



# ATTX Project:

<Australian Taxonomy Team – XBRL>

## AIFRS Annual Reports Taxonomy Extension

### Progress Report #4

May, 2006

#### Prepared By:

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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 May 06		
	Budget	Actual	
Planning, Progress report, Invoicing, payments	\$7,500	\$6,950	
<b><u>Prepare AIFRS extension taxonomy</u></b>			
Time	\$28,500	\$28,500	
Expenses	\$1,440	\$1,285	
<b><u>Prepare ASIC extension taxonomy</u></b>			
Time	\$28,500	\$27,975	
Expenses	\$1,440	\$1,429	
<b><u>Internal Working Draft (AASB/ASIC)</u></b>			
comment period - respond to queries	Time	\$9,000	\$5,800
	Expenses	\$230	\$230
<b><u>ASX Requirements Preparation</u></b>			
	Time	\$25,500	\$17,912
	Expenses	\$1,210	\$1,077
Overall technical review of combined taxonomy structure	\$10,500	\$500	
Project management software	\$4,990	\$4,595	
<b>Total Project to Date</b>	<b>\$94,120</b>	<b>\$71,522</b>	
<b>Percentage of Total</b>	<b>74%</b>	<b>60%</b>	

At last the contract was signed unchanged on 2<sup>nd</sup> May. The funds from ASX (\$80,000) were credited into the bank account on 24<sup>th</sup> May and the first payment from AGIMO (\$37884) was received on 31<sup>st</sup> May. All contractors' invoices up to 30 April have now been paid.

The taxonomy workshop was held on 11 May and the notes from that meeting attached as Appendix A – Notes from Taxonomy Workshop on page 7.

We also completed our review of ASX requirements and have documented the additional elements to meet their needs. Many ASX requirements are aligned to ASIC and AASB requirements, so it was decided to extend the scope slightly beyond “Annual Reporting” to include Quarterly Reporting and 3 of the Continuous Disclosure appendices (3X, 3Y and 3Z). This was done to recognize the support ASX has given the project.

The documentation for this will be posted on the website early in June along with the final draft of the taxonomy files, which should include all AASB, ASIC and ASX elements. A second workshop will be held to review this draft, however the timing around 30 June will be an issue in getting this organized. We will liaise with those seeking to attend to ensure as many can make it as possible.

## Tasks Scheduled for This Month

### Project Planning / Management

	Budget	Actual	Variance	Comments
Start Date	Wed 1 Apr	Wed 1 Apr	-	This task is ongoing and has further consumed well in excess of budgeted Project Manager time due to funding negotiations and renegotiations.
End Date	Tue 14 Apr	Wed 31 May		
Developer Cost				
Tech Review Cost	\$562.50	\$562.50		The negative variance is due to the Project Manager commencing the progress reporting for may in April – will correct next month.
Project Mgt Cost	\$750	\$950	-\$200	
PM Software	\$395		+\$395	
Expenses				

Deliverables	Status	Comments
Progress Report	Completed	
Funding Request/ AGIMO Invoice	Completed	
Pay Contractors	Completed	
Project Management	Ongoing	

### AIFRS/ASIC Internal Working Draft

	Budget	Actual	Variance	Comments
Start Date	Sun 26 Mar	Mon 24 Apr	-29 days	Unexpected complexity in remuneration report requirements caused delay, compounded by lack of funding.
End Date	Fri 28 Apr	Thu 11 May	-13 days	Agreed shorter comment period
Developer Cost	\$3,000	\$2,800	\$200	Almost complete
Tech Review Cost	\$3,000		\$3,000	Tech Review deferred until ASX elements included
Project Mgt Cost	\$3,000	\$3,000		
Expenses	\$230	\$230		Per diem allowance – for 11 May

Deliverables	Status	Comments
AIFRS/ASIC Taxonomy Workshop	Complete	Workshop to be held 11 May
Updated taxonomy and documentation	incomplete	Documentation to be completed and review of Big 4 remuneration report tagging not done (no responses from Big 4 received yet)

## ASX Requirements

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Comments</b>
Start Date	Wed 1 Mar	Wed 10 May	-61 days	Due to delay of funding this was not started. Commenced 10 May and incomplete as of 31 May
End Date	Sun 26 Mar		-69 days	
Developer Cost	\$18,000	\$11,800	\$6,200	Taxonomy not complete – should be completed by 9 June 2006
Tech Review Cost	\$1,500	\$112.50	\$1,387.50	Taxonomy not complete/ready for review
Project Mgt Cost	\$6,000	\$6,000		
Expenses	\$1,210	\$1,076.68	\$133.32	Airfare slightly under budget

<b>Deliverables</b>	<b>Status</b>	<b>Comments</b>
Requirements for ASX reporting	Complete	
Documentation of ASX Requirements	incomplete	Expect completion by 9 June 2006
Draft Taxonomy including ASX elements	incomplete	Expect completion by 9 June 2006

