capability will raise income by 12% (\$97,146) in 2015, 20% (\$176,873) in 2016 and 27% (\$257,227) in 2017 through compounding new subscriptions commencing in 2015 (with the assumption that each new subscriber will continue to renew their subscription after their first year).

4.2 Innovation

2015 will see the introduction of an innovation capability to the AAF. This capability is vital to enable the AAF to build upon its services and remain relevant to its subscribers as their requirements and platforms evolve. This is important for a number of reasons; firstly, the technology landscape of federated identity management continues to evolve at a rapid pace. There is a greater need for tools and technology to assist with collaboration both locally and internationally and new and emerging standards for authentication and authorisation are being developed and adopted. Secondly, in many cases research infrastructure projects make their own 'fit for purpose' choice of technology for authentication and authorisation. This makes it difficult for the AAF to plan for these requirements and an innovation capability is required to respond to these needs. Finally, innovation of federated identity management technologies is not an activity that AAF subscribers could cost effectively undertake individually.

To address these requirements and ensure that the AAF maintains a service in line with international best practice, it will introduce an ongoing innovation capability to its operations in 2015. Two key activities have been identified for 2015 and are outlined below.

4.2.1 Technologies and Trends Supporting Global Research and Education – Internationalisation of the Federation

The internationalisation of the AAF is an important part of connecting organisations using the AAF with their counterparts operating services connected to other federations globally. It will also provide international collaborators with access to AAF connected teaching, learning and research applications.

In Q3 2013, the AAF signed the eduGAIN⁶ policy declaration to be part of the global framework of federating with other international federations. To begin to develop this service into a production offering, the AAF will in 2015 continue to evaluate the technical and policy requirements to provide this service by working with a small number of interested subscribers willing to co-invest and participate in enabling this service within the federation. Subsequent years will see the AAF's innovation capability evolve this service into a full production offering as it matures.

⁶ eduGAIN is a service developed within the GÉANT (the pan-European research and education network that interconnects Europe's National Research and Education Networks (NRENs)) project. eduGAIN interconnects identity federations around the world, simplifying access to content, services and resources for the global research and education community. eduGAIN enables the trustworthy exchange of information related to identity, authentication and authorisation (AAI) by coordinating elements of the federations' technical infrastructure and providing a policy framework that controls this information exchange.

4.2.2 Extending AAF Services - expand AAF's identity and access management products

The technology requirements for federated identity management are often complex, diverse and in many cases still evolving. In addition the authentication and authorisation landscape is continuing to evolve with the emergence and adoption of other sources of trusted and not-trusted login mechanisms, for example self-asserted authentication sources such as Google and Facebook.

To support these requirements into the future, AAF's innovation capability would see it undertake a program of work each year to expedite the development of technologies in line with AAF's technology roadmap: see: <http://aaf.edu.au/technical/technology-roadmap/> . 2015 would see it undertake evaluation and development, where appropriate, of the following kinds of new technologies:

- Improved utilisation and statistics within the federation;
- Shibboleth Version 3;
- Social login to SAML gateways;
- Attribute Authorities; and
- Other authentication protocols such as OpenID Connect and OAuth2.

AAF will evaluate technologies in line with best practice to include their suitability to meet subscriber requirements and as a future service of the AAF through pilot group evaluation. Should technologies be proven to meet these needs they would then be further developed to form part of the AAF's production service offering.

5. Project Initiatives

This section outlines the project initiatives for 2015.

5.1 Department of Education funded Project Initiatives

In June 2012 the Department of Education awarded \$330,000 funding to undertake a program of initiatives to enhance the utility of the AAF. CAUDIT Inc entered into a grant agreement with the Department as the lead agent for the projects, with the AAF subcontracted to undertake the work. A number of the project activities were completed in 2013 with one remaining project due for completion in 2015.

5.1.1 AAF Boost Program

Completing in early 2015, the AAF Boost Program, previously labelled the Identity Provider (IdP) Improvement Program (See: <http://aaf.edu.au/supporting-researchers/aaf-boost/>), will work with a target sub group of AAF Subscribers that require assistance with maturing the technology of their identity provider. A reusable framework was developed in 2014 and will continue to be implemented in early 2015. The project is due for completion in mid-2015.

5.1.2 Project Reporting

CAUDIT Inc has subcontracted AAF Inc to undertake the following reporting for the grant's deliverables in 2015:

- Progress Report 6 (31 March 2015); and
- Final Report (30 June 2015).

