



**Australian Government**

**The Treasury**

17 August, 2009

Mr Tom Seidenstein and Mr Olivier Servais  
International Accounting Standards Board  
30 Cannon Street  
London EC4M6XH  
United Kingdom

Dear Mr Seidenstein and Mr Servais

**REQUEST FOR INFORMATION – PROPOSALS FOR CHANGE TO THE IFRS TAXONOMY**

Thank you for the opportunity to provide feedback on the proposals to refine the IFRS change management processes, as well as the extended use of dimensions in the IFRS architecture. The following feedback which incorporates the views of the 13 government agencies (Taxation Office, Australian Securities and Investments Commission (ASIC) – the company regulator, the Australian Prudential Regulation Authority (APRA) – the banking regulator, the Australian Bureau of Statistics (ABS), State Revenue Offices and the Treasury, the Institute of Chartered Accountants in Australia (ICAA) and CPA Australia, key accounting firms and software developers involved in the Australian Standard Business Reporting (SBR) Program.

The proposal to refine the change management processes including renaming and deletion of concepts, as well as the consultative process used to poll for broad feedback is a positive step to dealing with some of the issues we had raised and discussed in recent months.

**CONCEPT NAMING AND CHANGE MANAGEMENT IN THE IFRS TAXONOMY**

***Q(a): Which of the options (R1, R2, R3) should be implemented for the architecture of the IFRS Taxonomy with regards to the renaming of concepts? Please provide the reason for your decision as well your assessment of the benefits and costs of the selected option.***

In line with feedback previously provided, SBR Australia welcomes the consideration of options which reduce the volatility of the IFRS XBRL taxonomy. Both R2 and R3 achieve this outcome.

SBR Australia considers the implementation of R2 as the optimal solution given it represents the Current US GAAP and EDINET approach. An approach whereby the concept names remain unchanged will remove the need to remap or confirm current mappings where the definitions have not been materially altered. This approach is reflective of the request that Australia put forward in its feedback to the 2009 Exposure draft of the IFRS Taxonomy.

This approach is similar to the current change management practices in Australia, and as such would not be seen as an additional cost to the Australian SBR Program, or the users of its taxonomy. In terms of benefits, it is considered that the adoption of R2 would actually reduce costs for users as it would reduce the amount of re-mapping to those elements where the definition has materially changed, and be seen as adding greater stability to the IFRS taxonomy.

In terms of option R3, regarding the use of abstract Concept IDs, the Australian SBR Program has adopted an approach in its taxonomy architecture which uses abstract Concept IDs to improve the performance of computer systems utilising the taxonomy. While this is a useful tool for systems performance reasons, it cannot replace the adoption of R2 which will aid the users and assurers of the taxonomy.

***Q(b): Which of the options (D1, D2) should be implemented for the architecture of the IFRS Taxonomy with regards to the deletion of concepts? Please provide the reason for your decision.***

In line with feedback previously provided, SBR Australia welcomes the consideration of maintaining old/obsolete (existing) concepts in the IFRS taxonomy.

The preferred option is D2 – which reflects the current US GAAP approach where concepts are deprecated but remain in the schema, even if they become invalid and are no longer required for reporting purposes. The IFRS taxonomy would then assist users in being able to reflect and report retrospective but correct financial statements according to the IFRS elements that were valid for the year concerned. We do share the concern that while retaining these elements for a couple of years is important, there will be a stage where the deprecated elements may warrant being archived into an extension taxonomy. No taxonomy developer or user has any real experience in this area to provide guidance on the length of the period required before archiving, however a review every two years would eventually reveal the right period.

This would introduce further stability to the IFRS taxonomy which minimises the cost of maintaining extensions to it. From a users perspective, there are no real costs expected as a result of adoption of D2. However, given the additional stability of IFRS, there are expected benefits for users, as well as for the SBR Program which maintains a set of Australian extensions to the IFRS.

SBR Australia also recommends the IASB support efforts to have these design approaches considered and adopted within XBRL International, such as in the "Naming of Concepts RFC" developed by the XBRL International Taxonomy Architecture Working Group.

