

Present:

Adrian Lejins	ATO
Angus Thomson	AASB
David Hardidge	EY
David Scott Stokes	UBMatrix
Jason Daniels	PwC
Jim Richards	XBRL
Joanna Yeoh	NZICA
Kerry Clark	EY
Max Cummock	NZIRD
Regan Andrew	NZIRD
Stephen Cowood	DTT
Trevor Pyman	XBRL

The workshop began with introductions from all attendees and discussion of what each wanted from the day. Most were seeking more information on how the taxonomy was structured and how it might fit into their future plans for internet based reporting.

Jim and Trevor presented a high level overview of the project and the taxonomy extension itself, explaining some of the key decisions that had been made. These were:

1. Officer Tuple

A basic early decision was made to create a single tuple to “house” all the remuneration and related disclosures for an “officer” of a company. The definition of Officer was the broadest and includes anyone who would also be defined as a Key Management Person (KMP) or a Director. Other alternatives considered were to split the tuple into many smaller tuples – one for each disclosure type. The problem with this approach is that there would be no way to ensure that the consuming application correctly reconstructed all of the tuples to get the complete picture. Another approach was to break it down into smaller tuples by officer type – i.e. one for all Director disclosures, one for KMP’s, one for Company Secretary, other officers, etc.

After much discussion, it was agreed that there were pros and cons to every approach and that the one taken was as good as any. The market will provide the best feedback on whether or not the approach taken is the best in practice.

2. Calculations

The taxonomy has not really addressed calculation relationships and we were going to put these in at the end when we were sure we had all elements in the extension. The consensus in the room was that the calculation linkbase would be used to ensure mathematical integrity of instances created using the taxonomy and that there was not a clear demand from the market for this functionality right now. The decision of those present was that we should not spend time on creating calculation relationships until there was a clear statement from users of the

taxonomy that it was required.

3. Codes

The IFRS taxonomy contains a “Code” element in each tuple. This is not a well understood mechanism and our discussions with the IFRS Team in London indicate it is to be dropped from future releases. For consistency we have included such elements in most we have created. The consensus in the room was that we do not need such elements in our extension as they serve no purpose and may mislead or confuse users.

It was suggested that those that have been included be deleted as they serve no useful purpose.

4. Omitted Standards

The IRS Taxonomy has not addressed the requirements of IFRS 4 (Insurance) and IFRS 6 (Mining) and so we have not addressed them in the extension. The meeting agreed that Insurance was too hard as the IFRS standard simply advises users to use local standards. The Mining standard however was considered different and important enough for the group to contemplate including in the extension. It was agreed that if we had time later in the day we would attempt to identify the elements required.

5. Controlled Entities

The IFRS Taxonomy had aggregate elements for Associates, Subsidiaries and Joint Ventures. Australian requirements are for individual disclosures at the entity level so tuples were created. These should be capable of being summed to the aggregate level elements in the base IFRS Taxonomy. The Australian standards split JV’s into Jointly Controlled Entities (JCE), Jointly Controlled Operations (JCO) and Jointly Controlled Assets (JCA). The requirements for JCA and JCO were the same so these were combined. These requirements were not as expansive as those for JCE so could have been included as a subset of JCE elements, however we decided to create 2 separate sets as “children” of the IFRS JV disclosures. Those present agreed with this approach.

The AASB disclosure requirements for Jointly Controlled Entities almost mirror those required for Associates under IFRS. Although the standard does not require a movement analysis for a JCE (or JCEs in aggregate) it was requested that a movement analysis be included as common practice. There is a movement analysis in the IFRS section on Associates (common practice reference) and a similar section was requested for JCEs.

6. Generic elements

The IFRS Taxonomy has some elements specific to IFRS, such as “Statement of Compliance with IFRS”. Our approach was to interpret IFRS Compliance as being the same as AIFRS Compliance and using the same element to maximise comparability. We have suggested to IASB that they include more generic

elements to identify the standards used in preparing the instance and then have a statement of compliance with whatever those standards are. This would be more useful to those extending IFRS for national requirements. Those present agreed that the more generic approach was the better one and that we should include it until it was added to the IFRS base taxonomy.