6. Support Model

This section outlines the support model for 2015.

6.1 Organisational Structure

The AAF organisational structure is shown in Figure 1. In addition to the General Manager, Technical Manager, Technical Architect, Senior Developer and Service Delivery Coordinator, August 2014 saw the additional appointment of a Developer (12 months) to assist the Technical Manager with the implementation of the Department of Education funded project initiatives (AAF Boost Program). 2015 will also see the appointment of two new staff to enable the business development and innovation capability within the AAF. The AAF will continue to engage a casual administration assistant to assist with daily administration activities.

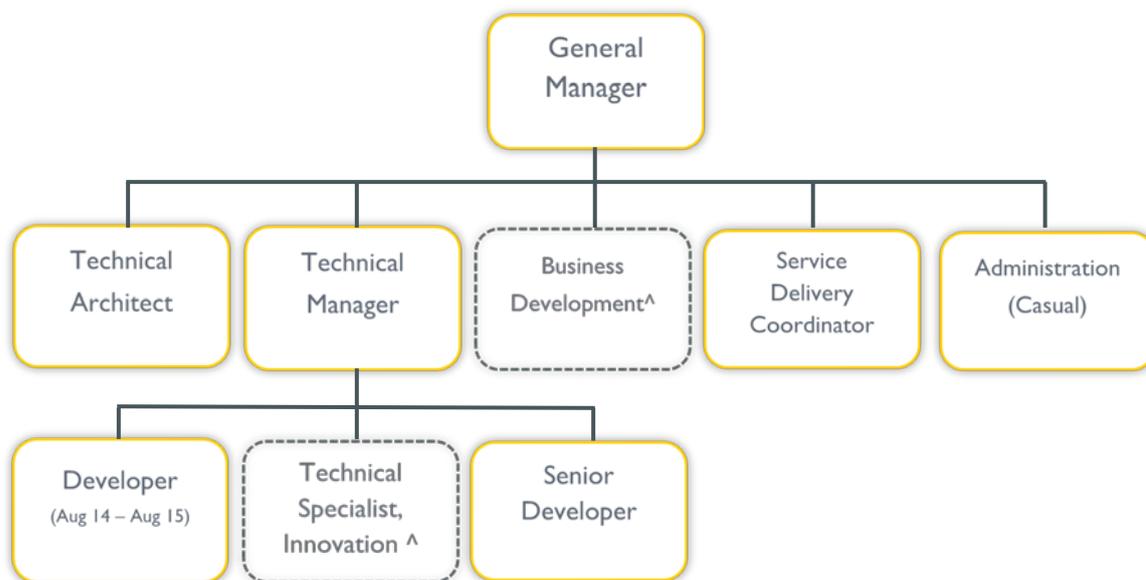


Figure 1: Organisational Structure 2015 (^new personnel in 2015)

6.2 Infrastructure Hosting

To maintain high availability of the Federation infrastructure, the AAF will continue (where appropriate) to enter into agreements with its Subscribers to host *Where are You From* servers (WAYFs). At a minimum, WAYFs will continue to be hosted in Brisbane, Perth, Sydney and Melbourne.

The Test and Production Federation infrastructure will remain hosted through an agreement with an Australian supplier.

The AAF will continue to use cloud-based services for its support systems (email, service desk, mail campaigns and source code repository).

6.3 Member Meeting Support

Given the considerable overlap in the Primary Representatives for CAUDIT Inc and AAF Inc, AAF Inc will work with CAUDIT Inc to schedule the AAF Inc Annual General Meeting (AGM) and General Meeting (GM) in conjunction with major CAUDIT meetings. This approach should reduce travelling costs for AAF Members.

7. Operating Expenses & Subscriptions

This section outlines the operating costs and subscriptions for 2015.

7.1 Overview

The AAF was incorporated in June 2009 with funding provided by a \$2.0M grant from the Department of Education. A subscription model has been applied since 2011 with the strategic intent to be self-funded and operate at a break even level. As at 1 January 2015, the AAF expects to have forecast retained earnings of \$402,035, noting that it is forecast that this amount will be reduced to an estimated \$344,753 at 31 December 2015.

Operating costs have risen with the addition of the Senior Developer position (July 2013) and the introduction in 2015 of the business development and innovation capabilities in line with the three year strategy outlined in section 4.

