



Accounting Association of Australia & New Zealand

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NEWSLETTER

June 2001

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Presidents' Message

With final examinations and marking upon us, it is good to be able to look ahead to the upcoming AAANZ annual conference in Auckland. A few days of stimulating presentations and the opportunity to catch up with old friends and to meet new friends is just the prescription for chasing away the mid-winter blues.



While this newsletter focuses on the conference, there have been a number of other important developments for AAANZ since our last report. Specifically, a new Editor for *Accounting and Finance* has been selected, the AGM was held and the new Council members announced, and the proposal to change the name of AAANZ was considered by members and put on hold.

2001 Annual Conference

By the time you receive this, the conference will be less than one month away, and along with our PCO, Capital Conferences Pty Ltd, we are putting the finishing touches on the event. In this report, we would like to highlight the CPE sessions and social events.

We are very fortunate to have three world-class CPE sessions available to delegates. Professor Philip Brown of the University of Western Australia will lead a session on 'Capital Markets-Based Research in Accounting: Trends, Issues and Policy Implications', and there is probably no better qualified presenter in this area. Philip has been awarded both the American Accounting Association's Seminal Contribution to

the Accounting Literature Award and AAANZ's inaugural Outstanding Contribution to the Accounting Literature Award for his pioneering work in capital markets research. This session will be ideal not only for researchers new to the area but also for those wanting a refresher on recent developments and for those wanting to build on their existing background.

Professor Wai Fong Chua and Dr Jane Baxter, both of the University of New South Wales, will be leading a 'Forum on Field Work'. Again, both Wai Fong and Jane are highly qualified to lead the discussion in this area. They are both actively involved in field research projects and have published jointly on field research in numerous journals including *the Journal of Management Accounting Research*. This session will focus on issues of both practical and theoretical significance and will trace the entire field research cycle – from the inception of an idea to final publication or presentation of the results. This session will benefit not only those doing field research but also those thinking about doing field research or supervising students doing field research.

Special Conference Issue

The detailed conference program has been included in this newsletter. We look forward to seeing you in New Zealand!

Sponsorship

Institute of Chartered Accountants of New Zealand

Institute of Chartered Accountants in Australia

CPA Australia

Support from our sponsors is gratefully acknowledged

Professor Mike Bradbury will lead a third CPE session entitled 'Accounting for Financial Instruments: An Insider's View'. Mike was recently the New Zealand representative on the Financial Instruments Joint Working Group and will share some of his first-hand knowledge about the issues and debates that underlie the JWG's draft standard on financial instruments. Mike will use some of the actual case study material from the JWG's deliberations, and consequently, this session should appeal to both those who do research in the area and those who lecture on financial instruments.

All three sessions will be held concurrently from 11.30am – 2.30pm on Sunday, 1 July, and the cost is A\$66. With such a strong line-up, the hardest decision will be deciding which session to attend!

There will be no shortage of social activities either. This year the Welcome Function will be held in the Sky City Theatre but with a slightly different format. There will be a short 15-minute presentation of traditional Maori songs and dances at the start of the function to get everyone in a New Zealand mood (so please be sure to arrive on time). On Monday we have the Happy Hour, and on Tuesday we have the Conference Dinner which has always been the focal point of the conference's social schedule. This year we have booked Tongue & Groove, a top Auckland band that should keep everyone dancing well into the night.

Of course, with five restaurants and six bars at the Sky City complex, there should be ample opportunities for less formal socialising. Also, don't forget about the optional Bush and Beach Tour on Sunday, 1 July and the optional post-conference tour to Queenstown on the South Island of New Zealand.

We do have to report one change to the previously reported information on the conference. In our last report, we noted that Steve Albrecht would be coming to participate in our panel session on 'The Future of Accounting Education: How Perilous?' Unfortunately, we have been informed by Steve that a family illness will prevent him from attending the conference. However, we have been able to replace Steve with an equally prominent and capable panellist. Professor Shane Moriarity, who recently

joined the University of Auckland but was previously the Director of the School of Accounting and Associate Dean and Interim Dean at the Michael F. Price College of Business during his 24 years at the University of Oklahoma, has agreed to participate on the panel. We thank Shane for his willingness to participate on such short notice, and we expect that the education panel along with the panel sessions on accountability in the public sector and technology in accounting education will be among the highlights of this year's conference.

