



# ATTX Project:

<Australian Taxonomy Team – XBRL>

## AIFRS Annual Reports Taxonomy Extension

### Progress Report #2

March, 2006

#### Prepared By:

Trevor Pyman

Project Manager

#### For the Project Steering Committee

Paul Phenix	Senior Adviser	Australian Stock Exchange
Lee White	Chief Accountant	Australian Securities and Investments Commission
Angus Thomson		Australian Accounting Standards Board
Bill Palmer	General Manager Standards	Institute of Chartered Accountants in Australia
John Purcell	Technical Adviser - Mgt & Business	CPA Australia
Martin Codina	Senior Policy Manager	Investment and Financial Services Association
Mark Ley	Senior Manager, Markets Policy	Financial Services Institute of Australia
Brian Stonebridge		Australian Government Information Management Office

## Project Summary

Details	To 31 March 06	
	Budget	Actual
Planning, Progress report, Invoicing, payments	\$5,250	\$3,900
<b><u>Prepare AIFRS extension taxonomy</u></b>		
Time	\$28,500	\$27,788
Expenses	\$1,440	\$1,285
<b><u>Prepare ASIC extension taxonomy</u></b>		
Time	\$28,500	\$18,900
Expenses	\$1,440	\$1,429
<b><u>Internal Working Draft (AASB/ASIC)</u></b>		
comment period - respond to queries	\$4,500	nil
<b><u>ASX Requirements Preparation</u></b>		
	\$9,000	\$200
Overall technical review of combined taxonomy structure	\$10,500	\$300
Project management software	\$4,990	\$2,495
<b>Total Project to Date</b>	<b>\$94,120</b>	<b>\$56,297</b>
<b>Percentage of Total</b>	<b>59%</b>	<b>35%</b>

The main shift during the month was caused by AGIMO reversing their position on whom to provide the funding. AGIMO are now working on contracting directly with XBRL Australia, so we are negotiating contracts and ancillary documents to that end (refer Appendix A). The process will be substantially the same as before but slightly altered in respect of the payment process and GST effect. CPA Australia have now agreed to administer the funds instead of ASIC as AGIMO no longer require a government agency to hold the funds and ASIC's legal counsel were insisting upon more complex arrangements than we believe were necessary. ASX have had to cancel their cheque and redraw it in favour of the CPA Australia administered account. This has delayed funding until mid April. As at 31 March neither contributing partner had deposited any funds with the consortium. Due to the time pressure of completing this project and the good faith displayed by all concerned, the contractors decided to commence the work anyway.

The month began with the scheduled meetings with AASB in Melbourne. The results of this are available on the website at [www.xbrl.org.au/taxonomies/ATTX2006/Documentation/Notes/AASB/](http://www.xbrl.org.au/taxonomies/ATTX2006/Documentation/Notes/AASB/). The main difficulty was encountered with the remuneration disclosures required by AASB124. These difficulties were exacerbated by the Corporations Act requirements for similar disclosures and the resolution of these issues is the subject of a meeting with both AASB and ASIC on Tuesday 4 April at 11am.

We developed enhancements to the xbrl.org.au website to hold all project information. It can be accessed via the "Tech & Taxonomies" link on the left hand navigation bar. Information on Governance, Budget, Progress reports and the Taxonomy itself are available.

The ASIC meetings in Sydney were held 20-22 March and were successful in that all issues were identified, however not all have been resolved. We are hopeful of recouping some of the 2 weeks lost time caused by the rescheduling of these meetings from 8 March, but we will not be able to get back on the original project timeline. During April we will have a better chance to assess the impact of this on the project timing. It is hoped that the work being done now will help to save time in the ASX phase of the project so that the final deliverable dates are not significantly impacted.

