



UNIVERSITY OF TASMANIA

School of Accounting & Finance Annual Report 1997

INTRODUCTION

The 1997 report of the Department of Accounting and Finance, University of Tasmania, is the eighth annual report published by the Department.

The aim of the report is to provide a brief summary of the staff, teaching, research and professional activities of the Department.

AIMS OF THE DEPARTMENT

In common with other academic departments in a university, the Department of Accounting and Finance pursues the major aims of scholarship and research.

In teaching, the Department's primary aim is to provide education of the highest quality for students who wish to study accounting, finance and commercial law.

In research, the major aim of the Department is to identify research issues related to accounting, finance and commercial law and to undertake study which addresses those issues, with the results to be published in academic and professional journals, or where appropriate, in specialised research reports. Research is seen as an essential ingredient in the continuing development of the accounting discipline and as a major support of teaching.

In professional development, the aims of the Department lie in having a consistent presence and influence with the two major accounting bodies, the Australian Society of CPAs and the Institute of Chartered Accountants in Australia, and to maintain strong links with accounting firms, industry and government. Each year, the Department aims to offer a number of professional development courses to the business and government community.

HEAD OF DEPARTMENT'S REVIEW

The Department of Accounting and Finance at the University of Tasmania enjoys a reputation as one of the most successful in Australia and internationally. Our graduates are sought after by major accounting, finance and industrial firms in Tasmania, other states of Australia and overseas. The research undertaken by members of the Department is presented and published in the very top level of national and international forums. Additionally, the Department is a most efficient outfit - teaching is undertaken in three centres (Hobart, Launceston and Burnie) and the option-free accounting and finance majors in the Bachelor of Commerce degree are recognized as providing the very best tertiary education in those areas in a climate of scarce resources. The Department can be very proud of its many achievements over the past few years.

There are, however, many challenges ahead to ensure that we retain our place in the top accounting and finance schools in the world. We must continue to lead and not just respond to the changing business world. The Department's curriculum and research already reflects some of the changes mooted in the accounting profession. For example, the Strategic Research Centre for Environmental Accountability plays an important role in leading the profession on policies and strategies for environmental accounting. In 1997, our revised strategic plan provided direction for several innovations in teaching including the use of the World Wide Web for all units offered by the Department. Research in the Department has also focused on examining how accounting firms may meet the challenge of providing new assurance services in the future. These, and other initiatives, will continue to place the Department at the forefront of teaching and research in accounting and finance in the future.

There were several highlights in a busy year. The Department hosted the Accounting Association of Australia and New Zealand Conference in Hobart for over 350 registrants from more than ten countries. From all reports, the conference was one of the most successful in the history of AAANZ. Enrolments in the honours, masters and PhD programs continued to grow. Research in the Department remains strong with several staff presenting papers at national and international conferences and research workshops in other universities. Several notable research publications were achieved in books and journals. The number of external competitive research grants won by members of the Department grew substantially in 1997. The Research Seminar Program was again most successful, attracting presenters of high international standing. The ASCPA sponsored Research Lecture was delivered by Professor Stanley Biggs from the University of Connecticut.

The Department is most grateful for continued support received from many firms and organisations Australia wide. In particular, financial support for the Economics and Commerce Resource Centre, prizes and scholarships for our students, and the assistance with research projects are much appreciated.

The Department of Accounting and Finance is committed to excellence in teaching and research. The major reason for our success in achieving that excellence is the hard work and enthusiastic commitment of my colleagues and our students. I have no doubt that our commitment to excellence will continue in the years ahead.

Stewart Leech
Professor of Accounting, Head of Department

STAFF

PROFESSORS

HEAD OF DEPARTMENT

Stewart A. Leech

BCom (Melb), MEd (Tas), FCA, FCPA, MACS

Professor Stewart Leech is a graduate of The University of Melbourne and the University of Tasmania, a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Society of Certified Practising Accountants and a Member of the Australian Computer Society. He has been Head of the Department of Accounting and Finance at the University of Tasmania since 1989.