New Editor of *Accounting and Finance*

We were pleased to announce the selection of Professor Robert Faff as the new Editor of *Accounting and Finance* in an e-mail circulated to members last month. Robert is a Research Professor of Finance at RMIT University in Melbourne. Robert is widely published in the finance, accounting, and economic areas, and has been the Editor of the *Accounting Research Journal* since 1993. Robert was Treasurer of the AAANZ from 1993-97, and he is a Fellow of CPA Australia.

Robert will be working with Professor Margaret Abernethy, the current editor, until the end of 2001 at which time Robert will formally take over as Editor. Robert will be selecting a team of associate editors, who will each be specialists in specific areas of accounting.

We believe Robert will do an excellent job, and at the same time, we thank Maggie for all the time and effort she has devoted to the journal during her tenure as Editor.

The First AGM

The inaugural AGM of AAANZ Ltd was scheduled for May 16 at RMIT. Unfortunately, we did not achieve the required Quorum, so (in accordance with our Constitution) the AGM was deferred until May 23. Many thanks to Assoc Professor Sheila Bellamy and the School of Accounting and Law at RMIT for allowing us to hold the AGM at their premises.

At the AGM, the annual report was considered and results of the election of new Council members were announced. There were five Council positions vacant for election, and those positions will be filled by Bruce Bennett, UNITEC Institute of Technology;

Professor Barry Cooper, RMIT University; Professor Ian Eggleton, University of Western Australia; Professor Colin Ferguson, University of Queensland; and Bryan Howieson, University of Western Australia. We congratulate the successful candidates and thank all those who nominated for Council.

At the Auckland conference a meeting of members will be held on Monday morning (11-12 noon), where conference delegates will have the opportunity to review the operations and financial results of AAANZ for 2000, consider the Editor's report and discuss any other matters of importance to the Association and its members.

Name Change on Hold...

As you are probably aware, the Council has decided to withdraw, for the time being, the proposal to change the name of AAANZ and the journal. Based on the written and verbal feedback that we received, it is clear that while many members were in agreement with the rationale underlying the need to change the name of the Association, there are a variety of views as to what that name should be. In relation to changing the name of the journal, there was clear support for retaining the existing name of the journal as *Accounting and Finance*.

Overall, it has been encouraging to see that members hold strong views about our future direction and attach value to the name of the Association. However, at the same time, there was recognition that the world around us is changing. The challenge is deciding how to confront those changes in a way that will benefit the association and its members. The views that were expressed by members will now be considered by Council and taken into account in considering our future name and direction.

We believe the name change exercise was useful because it helped open up channels of communication between members and the Council. We hope you will continue to communicate with your Council members, not only by responding to proposals made by Council but also in a more proactive way by letting Council know your thoughts, ideas and concerns. This can only help strengthen the association and help Council in moving the association forward.

In Conclusion

This is our last Presidents' Message of our two-year term, as we will both retire at the conference in July. 2001 is Australia's Year of the Volunteer, and it is interesting for us to reflect on the contributions that are made by so many to AAANZ. Since we both commenced our time to Council, it has been impressive to see the amount of time and the dedication that successive Councillors and their Universities have brought to the Association.

We have found our time on Council to be very rewarding, and it has been a privilege to represent you. We want to thank our fellow Council members for their support and for all the hard work they have put into the association. We also want to give a special thanks to Effie Margiolis who does so much to keep AAANZ forging ahead.

We look forward to seeing all of you in Auckland in a few weeks.

Kim Langfield-Smith
Steven Cahan

SIG News

Accountability Interest Group

The Accountability Interest Group is again holding its Accountability Symposium on Saturday 30 June, immediately before the AAANZ Conference.