## Tasks Scheduled for This Month

### Project Planning / Management

	Budget	Actual	Variance	Comments
Start Date	Wed 1 Mar	Wed 1 Mar	-	This task is ongoing and has consumed well over 5 full days' Project Manager time due to funding negotiations and renegotiations.  The software cost has been used by the Project Manager to create the web based reporting system in use – refer <a href="http://www.xbri.org.au/taxonomies/">www.xbri.org.au/taxonomies/</a>
End Date	Tue 14 Mar	Fri 31 Mar		
Developer Cost				
Tech Review Cost	\$1,500	\$150	+\$1,350	
Project Mgt Cost	\$750	\$750		
PM Software	\$4,990	\$2,495	+\$2,495	
Expenses				

Deliverables	Status	Comments
Progress Report	Completed	
Funding Request	Completed	
Pay Contractors	Incomplete	No funds with which to pay.
Project Management	Ongoing	

### AIFRS Requirements

	Budget	Actual	Variance	Comments
Start Date	Wed 1 Mar	Wed 1 Mar		
End Date	Sun 26 Mar	Fri 31 Mar	9+ days	Unexpected complexity in remuneration report requirements. Combined with ASIC similar requirements for resolution early April. May delay subsequent deliverables by up to 1 week.
Developer Cost	\$12,000	\$11,700	+\$300	Incomplete, budget not yet used
Tech Review Cost	\$1,500	\$1,087.50	+\$412.50	Incomplete, budget not yet used
Project Mgt Cost	\$6,000	\$6,000		
Expenses	\$690	\$690		

Deliverables	Status	Comments
AIFRS Taxonomy Draft	90% complete	6 outstanding issues to be resolved at meeting on 4/4/06.
Documentation for AIFRS elements	90% complete	Refer website for full documentation. Awaiting meeting on 4/4/06 to complete documentation.

### ASIC Requirements

	Budget	Actual	Variance	Comments
Start Date	Wed 1 Mar	Wed 1 Mar		
End Date	Sun 26 Mar	Fri 31 Mar		
Developer Cost	\$12,000	\$9,900	\$2,100	Incomplete, budget not yet used
Tech Review Cost	\$1,500	nil	\$1,500	Will complete technical review when taxonomy for this part completed – mid April.
Project Mgt Cost	\$6,000	\$6,500		
Expenses	\$1,440	\$1429.41	+\$10.59	Perth-Sydney discount economy airfare = per diem for 3 days

Deliverables	Status	Comments
AIFRS/ASIC Taxonomy Draft		
Documentation for ASIC elements		

## ASX Requirements

	Budget	Actual	Variance	Comments
Start Date	Wed 1 Mar			Due to delay of ASIC meetings this was not started. Should commence 2 <sup>nd</sup> week April.
End Date	Sun 26 Mar			
Developer Cost	\$7,000			
Tech Review Cost				
Project Mgt Cost	\$1,500			
Expenses				

Deliverables	Status	Comments
		Only commencing at end of month – no deliverables due.

## Overall Technical Review of Taxonomy Structure

	Budget	Actual	Variance	Comments
Start Date	Wed 1 Feb			
End Date	Fri 7 Jul			
Developer Cost	\$1,500			
Tech Review Cost	\$7,500			
Project Mgt Cost	\$1,500	\$300		Preliminary technical assessment of architecture.
Expenses				

Deliverables	Status	Comments
Approval of AIFRS/ASIC Taxonomy Design		Deliverables not due until later in project. Taxonomy documentation on website approved for internal use.
Approval Of Taxonomy Documentation		
Interoperability Test of Taxonomy		