Professor Leech has wide academic and professional experience, which includes appointments at The University of Melbourne, The University of Sydney and the University of Tasmania, and several visiting appointments at overseas universities. He is a State Councillor of the Institute of Chartered Accountants in Australia and Treasurer (Vice President) of the Tasmanian Branch. He has co-authored two books, one with accompanying accounting software, has numerous publications in refereed academic and professional journals, and has been invited to contribute to books published in Australia and overseas.

Professor Leech is a member of the editorial board of a number of leading academic journals, including the *Journal of Information Systems* and the *New Review of Expert Systems*, and is an Associate Editor of *Advances In Accounting Information Systems*, the *Journal of Financial Information Systems*, and *Accounting Forum*.

Professor Leech is Vice Chair-Academic and Chair-elect of the Information Systems Section of the American Accounting Association, a committee member of the Artificial Intelligence/Expert Systems Section of the American Accounting Association and a charter member of the Association for Information Systems. His teaching interests are in the field of accounting information systems. He is best known internationally for his research into database accounting and expert systems in accounting.

DEPUTY HEAD OF DEPARTMENT

Jayne M Godfrey

BCom (Hons) (Melb), MEd (Syd), Dip Ed (MSCV), PhD (Qld), FCA, FCPA.

Professor Jayne Godfrey was appointed Professor of Accounting and Finance in 1996. She was previously Reader in the Department of Accounting and Finance at The University of Melbourne. Professor Godfrey has held prior academic positions at the University of Queensland, Queensland University of Technology, University of Technology Sydney, The University of Sydney and The University of Melbourne, and visiting appointments at the London School of Economics and Political Science, the University of Auckland, and the University of Arizona. She is best known for her publications concerning the economic determinants of and the economic consequences of alternative methods of accounting and for the textbook *Financial Accounting Theory* (with Hodgson, A. & Holmes, S.). She is a member of the Australian Accounting Standards Board and a Past President of the Accounting Association of Australia and New Zealand. Professor Godfrey is the Director of Research and Postgraduate Studies in the Department.

STAFF

ASSOCIATE PROFESSORS

John W (Jack). English

BA (San Jose), MBA (Santa Clara), CPA

Associate Professor Jack English joined the Department in 1989. Earlier he had come to Australia from the USA where he gained experience as a stockbroker and financial controller. His previous academic appointments were at the University of New England, Southern Cross University and Charles Sturt University. His current teaching and research interests are in the areas of corporate finance and investment analysis. Recent research projects and publications have focused on the pricing efficiency of financial futures contracts in Australia. Associate Professor English is the author of a number of books in Australia and overseas on investing and small business management.

Arthur F. Moreau

B.Sc (Bradley), MBA (Summa Cum Laude), PhD (Iowa)

Dr Art Moreau accepted a position as visiting Associate Professor in the Department for Semester 2, 1996 and Semester 1, 1997. He is an Associate Professor of Finance at McGill University and holds a PhD in Finance from the University of Iowa. Dr Moreau was visiting Associate Professor of Finance at the University of New South Wales in 1995-1996. His teaching interests are in investments, options and futures and financial intermediation. His research interests are in micro-structure models, matching markets, incomplete markets, option pricing, financial intermediation and international investments.

SENIOR LECTURERS

Kathy Gibson

BBus (VUT), Grad Dip App Sci (Deakin), Grad Dip App Fin & Inv (SIA), MCom (Deakin), FCPA

Kathy Gibson was appointed to a lectureship in the Department at the end of 1993. Prior to that time she was an investment analyst in stockbroking and merchant banking both in London and Australia and spent 11 years in the hospitality industry as a finance director and company secretary. Her main research interests are in accounting theory, social and environmental accounting, and accounting philosophy. Kathy Gibson's work in this area has been published in international refereed journals and she has presented papers at conferences both in Australia and overseas. In 1995 she was appointed International Associate of the Centre for Social and Environmental Accounting Research at the University of Dundee. She is a member of the Tasmanian State Council of the Australian Society of CPAs and is on the judging panel for the Annual Report Awards of the Institute of Public Administration Australia. Kathy Gibson has also been involved in the presentation of professional development seminars for a number of professional bodies, and is Director of the University's Strategic Research Centre for Environmental Accountability .