The papers being presented cover two broad areas this year - public sector accountability and social/environmental accountability. This year's symposium is focussed on work in progress and hopes to provide a forum for discussion and encouragement for researchers in accountability.

Details will be available on the AIG website:

<http://commerce.flinders.edu.au/aig>
or from the Chair, Dr Carol Tilt on carol.tilt@flinders.edu.au

Accountability Education Symposium

The call for papers for the Accounting Education Symposium to be held on Saturday 7 July, 2001 have now closed. The theme for the symposium, "Professional Accounting, Business And Education: Seeking the Synergies" aims to provide a forum for discussion on the future direction of education in response to the needs of the market

place. It will also provide an opportunity through workshops to examine and discuss flexible learning techniques to bridge the gap between education, business and the profession. Mr Warren Allen member of the ABEL (Advanced Business Education Limited) Board, Institute of Chartered Accountants in New Zealand will provide the opening address.

Register for the symposium via the AAANZ conference registration form. Further information available from Dianne McGrath at aaanzedu@aw.latrobe.edu.au or Ron Feasey at ron.feasey@aut.ac.nz

Accounting Standards Interest Group

The Program for the 20001 Forum to be held on Saturday June 30 immediately prior to the AAANZ 2001 Conference in Auckland and New Zealand is an exciting one. The main topic of the Forum is "Accounting for Intangibles", a topic that is being hotly debated in the US and on the current agenda of the AASB.

Keynote presentations will be given by Keith Alfredson, Chairman AASB, and Mike Bradbury, FRSB in New Zealand. The presentations will update participants on current thinking by the Australian and New Zealand standard-setting bodies. Two research papers by Australian academics will be presented to provide some empirical information to assist the standard-setters. A Discussion Forum will follow the presentations to allow debate on the major issues.

The Forum will also discuss the agenda and priorities of the AASB, including the results of the recent survey by the AASB, as well as interlinking between the International Accounting Standards Board and the AASB. The question of academic participation in the standard-setting process will be addressed, with an analysis of strategies that the AASB could undertake to improve the level of participation by academics in the process.

It's not too late to register. For further information contact the Chair, Prof.

Do we have your E-mail Address?

To receive the latest news from AAANZ, update your e-mail address and other contact details by sending an e-mail to: effiem@clyde.its.unimelb.edu.au

Ken Leo at leok@cbs.curtin.edu.au

The E-Challenge

7TH ASIAN REGIONAL CONFERENCE

SINGAPORE

AUGUST 17 & 18, 2001

"Tech Wreck", "The End of the New Economy", "Recession Fears". These are all headlines we have seen recently. Headlines may change but not the challenges faced by business.

Declining stock markets have not brought technology advances to an end. Interest rate cuts have not diminished the need for business to leverage those technologies to further their business objectives. The challenges of the new economy have not gone away. We are only at the beginning of a period of sustained pressure on business to reinvent itself and remain relevant.

This is the E-Challenge

@ the 7th Asian Regional Conference, the E-Challenge, CPA Australia gives you the chance to refine your skills and learn new moves.

Over the seminar's two days, go a few rounds with champions in the e-world. Speakers will deliver hard-hitting, thought provoking content on relevant accounting, finance and economic developments in the Asia Pacific Region.

Topics include Survivability and Success in the New Economy, The Future of the Internet, The Market's View of the Technology Sector and Tax Policy Making in the e-Business Era.

CPA Australia, Singapore Branch is pleased to offer members of the Accounting Association of Australia and New Zealand (AAANZ) a discounted conference registration fee.

But be quick on your feet. Delegate numbers are limited.

To find out more, hit www.cpaonline.com.au or email sg@sg.cpaonline.com.au

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Submission to Senate Enquiry

The capacity of public universities to meet Australia's higher education needs

CPA Australia sought input from members for a submission to the above enquiry. Based on this input, Professor Graeme Dean and Emeritus Professor Frank Clarke prepared the submission.