Another was currency. There was much discussion over the requirements and some known shortcomings in the standards and terminology used. It was felt best that the IFRS Taxonomy be corrected and that it covered all logical permutations of functional, presentation and local currency. In the meantime, we should just include the one missing element for “explanation of why AUD not used” in our extension until this is done.

7. Auditors Disclosures

We had created 2 separate tuples – one for audit services, and one for non-audit services. Another approach considered was to use a description to indicate the type of service (audit or non-audit) and perhaps even an enumerated list to ensure “Audit” was identifiable and thus separately disclosable. Those present agreed that a tuple was unnecessary for Audit services as there is only one type. This is to be altered to be a single element. Joanna from NZICA advised that NZ requires the total of all services performed by the auditor to be disclosed and that there was no element for this in the current taxonomy extension. We agreed to include this element to increase usability for NZ companies.

Other issues were then raised by the participants:

1. ASIC have Class Orders in relation to Deeds of Cross Guarantee and Rounding that need to be disclosed in the financials. There appear to be no elements for these in the extension.

These are known and were identified with ASIC during our meetings. We have a copy of Class Order 98/1418 and 98/100 that contains these requirements but have not included them in the taxonomy due to the focus on KMP disclosures. We will include them in the next release.

2. Names, Titles and Positions have been used as unique identifiers in several tuples (mainly Officer and Auditor) but these may not be unique. There are several schemes being suggested for this. Adrian Lejins volunteered to provide some options to Jim and Trevor for this. It was agreed that a “Unique Identifier” element be added as a sibling to every “Name” element in the extension, the content of that element to be defined later.

Mining and Exploration

Attendees then discussed the options for including the requirements for mining companies in the Australian extension. It was agreed that “Exploration and Evaluation Assets” were not a class of PPE but separate to them and should be a single sibling

element to PPE in the Balance Sheet. The accounting experts in the room were agreed that in practice these assets are not disclosed as Intangibles even though that is technically possible.

Four new lines were being added to the Cash Flow for ASX requirements for Appendix 5B that related specifically to Mining. These seem to cover requirements under accounting standards as well. A new line should also be added to the P&L for expenses related to exploration and evaluation.

A movement analysis for the new asset should be included in the notes and simply be a copy of one of the PPE classes with the name and labels changed.

Audit Reports

Whilst the audit report is not specifically in scope, the discussion centred on the usefulness of instances that would have had an audit report attached if they had been paper. It was felt to be a significant issue but one that was being considered elsewhere. The ASX Appendix 4D requires some disclosure about the audit opinion given and one of the obvious use cases for ASIC is in immediately identifying lodgements with qualified audit opinions. Many at the meeting thought it would be prudent to include a few high level elements in our extension to cover the ASX requirements and to also provide a “placeholder” for more detailed disclosures of the audit report should the market demand it.

The consensus was to have a new extended link for “Audit Report Disclosures” that would contain:

- Text element to hold the entire audit report as a single block of text
- Child elements of that to hold :
 - “Type of Engagement” (possibly enumerated list for “Review”, “Audit”, “Agreed Upon Procedures”, etc);
 - “Type of Opinion” (possibly an enumerated list for “Clean”, “Qualified – Subject To”, “Qualified – Except For”, “Disclaimed”, “Disputed”, “Emphasis of Matter”, etc)

These 3 elements are not hard to add and would in any case be required in some form to satisfy the ASX Listing Rules.

Jim and Trevor will incorporate the results of this workshop, and the ASX requirements, into the taxonomy and hopefully release it again in the next couple of weeks. Another workshop is to be organized for late June or early July to have a final look over the taxonomy. Trevor asked that EY, PwC and Deloitte specifically try to tag a Remuneration Report using the extension taxonomy as it now stands over the next few weeks to see if it works in practice, and provide any feedback promptly to Jim and Trevor so it can be corrected in time for the next workshop.

Trevor will contact everyone in the middle of June to find a suitable time for the next workshop.