Chris Ikin

BEC (Hons) (Tas), FCA

Chris Ikin joined the School of Business at the former Tasmanian Institute of Technology (TSIT) in Launceston in 1984 as a lecturer in accounting. He had previously spent 10 years with Arthur Young & Co in Australia and overseas followed by 7 years as an audit partner with a firm of Chartered Accountants in Launceston. His teaching and research interests are in the areas of financial accounting and auditing. Chris Ikin has taught in the MBA program and the Graduate Diploma of Professional Management offered by the Faculty of Commerce and Economics. He has presented various short courses and seminars for public and private sector organisations. He is a member of the Accounting Discussion Group of the Institute of Chartered Accountants in Australia (Tasmania Branch) and is a Registered Company Auditor.

STAFF

SENIOR LECTURERS

John Livermore

LLB (Bristol), LLM (Tas), Diploma in Social Studies, MCIT, AFAM

John Livermore has been a Lecturer in Commercial Law in the Department since 1974. His teaching and research interests include introductory law, marketing law, transport law and exemption clauses and implied terms in contracts. His recent research projects, conference papers and publications have dealt with current legal developments in the areas of bills of lading and airline deregulation in the Asia Pacific Region. During the year he gave a paper in Seoul on alliance strategies for Asian and Australasian airlines at The International Conference on Air and Space Policy, Law and Industry for the 21st Century. John Livermore is a co-author of two books on marketing law and contributed a chapter on international banking to a book on financial institutions law. He is also the editor of a volume on transport law in "The Laws of Australia" published by Law Book Company. In 1997 he published two chapters on carriage by land and sea in that volume. In 1992 John Livermore conducted a public inquiry for the Tasmanian Government on road/rail transport and in 1993 he reported to the Tasmanian Government on the port handling of wheat imports into the state. He has presented short courses and seminars for a number of private sector organisations.

John Pugh

BCom, BEd (Cape Town), MA (Sussex), Postgrad Cert Ed (Lond), CPA

John Pugh emigrated to Australia from South Africa in 1987. In South Africa he had held academic appointments as senior lecturer in Departments of Accounting at the University of Cape Town and Rhodes University. On arriving in Australia he joined the School of Business at the former TSIT in Launceston as a lecturer in accounting. Later he was promoted to Senior Lecturer, Assistant Head of School and Head of School. His research interests are in accounting education and competency based standards and assessment for professional accountants. His specialist teaching interest is Introductory Accounting and the development of independent study materials for that subject. John Pugh has served as a member of the Northern Tasmania Branch Council of the Australian Society of CPAs, and on its Tasmanian Professional Development Committee. He has been invited by two Australian publishing firms to review work in progress on new editions of introductory accounting texts.

Andrew Ross

BBus (Nepean), MEc (UNE)

Andrew Ross joined the Department in January 1991. He was previously a lecturer in management accounting at Charles Sturt University. Prior to his appointment at Charles Sturt he held various management positions, including financial controller for Hazelton Airlines, Administration Manager for Kings SAS Pty Ltd and Divisional Controller for TNT Group Pty Ltd. His teaching and research interests are in management accounting.

STAFF

LECTURERS

Tong-Gunn Chew

BCom (Tas)(Hons), MCom (Tas), ASA

Tong-Gunn Chew joined the Department in November, 1995. Previously she worked for Coopers & Lybrand and J P Morgan in Singapore in the audit and financial departments respectively. Her major teaching and research interests are in financial accounting and auditing. Tong-Gunn Chew is currently the Sub-Dean and International Student Advisor for the Department.

Peter H. Collett

BEc (Tas), BA (Hons)(Tas), BCom (Hons)(Tas), MA (Syd), Dip Ed (Tas), CPA

Peter Collett joined the Department in early 1990 after gaining extensive teaching experience in Tasmanian high schools and colleges in the areas of accounting and legal studies. He is the lecturer in charge of the Introductory Accounting units offered by the Department on the Hobart campus. His research interests are in the area of regulation of financial accounting and professional ethics. He has served as a technical consultant to the Australian Society of CPAs Ethics Centre of Excellence since it was established in Hobart in 1992. Peter Collett has published in refereed academic and professional journals in Australia and he has presented various seminars.