## **EXTENDING THE USE OF DIMENSIONS IN THE IFRS TAXONOMY**

***Q: Which of the listed options (L1a, L1b, L2) should be implemented for the architecture of the IFRS Taxonomy architecture concerning dimensions? Please note that more than one option may be selected. Please provide the reason for your decision as well your assessment of the benefits and costs of the selected option(s).***

Initial consideration of the options presented and the potential benefit of their adoption has been provided from the Australian SBR program and there is little for many of the Australian users to add at this stage as their exposure to the intention of and direction of dimensional taxonomies is very limited. At the broadest level, it makes sense to consider dimensions for Option L1a (dimensions for lists-oriented disclosures) and L1b (dimensions for intersection tables). We understand that the concept of using dimensions to represent list oriented data has been widely used and tested within the US GAAP taxonomy.

Some consideration should be given to considering the value/impact on the IFRS environment losing some of the control on the cells of a table represented with Dimensions when compared with the current state with fully qualified elements. The RFI quotes as an example, the loss of the capability to specify a debit/credit attribute for a concept, but there may be other impacts that are relevant.

We would be more cautious with Option L2 (dimensional distinctions for major statements), for reasons that broadly overlap with the Costs quoted in the RFI - paragraph 21, which do not seem to be sufficiently offset by the benefits in this case. However, from a technical perspective a move to L2 at a pace that suits the users of the IFRS Taxonomy is supported.

There will be a cost to all users (including preparers, auditors, software developers and consumers) in implementing these options. However, adoption of these options is considered inevitable and the real matter for consideration is timing. From an Australian perspective, we are promoting voluntary take-up of the SBR Program and the numbers using the Taxonomy for financial statement production and publication in 2010/11 will be small. Therefore implementation of further use of dimensions (L2) would ideally be implemented as soon as possible, in order to provide the minimum disruption for users – i.e. 2010/11. That said, it is noted that an impact of the transition from the current architecture to the proposed architecture from a taxonomy perspective will be significant, and needs careful consideration to ensure the quality and useability does not suffer as a result of embarking on a timeframe that is too ambitious.

It would appear that in some circumstances a choice between using or not using dimensions may be able to be made depending on the circumstances. Application of architectural choices must be clear and transparent to the users of the taxonomy. To this end, the decision making process must be both clear and transparent.

It would appear that in some circumstances a choice between using or not using dimensions may be able to be made depending on the circumstances. Application of architectural choices must be clear and transparent to the users of the taxonomy. To this end, the decision making process must be both clear and transparent.

Given there will be future architectural shifts for the XBRL taxonomies, this proposal is a timely reminder that we need to maintain an international alignment on the use and advancement of the technology, which would ideally be staged through the relevant XBRL International working groups. It is extremely important in the overall adoption of XBRL, that we don't lose the confidence of the preparer community through the premature implementation of enhancements to its architecture. Similarly, given there will be user communities continually advancing from one level of XBRL to another architecture, we need to consider development of technologies that may automate some of the migration activities for users. This should include the relevant members of the software developer community.

#### **OTHER MATTERS – CONSIDERATION OF A NEW DISCLAIMER STATEMENT**

While not raised directly in the RFI, you have proposed a change to the disclaimer for the IFRS Taxonomy as: The IASC Foundation has put in place a formal due process procedure as referred to in the Due Process Handbook for XBRL Activities. Every effort is made to ensure that the IASC Foundation XBRL activities comply with this due process procedure. Whilst all reasonable endeavours have been made to ensure the accuracy of this taxonomy and compliance with due process, neither the IASC Foundation, the International Accounting Standards Board (IASB), XBRL International, nor any other associated entity accept any responsibility for loss caused to any

person who acts or refrains from acting in reliance on the material in this taxonomy, whether such loss is caused by negligence or otherwise.

The SBR Program appreciates that this disclaimer is a vast improvement from the current disclaimer, however the feedback provided by the SBR Program on the Due Process Handbook, will need to be taken into account for this disclaimer to be completely accepted.

Again, thank you for providing the opportunity to give feedback on these proposals, and as always I am happy to discuss any aspects of this feedback that may be of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P.M.', with a long horizontal stroke extending to the right.

Paul Madden  
Program Director  
Standard Business Reporting