

# Muli Management Pty Ltd

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**From:** **R B Skeoch**  
**Managing Director, Muli Management Pty Ltd**

**Date:** 6 March 2013

**Re:** **Request for Comment**  
**Standard Business Reporting (SBR) for Financial Reports**

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You know people don't understand, when they talk about "**financial reports**" and "**Feature Rich Data Set**" in relation to SBR.

An SBR data set is a one-off without reference data, and a knowledgeable person wanting to do analysis, would use the SQL enquires in the containing data bases, which include comparisons of time & other companies.

**The primary objective of the SBR process is SIMPLY for Business to notify the Government of required transaction reporting information.**

We believe the Government (Treasury & Tax Departments) do not have a satisfactory conceptual solution.

*XBRL is logical for reporting corporate general ledger details with multiple variables, many of which are not applicable to a particular general ledger return, ie: ASIC. However, the majority of returns to the Tax Office State Revenue Office, Customs, etc are **standard transaction reports** of a very static office nature and as such, not logical to be conveyed as XBRL.*

The object of any user interface is to keep it clear and simple. The current solution is so complex that key tax office staff do not understand illogical implied rules. I have been involved from the start in 2009, yet I find issues just keep emerging.

**Had the tax office simply implemented the existing ( updated ) flat file data structure as the SBR data package, there would be major savings to both Government & Business.**

You will need to simplify the process to achieve your targeted outcomes in your time-frame.

**Issues with the current XBRL Solution:**

1. - a) Excessive Blote

The resulting XBRL data file consumes 800% greater space than the existing flat file approach.

b) File Splitting

We are now forced to implement file splitting due to the file size limits at the Tax Office gateway.

2. - Harmonisation of Reportable Values -

Concept is good, but again poorly executed -

W1 – Total Wages & Salary and Other Payments.

This definition leads one to think Super Guarantee is included in total wages, but in reality the Tax Office requires total Wages & Salaries less Salary Sacrifice, so there is no indication of real payroll.

BUT: the Tax Office uses a second definition for internal reporting of: -

- income tax withheld Wages & Salaries -
- total gross payments subject to withholding -

3. - Sub-total & Total Fields on BAS Obligations have controls that say they cannot be changed, but the Tax Office does not know the values of individual obligations. Where is the logic?

Told not to report values back in the Pre-lodge & Lodge? (not documented)

4. - a) Unable to test the provider software created XBRL files.

Extremely serious failure as all that the software developers can submit for testing is the Tax Office supplied XBRL files which does not test our created XBRL data.

b) Unable to validate correct functionality of multiple returns of differing documents, using a single device key process.

5. - Undocumented Controls -

- is editable – leads to major process conflicts -
- is nillable – does not appear to be used in BAS -
- is viewable – there should be no items a user cannot see -

6. - No software house or Government department keeps accounting transaction data in XBRL format, particularly if they have moved to modern SQL Data Management.

7. - Why can't the control details of the Business Contact Person detail be changed as part of the Return?

8. - Report criteria keeps change, ie. In the TFN document, the Title code now allows for Admirals, Judges, Cardinals, etc but the Tax Office is not able to process same.

9. - The TFN Declaration error messages is 88 pages close type without field differentiation!

I have kept this response as a short overview. We believe the current solution has excessive defects. A new SIMPLE approach to achieve the outcomes should be adopted.

## **IN SUMMARY**

With all software development, the overriding principal is KISS (Keep it Simple S.....).

- A. SBR should provide a simple process to deliver an electronic file to the relevant - government department. -
- B. As a software developer we have already verified procedures to generate existing flat file reporting and take-up acceptance by other software developers would dramatically increase.

### **A little Background on the Writer**

Muli is a software development company that was a member of the SDCG. (Tax Office Software developers Consultative Group.) Muli is working to achieve an SBR solution, encountering excessive frustration with the implanted Tools and procedures.

The last 30 years providing the Muli Project Risk, Accounts & Process Management Solution.

Recently, we migrated all Muli Users' data from an ISAM database to a full SQL database, providing extensive Slice & Dice facilities.

Muli is a Project risk Accounts & Process Management Solution that provides integrated front and back office functions that include all accounting transactions, payables, receivables, general ledger, cash-flow and payroll, including the production of Management Profit & Loss and Balance Sheet.

Should you wish further clarification, please call.

Yours faithfully  
Muli Management Pty Ltd

R B Skeoch  
Managing Director