Barry J. Hicks

BA (Syd), LLB (Syd)

Barry Hicks joined the Department in 1990 as a Lecturer in Commercial Law. He was admitted as a solicitor in Sydney in 1976 and practised there until the end of 1988. During 1989 he was a tutor in commercial law at the Kuring-gai College of Advanced Education, Sydney. His teaching and research interests are in the areas of commercial law, corporations law, banking and finance law and environmental law. Barry Hicks has co-authored two texts on Australian Financial Institutions Law and has published in refereed journals. He is the Co-ordinator of the Company Directors' Course offered at the University in Hobart by the Australian Institute of Company Directors in conjunction with the Department and he presents Modules in the Course. He has presented a number of short courses and seminars for private and public sector organisations.

Brian Hopley

BCom (Rhodes), M FIN Mgt (UCQ), ACA

Brian Hopley joined the School of Business at the former TSIT in Launceston in 1991 as a lecturer in accounting. Prior to that time he had emigrated to Australia from South Africa where he worked with Coopers & Lybrand in their audit and management advisory services divisions. In South Africa, Brian Hopley also worked as a financial controller with an Anglo American group of companies. His current teaching and research interests are in the area of management accounting and taxation.

STAFF

LECTURERS

Sue L. Hrasky (nee Deegan)

BCom (Hons) (Tas), M Soc Sci (Tas), CPA

Sue Hrasky joined the Department in 1987 as a Lecturer. Her previous positions include Tutor in Accounting with the Department and Financial Analyst with Telecom Australia. Her current teaching and research interests are in the areas of auditing and government financial management. Sue Hrasky has published in refereed journals and has conducted seminars for private and public sector organisations.

Peter Mansfield

A.B.Sc.B.(Brown), PhD (Cornell)

Dr Peter Mansfield joined the Department in 1995. Before that time he emigrated to Australia from the USA where he had worked in industry. He has extensive consulting experience in the areas of economic modeling, analysis of strategic computer systems and total quality management. He has also taught in the Department of Economics and in the MBA Program offered by the Faculty of Commerce and Economics. Dr Mansfield's teaching is in the area of finance. His current research projects include examination of the relationship between the spot and forward exchange markets for the Australian Dollar, the impact of Reserve Bank Intervention in the currency markets and long term persistence in the sharemarket. A constant theme of Dr Mansfield's work is the application of mathematical techniques to practical problems.

Catherine Thomas

BCom (NSW), ACA

Catherine Thomas joined the School of Business at the former TSIT in Launceston in 1989 as a Lecturer in Accounting. Prior to that time she was employed by Price Waterhouse in its audit division in Sydney and Launceston. Her teaching and research interests are in the area of financial accounting. She is currently completing an M Com program.

ASSOCIATE LECTURERS

Catherine Rundle

BEC (Hons) (Tas), CPA

Catherine Rundle re-joined the Department in July 1994 having previously been a Tutor in Accounting with the Department from 1986 to 1989. In the intervening period she worked in public accounting practice. Catherine Rundle teaches Taxation Accounting and Introductory Accounting. Her research interests are in the area of taxation. She is currently enrolled in the Department's M Com Program. In 1997 Catherine Rundle took 10 months leave from the Department to work with the State Department of Treasury and Finance advising in the tax policy area

OFFICE STAFF

Christine Hurley (Business Manager)
Zoe Pearce (Secretary, Launceston) (Half-time)
Suellen Lampkin (Secretary, Hobart)
Adriana Zanella (Clerical Officer)

COMPUTER SUPPORT STAFF

Information Systems Unit (In the School of Commerce and Law)

Ben Terry, BSc (Hons) (Tas), Computer Maintenance Co-ordinator (to Sept 1997)
Peter Trueman, BSc (Tas), Dip Environmental Studies (Hons) (Tas),
Information Technology Manager (from Sept 1997)
David Clark, B App Comp (Tas), Computer Officer (to March 1997)
Adrian Ling, B App Comp (Tas), Computer Officer (to Dec 1997)
Martin Chung, B App Comp (Tas), Computer Officer (from March 1997)

STAFF CHANGES

Tong-Gunn Chew was appointed to a lectureship in September 1997.
Brian Hopley resigned in December, 1997.
Art Moreau finished his term with the Department in July 1997.
Andrew Ross resigned in December, 1997.
Catherine Thomas resigned in December, 1997.