# Financial Summary

## Total

Start	End	Details	March	YTD Total	Budget	Unused
01 Feb	08 Feb	Project Planning	\$150	\$3,150	\$4,500	\$1,350
01 Mar	14 Mar	Progress report, Invoicing, payments	\$750	\$750	\$750	\$0
	<b>Planning</b>	<b>Totals</b>	<b>\$900</b>	<b>\$3,900</b>	<b>\$5,250</b>	<b>\$1,350</b>
		AIFRS Requirements Preparation				
		1. Study AIFRS for elements				
01 Feb	08 Feb	2. Collect annual reports for Australian organisations reporting against additional paragraph requirements	\$0	\$9,000	\$9,000	\$0
01 Mar	03 Mar	Face-to-face meetings (Melb) Accommodation	\$0	\$0	\$0	\$0
01 Mar	03 Mar	Face-to-face meetings (Melb) Per diem allowance	\$690	\$690	\$690	\$0
01 Mar	03 Mar	Face-to-face meetings (Melb) Airfare	\$0	\$595	\$750	\$155
		AASB Face-to-face meetings (Melb)				
		(a) Discuss elements identified and agree on inclusion and data type				
01 Mar	03 Mar	(b) Check items against IFRS taxonomy	\$9,000	\$9,000	\$9,000	\$0
		(c) Document and sign off on elements				
		Prepare AIFRS extension taxonomy				
		(a) Create taxonomy elements				
		(b) Document the process and design decisions				
03 Mar	26 Mar	(c) Create instance documents to test taxonomy	\$9,788	\$9,788	\$10,500	\$713
		(d) Taxonomy recognition documentation for XBRL International Domain WG				
		(e) Issue draft taxonomy for internal comment				
	<b>AASB</b>	<b>Totals</b>	<b>\$19,478</b>	<b>\$29,072</b>	<b>\$29,940</b>	<b>\$868</b>
		ASIC Requirements Preparation				
		1. Study Corps Act for elements				
09 Feb	23 Feb	2. Collect annual returns and forms	\$5,900	\$8,400	\$9,000	\$600
08 Mar	10 Mar	Face-to-face meetings (Syd) Accommodation	\$0	\$0	\$0	\$0
08 Mar	10 Mar	Face-to-face meetings (Syd) Per diem allowance	\$690	\$690	\$690	\$0
08 Mar	10 Mar	Face-to-face meetings (Syd) Airfare	\$739	\$739	\$750	\$11
		ASIC Face-to-face meetings (Syd)				
		(a) Discuss elements identified and agree on inclusion and data type				
08 Mar	10 Mar	(b) Check items against IFRS taxonomy	\$9,000	\$9,000	\$9,000	\$0
		(c) Document and sign off on elements				
		Prepare AIFRS/ASIC extension taxonomy				
		(a) Create taxonomy elements				
		(b) Document the process and design decisions				
10 Mar	26 Mar	(c) Create instance documents to test taxonomy	\$1,500	\$1,500	\$10,500	\$9,000
		(d) Taxonomy recognition documentation for XBRL International Domain WG				
		(e) Issue draft taxonomy for internal comment				
27 Mar	26 Apr	Internal Working Draft (AASB/ASIC) comment period - respond to queries	\$0	\$0	\$4,500	\$4,500
	<b>ASIC</b>	<b>Totals</b>	<b>\$17,829</b>	<b>\$20,329</b>	<b>\$34,440</b>	<b>\$14,111</b>

Start	End	Details	March	YTD Total	Budget	Unused
27 Mar	10 Apr	ASX Requirements Preparation 1. Study Listing Rules for elements 2. Collect annual returns and forms	\$0	\$200	\$9,000	\$8,800
	<b>ASX</b>	<b>Totals</b>	<b>\$0</b>	<b>\$200</b>	<b>\$9,000</b>	<b>\$8,800</b>
01 Feb	07 Jul	Overall technical review of combined taxonomy structure	\$300	\$300	\$10,500	\$10,200
	<b>Finalise</b>	<b>Totals</b>	<b>\$300</b>	<b>\$300</b>	<b>\$10,500</b>	<b>\$10,200</b>
		Software	\$1,495	\$2,495	\$4,990	\$2,495
		<b>Totals</b>	<b>\$40,002</b>	<b>\$56,296</b>	<b>\$94,120</b>	<b>\$37,824</b>
		<b>Contractor Breakdown</b>				
		Project Manager	\$15,045	\$20,245	\$24,245	\$4,000
		Developer	\$23,719	\$34,814	\$56,375	\$21,561
		Technical Reviewer	\$1,238	\$1,238	\$13,500	\$12,263
			<b>\$40,002</b>	<b>\$56,296</b>	<b>\$94,120</b>	<b>\$37,824</b>
		Percentage of total project Budget Cost (\$160,000)	25%	35%	59%	24%