Figure 2 outlines the 2009-2017 income sources for the AAF. Figure 3 outlines the 2009 – 2017 expenses matched to funding sources.

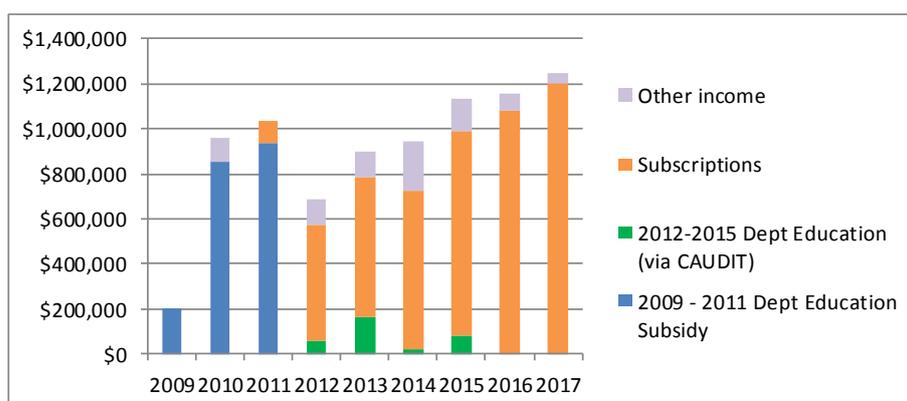


Figure 2: Total income 2009-2013(actual), 2014-2017(forecast)

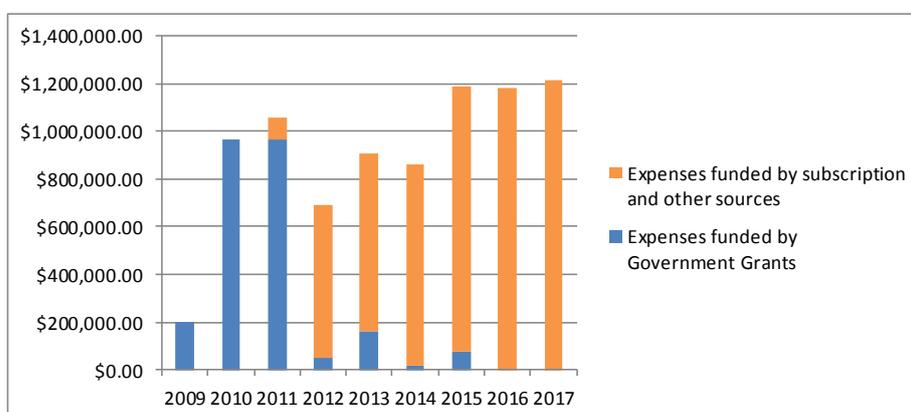


Figure 3: Total expenses 2009-2013(actual) 2014-2017(forecast)

7.2 Subscriptions

The subscription fees outlined in Table 2 are based on the three year strategy to build a sustainable business development and innovation capability for the AAF as outlined in section 4. For the typical subscriber (*AAF Enterprise, AAF Team and AAF Hosted*) to the AAF, subscription fees will raise by 11% (inclusive of CPI) in 2015, 11% (inclusive of CPI) in 2016 and 4% CPI in 2017. Based on a subscription income forecast in Table 4, subscriptions will be set to raise a total forecasted income of \$908,211 in 2015, \$1,079,376 in 2016 and \$1,201,313 in 2017 (inclusive of forecast new subscriptions and new business development).

The joining fee, and base price for *AAF Publisher* subscribers, will have a 4% CPI applied annually (2015-2017) in line with the strategy to grow new services connected to the federation (as outlined in the 2015-2016 Strategic Plan).

Subscription Component	AAF Enterprise		
Year	2015	2016	2017
Joining fee	\$6,667	\$7,400	\$7,696
Base price	\$6,781	\$7,527	\$7,828
Fee per FTE ⁷	\$2.95	\$3.27	\$3.40
Additional Identity provider registration	\$8,571	\$9,514	\$9,895
Extra Service provider registration bundle	\$4,762	\$5,286	\$5,497
Subscription Component	AAF Team		
Year	2015	2016	2017
Joining fee	\$6,667	\$7,400	\$7,696
Base price	\$6,781	\$7,527	\$7,828
Fee per user	\$20.51	\$22.77	\$23.68
Additional Identity provider registration	\$8,571	\$9,514	\$9,895
Extra Service provider registration bundle	\$4,762	\$5,286	\$5,497
Subscription Component	AAF Hosted		
Year	2015	2016	2017
Base price	\$833	\$925	\$962
Fee per user > 40	\$20.51	\$22.77	\$23.68
Extra Service provider registration bundle	\$4,762	\$5,286	\$5,497
Subscription Component	AAF Publisher		
Year	2015	2016	2017
Joining fee	\$3,550	\$3,692	\$3,840
Base price	\$1,014	\$1,055	\$1,097
Extra Service provider registration bundle	\$1,014	\$1,055	\$1,097