TEACHING

COURSES AND UNITS OFFERED IN 1997

BACHELOR OF COMMERCE (ACCOUNTING AND FINANCE MAJORS)

First Year

BFA101 Introductory Accounting A
BFA102 Introductory Accounting B

Second Year

BFA201 Financial Accounting
BFA221 Accounting Information Systems
BFA241 Corporations Law
BFA261 Management Accounting
BFA281 Financial Management
BFA285 Investment Analysis (Hobart)

Third Year

BFA301 Advanced Financial Accounting
BFA302 Accounting Theory
BFA303 Auditing
BFA347 Banking and Finance Law (Hobart)
BFA384 International Finance (Hobart)
BFA385 Derivative Securities (Hobart)
BFA391 Taxation

Fourth Year (Honours)

BFA410 Research Methodology
BFA420 Accounting Theory
BFA424 Finance
BFA425 Accounting Information Systems
BFA429 Advanced Company Law

MASTER OF COMMERCE

BFA810 Research Methodology
BFA820 Accounting Theory
BFA824 Finance
BFA825 Accounting Information Systems
BFA829 Advanced Company Law

HONOURS AND POSTGRADUATE PROGRAMS

General

The Department teaches in the following degree courses and programs offered by the Faculty of Commerce and Economics.

Bachelor of Commerce (Honours)
Master of Commerce (by Coursework)
Master of Commerce (by Research)
Doctor of Philosophy (PhD)

Coursework units in the Bachelor of Commerce (Honours) and Master of Commerce (by Coursework) programs that were offered in 1997 are listed above.

Formal responsibility for the programs in the Department rests with the Director of Research and Postgraduate Studies, Professor Jayne Godfrey.

Enrolments in 1997

Enrolments in the Department's honours and postgraduate programs have grown considerably in recent years and during 1997 there were candidates enrolled in the Bachelor of Commerce (Honours), Master of Commerce (by Coursework), Master of Commerce (by Research) and PhD programs. Enrolments in the PhD program increased from 3 to 6 which was very pleasing. Enrolments in the Masters and Honors programs were maintained.

Particulars of the candidates in the various programs are as follows:

Doctor of Philosophy

Candidate: Tong-Gunn Chew

Supervisor: Professor Jayne Godfrey

Enrolled: 1997

Thesis Topic: "*Earnings Management*" (to be finalised).

HONOURS AND POSTGRAGUATE PROGRAMS

Candidate: Jane Culvenor

Supervisor: Professor Jayne Godfrey

Enrolled: 1997

Thesis Topic: “*Corroboration of Cash Flow and Earnings Announcements: Management Incentives*”.

Candidate: Kathy Gibson

Supervisor: Professor Stewart Leech

External Supervisor: Professor Tony Tinker, City University of New York

Enrolled: 1994

Thesis Topic: “*Accounting Philosophy*”.

Candidate: Ping Sheng Koh

Supervisor: Professor Jayne Godfrey

Enrolled: 1997

Thesis Topic: “*Earnings Management: The Impact of Institutional Invstment*”.

Candidate: Isaac Otchere

Supervisor: Associate Professor Art Moreau

Enrolled: 1995

Thesis Topic: “*Intra-industry Information Transfer associated with the Announcement of Dividend Initiation and Resumption*”.

Candidate: Stephen Vickers

Supervisor: Professor Stewart Leech

Enrolled: 1994

Thesis Topic: “*The Semantic Modelling of Accounting Phenomena*”.