As at 31 March 2006 we were well behind on the budget that should have been spent to date. This is not as large a gap as the percentages above suggest as the whole amount of the budget for “Overall technical review” “AASB/ASIC comment period” and “ASX Requirements Preparation” are included even though the budget is spread over a period well beyond 31 March. Nevertheless it is true that we have not spent as much as we expected to at this point, due in the main to the rescheduling of the ASIC meetings from the beginning to the end of March.

Also, a lot of the Technical Review work was moved from early in the project to later on as this was seen to be a more efficient use of the time than under the original plan.

## Appendix A – AGIMO Contractual Negotiations

AGIMO advised that they wished to contract directly with XBRL Australia to procure services rather than provide grant funding. This change has GST implications, which AGIMO agreed they would be responsible for. They sent a Statement of Requirements with a Request For Quote for services, which is attached as Appendix B.

We responded with a proposal for providing half the services in the Project Plan with key deliverables between now and 30 June 2006, which is attached as Appendix C. This proposal was accepted and a draft agreement sent. One of the requirements of that draft agreement was that XBRL Australia have PL and PI insurance. This is now being arranged

The tasks assigned to the AGIMO contract have been identified in the “AU Taxonomy Project Plan Reporting.xls” spreadsheet (columns BT to BV), the allocations to the milestone deliverables (April, May and June) in column BW, and the allocation to Tasks in column BX. The totals for each are summarized in rows 56 to 63.

The process is to remain as close to that originally anticipated. Whilst XBRL Australia does not require Steering Committee approval to invoice AGIMO and pay the contractors, it is in the spirit of our original agreement that we do so. Thus, the new process is:

- Each month the Project Manager will prepare and circulate his Progress Report, setting out the tasks achieved for the month and deliverables met, or comments why not met.
- The Progress Report will be accompanied by the contractors’ invoices.
- The Progress Report will be accompanied by a Tax Invoice to AGIMO for the contracted amount for the deliverable for that month. The balance between the total of the contractors’ invoices and the AGIMO invoice will be requested from CPA Australia in a Funding Request to draw funds from the ASX contribution (now being held by them instead of ASIC).
- The Project Manager will also attach the detailed budget spreadsheet showing the allocation of all amounts to be paid against the original plan.
- The Steering Committee will review the progress report, all invoices and the Funding Request and advise John Purcell at CPA Australia via email of any concerns they have with the conduct or progress of the project within 5 business days of receipt of the reporting package. No payments will be made until any and all issues so raised are resolved to the satisfaction of the Steering Committee.
- If no concerns raised, or when any concerns raised are resolved, the Tax Invoice will be sent to AGIMO and the balance of funds paid into the XBRL Australia Limited bank account within 2 business days.
- On receipt of cleared funds from CPA Australia and AGIMO, XBRL Australia will pay the contractors.

# **Appendix B – AGIMO RFQ**

## **Statement of Requirements**

### **Development of an XBRL-based Financial Reporting Standard**

AGIMO is proposing the development of an XBRL-based financial reporting standard for the public sector. The Australian Taxation Office and the Australian Securities and Investment Commission have expressed support for the initiative.

The XBRL taxonomy would add value to the whole-of-government approach to IT management. The XBRL taxonomy would facilitate for all agencies:

- the automation of the financial reporting process
- the efficient collation of financial information in accordance with both specific Government reporting requirements (ATO, ASIC) and broader reporting requirements (Corporations Act, ASX Listing Rules, Australian Accounting Standards)
- a reduction in error checking and correction of financial information
- transform the auditing process by enabling easier comparison and reconciliation of financial information

The XBRL taxonomy will be made available as a public resource, thus generating wider economic benefits. By improving the flow of financial information from business-to-business, business-to-government and government-to-government, the XBRL taxonomy would help to reduce red tape associated with compliance.