On 14 May 2001 Professor Dean and Professor Wolnizer (representing Professor Clarke who was overseas) and Ann Johns, Director – Education and Membership represented CPA Australia at the Senate Hearing in Melbourne.

A summary of the major points are as follows:

1. Professional accounting is a graduate profession, and the demand by business for accounting graduates is increasing. CPA Australia considers the funding of the initial education of accounting graduates critical to the maintenance and further development of Australia's commercial and industrial infrastructure, and the strategy to successfully position Australia in the global economy. Business and the profession is placing high expectations on the education of accountants in not only the necessary technical knowledge and skills but the broader generic skills necessary for good communication, effective teamwork and planning. However, it is our perception that funding constraints are restricting the ability of universities to respond to the increasing industry demand for quality graduates.
2. Investment in accounting under the relative funding model is at the lowest level of all university disciplines. With the development in information technology and e-commerce, the area has also become capital intensive, leaving universities exposed to compromise on direct instructional activities. It would appear that universities have little autonomy or flexibility in distribution of funding. Reliance on private sources is problematic if the additional funding is necessary to maintain courses rather than enhance them. Nor can it be assumed that private funding is ongoing. We submit that the increased capital investment necessary and the broadening requirements of the profession demand that the relative funding from government sources should be allocated at a higher level. It is our opinion that an influx of funds into the higher education system is necessary.
3. Commercialisation of the products of increased funding for science research necessitates a highly educated cohort of business leaders in Australian industry. CPA Australia accredited accounting education programs pursue the creation of the country's business leaders. The sustenance and maintenance through Government funding is critical to Australia's capacity to commercialise on-shore the expected products of the increased science funding.
4. The quality and diversity of teaching is affected by under-resourcing. Increased class sizes, deteriorating staff/student ratios and increasing face-to-face hours for academic staff are compromising the capacity of universities to meet the standards necessary for professional accreditation. Funding levels constrain the capacity to develop innovative curricula and teaching materials. Development that does take place is often reliant on individual staff sacrificing their own time and research, to the detriment of the individual and the discipline. CPA Australia is concerned that the current funding mechanism is inadequate to provide and maintain the infrastructure necessary for the continued provision of a high quality education in accounting and its related disciplines. We further anticipate a considerable shortfall of appropriately qualified accounting graduates likely to meet industry demand.
5. While Australian accounting research is internationally recognised, the quality and diversity of research is affected by under-resourcing. Accounting academics do not contribute to the extent expected to research in accounting, finance and related matters. High teaching and administrative loads constrain researchers. As a consequence, students are not exposed to cutting edge ideas and their potential application in the workplace to the extent desired. Much research is driven by promotional criteria and therefore not of immediate benefit to the discipline or the profession. Furthermore, a significant number of academics holding higher degrees (by research) are not undertaking the supervision of research candidates, indicative of lack of funding to undertake supervisions at other than personal cost. There is limited opportunity for private funding to enhance university research across the board. It would be beneficial were Government to create an environment in which the financial and social benefits of a closer collaboration between the universities and industry was mutually beneficial.
6. University funding should be such that commercial undertakings by the universities are not a financial imperative of the kind likely to induce them to engage in rash, highly speculative or otherwise high-risk ventures.
7. Special Government funding is required to facilitate the entry to accounting education by under-represented groups.
8. The attraction of an accounting career in academia is limited by uncompetitive commencing salaries, poor prospects of promotion and reward for academic achievement, and limited opportunities for research. Current university conditions induced by inadequate funding militate against appropriately talented students undertaking higher degrees in accounting, and pursuing an academic career.
9. Professional accreditation requirements provide quality assurance. High quality business leaders of the kind emerging in university accounting programs subject to the accounting accreditation prescription will play a vital role in the Australian commercialisation of the outcomes of increased funding for science research. CPA Australia is well placed to inform and advise Government on matters pertaining to both the practice and education of accountants in Australia and overseas.