Master of Commerce (by Research)

Candidate: Keryn Chalmers

Thesis Supervisor: Professor Jayne Godfrey

Enrolled: 1997

Topic: “*Derivative and Compound Financial Instruments: Issues Associated with their Disclosure*”.

Master of Commerce (by Coursework)

Tong-Gunn Chew

Dissertation Supervisor: Professor Jayne Godfrey

Enrolled: 1995

Completed 1997

Dissertation Topic: “*The Impact of Specific Audit Experience on Internal Control Evaluations*”.

Janelle M. Large

Dissertation Supervisor: Andrew Ross

Enrolled: 1995

Completed: 1997

Dissertation Topic: “*The Propensity to Create Budgetary Slack - Some Australian Evidence*”.

Rudra D. Sharma

Dissertation Supervisors: Professor Jayne Godfrey and Barry Hicks

Enrolled: 1995

Dissertation Topic: to be notified.

Bachelor of Commerce (Honours)

Bow Achalabun

Dissertation Supervisors: Professor Jayne Godfrey and Sue Hrasky

Enrolled: 1997

Completed: 1998

Dissertation Topic: “*Reasons why firms adopted ISOYD and the Firms Reactions to the Change to AASB 1013: Accounting for Goodwill*”.

HONOURS AND POSTGRADUATE PROGRAMS

Justin Hill

Dissertation Supervisors: Professor Jayne Godfrey and Catherine Rundle

Enrolled part-time: 1997

Dissertation Topic: *"Earnings Management in Response to a Decrease in the Corporate Income Tax Rate"*.

Kai Teck Ng

Dissertation Supervisor: Professor Jayne Godfrey

Enrolled: 1997

Completed: 1997

Dissertation Topic: *"An Analysis of Earnings Management in an Income Smoothing Context"*.

Degrees Awarded on the basis of 1997 Studies

Master of Commerce (by Coursework)

Tong-Gunn Chew

Janelle Devine

Bachelor of Commerce (Honours)

Kai Teck Ng

Bow Achalabun

Scholarships awarded to Postgraduate students

In 1997 a number of University of Tasmania scholarships were awarded to postgraduate students in the Department. This was very pleasing both for the successful students and for the Department.

The students awarded scholarships are as follows:

Keryn Chalmers

Jane Culvenor

Ping Sheng Koh

Postgraduate Studies Forum

In June 1997 a Postgraduate Studies Forum was held for PhD and Masters candidates. An inaugural Forum had been held in September 1996 and proved to be very successful. The Forums are designed to allow candidates to outline their research topic and progress and to receive comments and suggestions from staff and fellow research students in the Department. Candidates and staff participated in the Forum in 1997 and agreed that it was very beneficial. Forums will continue to be held on a regular basis in future years.

INTERNATIONAL STUDENTS IN THE DEPARTMENT

In 1997 approximately 118 international students were enrolled in undergraduate Units offered by the Department on the Hobart and Launceston campuses in the Accounting and Finance Majors of the Bachelor of Commerce Degree offered by the Faculty of Commerce and Economics. There were also two international students enrolled in the Department's postgraduate programs.

In the first week of Semester 1 Professor Leech welcomed new students at a luncheon held by the Department for international students and staff. The luncheon provided an opportunity for newly arrived students to meet with their lecturers and tutors and with other students. A similar function was held at the beginning of 1996. It is the intention of the Department to hold such luncheons each year.

The largest numbers of international students in the Department are from Malaysia and Singapore, however there are also students from Indonesia, Hong Kong, China, Vietnam, Fiji, Taiwan, Brunei, Korea, Thailand, Egypt and other countries. Many students are offered a place in the first year of the BCom program. However, in recent years as a result of the decision by Faculty to award advanced standing in certain cases, an increasing number of students have gained entry to the second year of the program. Such students have typically completed studies at polytechnics or colleges in their own country and the awards of these institutions have been recognised by Faculty.

INTERNATIONAL STUDENTS IN THE DEPARTMENT

At the luncheon the Department announced its intention to offer two annual awards for international students - the '*Outstanding International Students Award in Accounting*' and the '*Outstanding International Students Award in Finance*'. The awards will be made to the international student who achieves the highest level of academic performance in the Accounting and Finance Majors. Kai Teck Ng, a student from Singapore who completed his undergraduate studies in 1996 received both awards. He subsequently enrolled in the Department's honours program. It is hoped that the awards will provide encouragement for international students in the Department and recognise their performance.