Table 2: Subscription Fees for 2015, 2016 and 2017 (ex GST)

⁷ Full Time Equivalent Staff Member

7.3 2015 Expenses

Table 3 outlines the operating expenses inclusive of new business development, innovation expenses and project expenses for 2015.

2015 Expenses	
Salary Expenses	\$958,611
General Supplies and Expenses	\$13,747
Printing and Publications	\$1,649
Professional Development	\$6,300
Professional Fees	\$25,446
Promotions	\$6,000
Telecommunications	\$10,184
Travel and Accommodation	\$30,785
Software and Certificates	\$8,700
Hosting Services	\$16,327
Training Expenses	\$1,750
Conference / REFEDS / Meetings and Events	\$38,925
ICT	\$5,000
Total	\$1,123,424
Operating Surplus (2% Safety Margin)	\$22,468
Project Expenses (Dept Edu Grant)	\$43,000
Total (inc Operating Surplus & Project Expenses)	\$1,188,892

Table 3: 2015 Operating Expenses

7.4 2015-2017 Operating Budget

Table 4 outlines the 2015-2017 budget.

	Budget 2015	Forecast Budget 2016	Forecast Budget 2017
Retained Earnings			
Forecast Retained Earnings as at 1 January	\$402,035	\$344,753	\$321,860
Income			
<i>Subscription</i>			
Forecast Subscription Income (existing subscribers)	\$752,448	\$881,409	\$922,149
Forecast Subscription Income (new subscribers ⁸)	\$58,617	\$21,094	\$21,937
Forecast Increase in Subscription Income through Business Development activities ⁹	\$97,146	\$176,873	\$257,227
<i>Other</i>			
Forecast Professional Service Income ¹⁰	\$120,000	\$60,000	\$30,000
Forecast workshop income	\$4,399		
Forecast Interest	\$18,000	\$18,000	\$18,000
<i>Project Income (Dept Edu Grant - 2015 only)</i>			
New Project Milestone ¹¹	\$34,000		
Project IdP Improvement	\$43,000		
Project Reporting	\$4,000		
Total Income	\$1,131,610	\$1,157,376	\$1,249,313
Total Income + Retained Earnings	\$1,533,645	\$1,502,129	\$1,571,173
Expenses			
<i>Operating</i>			
Operational Expenses	\$850,214	\$875,720	\$901,991
Business Development Expenses (new)	\$149,210	\$153,686	\$158,297
Innovation Expenses (new)	\$124,000	\$127,720	\$131,552
Operating Surplus (2% Safety Margin)	\$22,468	\$23,143	\$23,837
<i>Project Expenses (Dept Edu Grant - 2015 only)</i>			
Project Expenses	\$43,000		
Total Expenses	\$1,188,892	\$1,180,269	\$1,215,677
Retained Earnings as at 31 December¹²	\$344,753	\$321,860	\$355,496

Table 4: 2015-2017 Operating Budget

⁸ New subscribers that have indicated a 2015 subscription.

⁹ Based on a medium case forecast for new subscriptions

¹⁰ A medium case Professional Services income forecast to support NCRIS funded activities.

¹¹ Subject to Department of Education Approval. A new project milestone using re-deployed grant funds.

¹² The AAF aims to maintain a cash flow buffer with its retained earnings of approximately 3 to 4 months of its annual operating costs.

8. Risk Management

The AAF maintains an ongoing evaluation of its risk profile via the AAF Inc Risk Management Register which covers the following risk categories:

- Human capital management;
- Financial management;
- Business and service continuity;
- Governance;
- Workplace Health and Safety;
- Compliance;
- Remaining relevant and subscriber retention;
- Reputation.

Any risks associated with the introduction of the new capabilities outlined in Section 4 have been incorporated into the overall risk profile for AAF Inc. These risks will be managed by the General Manager and AAF Inc Executive Committee.