It is proposed to engage XBRL Australia under the ‘sole sourcing’ provisions of the Commonwealth Procurement Guidelines to undertake this work, subject to their providing a satisfactory response to this Statement of Requirement.

#### **Deliverables**

The consultant will be required to deliver an XBRL-based taxonomy for financial reporting that fits the needs of the public sector stakeholders (ATO and ASIC).

#### **Timeframe**

This work will need to be completed by 30 June 2006.

#### **Request for Quote**

The consultant will be required to provide a description of how they will provide the deliverable described above against key milestones, as well as the associated cost. The consultant will also need to demonstrate they are able to meet the timeframe.

## Appendix C – XBRL Response to RFQ

### Development of an XBRL-based Financial Reporting Standard

Thank you for the opportunity to quote for the above project. Based on our experience in creating an Australian extension taxonomy to the IFRS Taxonomy in 2003 and a preliminary review of requirements, we estimate the following will be required to create an extension to the 2005 version of the IFRS Taxonomy, for requirements of Australian Accounting Standards and Corporations Laws in respect of general purpose annual reporting requirements.

The table below summarises the tasks required to produce the above taxonomy and the estimated costs of those tasks. The Deliverables table below that summarises the key milestones with the estimated costs and timing for each of them. The time frames assume a start date of 1 April 2006.

#### Estimated Costs and Work Activity

Task	Cost
Project Management	\$7,500
Requirements gathering for : <ul style="list-style-type: none"> <li>Accounting Standards (with AASB)</li> <li>Corporations Law (with ASIC)</li> </ul> This will be done via review of published standards and laws, complemented by workshops with staff from AASB and ASIC.	\$38,130
Create Taxonomy to meet requirements <ul style="list-style-type: none"> <li>Prepare extension taxonomy.</li> <li>Overall technical review of combined taxonomy architecture.</li> <li>Documentation, published on a freely available internet website.</li> <li>Review IFRS taxonomy for changes and implement in extension where required.</li> </ul>	\$21,000
Testing <ul style="list-style-type: none"> <li>Submit taxonomy to public exposure, with specific invitation and instruction to the primary stakeholders (IFSA, FINSIA, CPAA, ICAA, ASX, AASB, ASIC and Big4 accounting firms).</li> <li>Conduct user workshops to evaluate and respond to comments from exposure draft periods.</li> </ul>	\$13,370
<b>Totals</b>	<b>\$80,000</b>
GST	\$8,000
<b>Gross (incl GST)</b>	<b>\$88,000</b>

Deliverable	Time Frame	Cost	Cost Incl GST
1 <sup>st</sup> Draft Taxonomy Extension Requirements	Mid April	\$34,440	\$37,884
1 <sup>st</sup> Draft Taxonomy Extension files and Documentation to submit for public review and testing	Mid May	\$31,440	\$34,584

**Response to AGIMO RFQ  
Australian Annual Report Taxonomy**

Final Taxonomy Extension and Documentation for public review	Mid June	\$14,120	\$15,532
--	----------	----------	----------

We have qualified resources available now to meet the requirements within the timeframes noted. Your early advice as to acceptance of this quote will enable us to commence immediately and keep to the time frames noted.

Note that several tasks require the participation of staff from The Australian Accounting Standards Board and The Australian Securities and Investments Commission to provide business requirements. We have confirmed times with these people that enable us to meet the deadlines, however we cannot control the allocation of time for these staff so our ability to meet deadlines may be compromised should they be required to reschedule meetings from allocated times.

Please contact me should you require any further information.



Trevor Pyman  
CEO and Director  
XBRL Australia Limited

P: 03 9870 3307  
F: 03 8613 2515  
M : 0403 76 73 76  
E: [xbrlau@xbrl.org](mailto:xbrlau@xbrl.org)  
I: [www.xbrl.org.au](http://www.xbrl.org.au)