## Financial Summary

### Total

Start	End	Details	May	YTD Total	Budget
01 Feb	08 Feb	Project Planning	\$563	\$4,500	\$4,500
01 Mar	14 Mar	Progress report, Invoicing, payments	\$0	\$750	\$750
01 Apr	14 Apr	Progress report, Invoicing, payments	\$0	\$750	\$750
01 May	14 May	Progress report, Invoicing, payments	\$750	\$750	\$750
01 Jun	14 Jun	Progress report, Invoicing, payments	\$200	\$200	\$750
		<b>Planning Totals</b>	<b>\$1,513</b>	<b>\$6,950</b>	<b>\$7,500</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
01 Mar	03 Mar	Face-to-face meetings (Melb) Accommodation	\$0	\$0	\$0
01 Mar	03 Mar	Face-to-face meetings (Melb) Per diem allowance	\$0	\$690	\$690
01 Mar	03 Mar	Face-to-face meetings (Melb) Airfare	\$0	\$595	\$750
		AASB Face-to-face meetings (Melb)			
01 Mar	03 Mar	(a) Discuss elements identified and agree on inclusion and data type	\$0	\$9,000	\$9,000
		(b) Check items against IFRS taxonomy			
		(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	\$0	\$10,500	\$10,500
		(d) Taxonomy recognition documentation for XBRL International Domain WG			
		(e) Issue draft taxonomy for internal comment			
		<b>AASB Totals</b>	<b>\$0</b>	<b>\$29,785</b>	<b>\$29,940</b>
		ASIC Requirements Preparation			
		1. Study Corps Act for elements	\$0	\$9,000	\$9,000
		2. Collect annual returns and forms			
08 Mar	10 Mar	Face-to-face meetings (Syd) Accommodation	\$0	\$0	\$0
08 Mar	10 Mar	Face-to-face meetings (Syd) Per diem allowance	\$0	\$690	\$690
08 Mar	10 Mar	Face-to-face meetings (Syd) Airfare	\$0	\$739	\$750
		ASIC Face-to-face meetings (Syd)			
20 Mar	22 Mar	(a) Discuss elements identified and agree on inclusion and data type	\$0	\$9,000	\$9,000
		(b) Check items against IFRS taxonomy			
		(c) Document and sign off on elements			

**Progress Report – May 2006**  
**Australian Annual Report Taxonomy**

		Australia			
		Prepare AIFRS/ASIC extension taxonomy			
		(a) Create taxonomy elements			
		(b) Document the process and design decisions			
23 Mar	21 Apr	(c) Create instance documents to test taxonomy	\$0	\$9,975	\$10,500
		(d) Taxonomy recognition documentation for XBRL International Domain WG			
		(e) Issue draft taxonomy for internal comment			
22 Apr	22 May	Internal Working Draft (AASB/ASIC) comment period - respond to queries	\$1,200	\$2,800	\$4,500
11 May	11 May	IWD Workshop #1 (Mel) Per diem allowance	\$230	\$230	\$230
		Internal Working Draft Workshop (AASB/ASIC)			
		(a) Collate and review comments to date			
11 May	11 May	(b) Discuss changes from internal reviews	\$3,000	\$3,000	\$4,500
		(c) Make changes to taxonomy			
		<b>ASIC Totals</b>	<b>\$4,430</b>	<b>\$35,434</b>	<b>\$39,170</b>
		ASX Requirements Preparation			
26 Apr	10 May	1. Study Listing Rules for elements	\$8,600	\$9,000	\$9,000
		2. Collect annual returns and forms			
11 May	12 May	Face-to-face meetings (Melb) Per diem allowance	\$460	\$460	\$460
11 May	12 May	Face-to-face meetings (Melb) Airfare	\$617	\$617	\$750
		ASX Face-to-face meetings (Melb)			
11 May	12 May	(a) Discuss elements identified and agree on inclusion and data type	\$6,000	\$6,000	\$6,000
		(b) Check items against IFRS taxonomy			
		(c) Document and sign off on elements			
		Prepare AIFRS/ASIC/ASX extension taxonomy			
		(a) Create taxonomy elements			
		(b) Document the process and design decisions			
12 May	26 May	(c) Create instance documents to test taxonomy	\$2,913	\$2,913	\$10,500
		(d) Taxonomy recognition documentation for XBRL International Domain WG			
		(e) Issue draft taxonomy for internal comment			
		<b>ASX Totals</b>	<b>\$18,589</b>	<b>\$18,989</b>	<b>\$26,710</b>
01 Feb	07 Jul	Overall technical review of combined taxonomy structure	\$200	\$500	\$10,500
		<b>Finalise Totals</b>	<b>\$200</b>	<b>\$500</b>	<b>\$10,500</b>
		Software	\$0	\$4,595	\$4,990
		<b>Totals</b>	<b>\$24,732</b>	<b>\$96,253</b>	<b>\$118,810</b>
		<b>Contractor Breakdown</b>			
		Project Manager	\$9,450	\$30,945	\$32,495
		Developer	\$14,607	\$61,221	\$69,815
		Technical Reviewer	\$675	\$4,088	\$16,500
		<b>Totals</b>	<b>\$24,732</b>	<b>\$96,253</b>	<b>\$118,810</b>
		Percentage of total project Budget Cost (\$160,000)	15%	60%	74%

## **Appendix A – Notes from Taxonomy Workshop**

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.