STAFF/STUDENT LIAISON MEETINGS

As part of the Department's quality assurance procedures relating to its responsibility for teaching and the promotion of student learning the Department arranges regular meetings with undergraduate and postgraduate students for the purpose of liaising with them. The first of such meetings was held in 1996.

Meetings with undergraduate students are generally held in the second half of Semester 1 and Semester 2 each year. The primary aim of these meetings is to give students an opportunity to express their views about their experiences in units, and where possible and appropriate, to receive some comment from the Head of Department on any substantive issues raised at the meeting.

To ensure that each class is represented and that a broad range of views can be given, the lecturers in charge of units arrange for each of their tutorial groups to elect a representative to attend the liaison meeting. A general invitation is also extended to all students studying in the Department. Notes of the meetings are taken and are available to students on request.

Specific issues raised by students and policy matters are subsequently considered by the Department and remedial action is taken where possible and appropriate. Reports of remedial action are provided to students both generally and at subsequent liaison meetings.

Two meetings were held in 1997. The meetings were chaired by John Pugh and both were attended by Professor Stewart Leech. In general there was agreement at the meetings that teaching staff delivering their units had carried out their duties well. Many constructive contributions were made by students and Professor Leech gave his assurance that specific issues and policy matters would receive attention.

B COM (ACCOUNTING AND FINANCE) LIAISON COMMITTEE

In 1997 the Department established a Liaison Committee for the purpose of maintaining and developing further interaction, on both teaching and research, between the Department and representatives of accounting firms, financial institutions, professional bodies, industry and government.

The inaugural meeting of the Committee was held on 9 September. At the meeting it was decided that the Committee would meet on a twice yearly basis. There was discussion in relation to a variety of matters including the structure of the Bachelor of Commerce Degree and the Accounting and Finance Majors, teaching on multiple campuses, honours and postgraduate programs offered by the Department, industry collaboration with research projects undertaken by staff in the Department, the Research Seminar Program and the availability of casual lecturers and tutors to conduct guest lectures and tutorials in the Department's teaching program.

The Department is appreciative of the contributions made by the outside members of the Committee and looks forward to future consultation and meetings with them.

B COM (ACCOUNTING AND FINANCE) LIAISON COMMITTEE

Membership of the Committee for 1997/1998

Departmental Members

Professor Jayne Godfrey, Brian Hopley, Chris Ikin and Professor Stewart Leech

Student Member

Carl Hollingsworth

External Members

Tim Abey, Chief Executive, Tasmanian Chamber of Commerce and Industry
Peter Allan, State Manager, Department of Employment, Education, Training & Youth Affairs
Robert Atkinson, Partner, Atkinson Gibson
George Austin, Partner, Austin Stevens & Co
David Baulch, Tasmanian Audit Office
David Catchpole, Chief Executive Officer, Shadforths Ltd
Lyn Cox, Managing Partner (Tasmania), Deloitte Touche Tohmatsu
Sally Denny, FCPA, President, Australian Society of CPAs, Tasmanian Division
Harvey Gibson, FCA, Chairman, Institute of Chartered Accountants in Australia, Tasmanian Branch. Partner, Wise Lord and Ferguson
Richard Pringle-Jones, Manager/Administration (Tasmania), JB Were & Son
Bruce Rose, Senior Manager, Administration, Tasmanian Public Finance Corporation
Ian Wright, Partner, Garrott & Garrott

ECONOMICS AND COMMERCE RESOURCES CENTRE

The Department of Accounting and Finance, in conjunction with the Department of Economics, operates a resources centre that is available for use by second and third year students, honours and postgraduate students and staff. A number of subscriptions to journals, reports and other materials are provided from funds donated by accounting firms and others. With restrictions on the purchase of new journals by the University Library, the Economics and Commerce Resources Centre is of increasing importance to the teaching and research in the Department. The Department is grateful to the accounting firms and others who donate funds to the Centre. The donors for 1997 were:

Arthur Anderson & Co

Auditors and Liquidators Trust Fund Committee

Bruce Brown, Australian Securities Commission

KPMG

PBS Partners

Wise Lord and Ferguson

The Director of the Australian Society of CPAs (Tasmanian Division), and the Director of the Institute of Chartered Accountants of Australia (Tasmanian Division), act as trustees of the Centre.

