

PROGRESS AS AT 31 MAY 2003

Our major focus recently has been on the "National Taxonomy Extension Building Project" meeting, which took place in Melbourne in the first week of May. This brought together many of the foremost experts in International Accounting Standards (IAS) taxonomy development from Australia, Singapore, USA and New Zealand in an intensive 4 day working meeting. Implementing taxonomy extensions is fundamental in being able to compare financial statements in one country based on, say IAS, with those from another country, also based on IAS. Extensions are also fundamental in comparing financial statements from one company to another in the one country. A lot of tough issues were raised and debated.

The International Domain Working Group (DWG) is already benefiting from the thought leadership generated at this workshop. Much of the discussion is being used in the development and refinement of the very important Financial Reporting Taxonomy Architecture (FRTA) documentation currently being prepared. The aim of the FRTA is to firstly document taxonomy development issues and approaches, and secondly to provide consistency for taxonomies developed, for example, IAS, the Australian taxonomy based on IAS, US GAAP, GL, Basel and credit-risk assessment services.

Another outcome from the workshop was that the IAS Explanatory Disclosures and Accounting Policies (EDAP) taxonomy was completed at a technical accounting level. This represents an important milestone (and over 16 months of development work). The IAS EDAP taxonomy includes the elements of the IAS PFS (Primary Financial Statements) taxonomy and extends them for use in notes and supporting material. The IAS Working Group were very appreciative of the opportunity to assemble their key accounting experts in one place, at one time, to complete this task.

Singapore and Australia built their Primary Financial Statement (PFS) extension taxonomies using the existing IAS Recommended taxonomy, based on learnings from the workshop. Documentation is currently being written to accompany their release to the XBRL software vendor community, and then to the public for comment. Australia is now extremely well placed to build the EDAP extension based on the IAS draft, and to move the taxonomies to the XBRL 2.1 Specification when it is released.

This now raises a key point for JSC to consider. It is not within XBRL Australia's constitution to create or maintain XBRL taxonomies. We have done so only to show that it can be done and to learn first hand what the issues are. XBRL is a language, like any other, and it is the responsibility of those who create reporting standards to publish them in the languages that their intended audience can understand. If the intended recipient of a report created under a standard is a computer, then the appropriate language to use is XBRL.

The bodies who we have identified as being creators of business reporting standards in Australia are:

- Accounting Standards : FRC/AASB
- Government : ATO, ASIC, APRA, ABS
- Banks : ABA

We ask that JSC commit resources, in the form of time and effort of relevant staff, plus incidental expenses if required, to help XBRL Australia to lobby each of these bodies at the highest level possible so that they understand their role in the adoption of XBRL and the creation of efficient, transparent business reporting.

JSC has asked Ian Mayer and Marie Campion to produce a marketing campaign for XBRL, which should assist in this lobbying effort. We are unaware of progress on this task.