FACULTY COMPUTING LABORATORIES

Overview

The Faculty's IT Unit went through a number of changes in personnel during 1997. Until September Ben Terry was the Acting IT Manager. Following his resignation Peter Trueman was appointed. Adrian Ling continued as an IT Officer on the Hobart Campus until December 1997 when he resigned. David Clark continued as an IT Officer on the Launceston Campus until March 1997, when he resigned and was replaced by Martin Chung.

At the start of 1997, the Department of Information Systems joined the Faculty. This brought new challenges to the IT Unit, as the Department brought with it its own computer expertise, patterns of support and a range of equipment.

In 1997 a review of the IT Unit and its services was carried out. Recommendations were made and a three year strategic plan was drafted. The overall goal of the strategic plan is reproduced below:

It is hoped that by simplifying and standardising firstly the Faculty's desktop operating environments and secondly its server operating systems, the IT Unit can reduce the time required for applications, operating systems and network support, as well as prepare the way for implementation of more efficient, Faculty-wide strategies of training, account management and data backup. Maintenance of the computing laboratories will likewise be greatly simplified by the standardisation of the applications, operating systems and hardware platforms found therein.

All of this time saved will, hopefully, allow for a greater concentration on Information Services and Infrastructure Functions that are presently inadequately addressed, such as the WWW site maintenance, the Faculty software inventory, license management, pro-active server administration and IT Unit staff development, as well as the establishment of a helpdesk and the production of help sheets and other documentation, something not attempted by the IT Unit for some time.

Student Computing

In the Faculty Computing Laboratories in the Commerce and Economics Building in Hobart, students were provided with 20 Pentium computers, 28486's and 8386's. In the laboratories on the Newnham Campus there were 19 Pentium's, 4486's, 20PM 6100's and 13386's. Various servers were provided and many popular software programs were licensed for use within the laboratories.

By the end of 1997, printing for students had migrated to the use of SAPS (replacing copytex cards) in all the Faculty's computing laboratories (SAPS was introduced in 1996). These printers comprised an HP LaserJet 5SI/MX, two HP LaserJet 5M's, an HP LaserJet 4SI and an HP LaserJet 4P.

Developments

The most significant development of 1997 was a change in the manner in which the IT Unit operated. By the end of 1997 responsibility for dealing with first level user requests had been divided geographically. Adrian Ling was responsible for supporting Faculty staff and student facilities in the Commerce and Economics Building in Hobart. Martin Chung was primarily responsible for the facilities on the Newnham campus.

Purchasing, planning and development were centralised in the person of the IT Manager, who divided his time between the various Faculty facilities, spending time in Launceston and Hobart. At the end of 1997 the IT Unit was well placed to begin a program of comprehensive, Faculty-wide changes, such as replacing all staff and laboratory computers with leased machines, upgrading and optimising network infrastructure, standardising the operating systems and applications used with the Faculty, and eventually adding new services such as training, help-sheet documentation and the introduction of a single point of contact, which could ultimately lead to a helpdesk facility.

RESEARCH

The Department conducts research in five main areas: financial accounting and auditing, management accounting, finance, accounting information systems and commercial law. These areas reflect the major specialisations within the Department.

RESEARCH ACTIVITY

Tong-Gunn Chew completed her research to investigate the internal control knowledge of auditors to determine whether audit experience with financial institutions (FI) in Australia (with emphasis placed on reporting internal control adequacy as required by AUG 4) leads to better assessment of control risk. Her research subjects comprised experts (auditors with FI experience); non-experts (auditors without FI experience); and novices (students with no audit experience).

Peter Collett continued his investigation of the application of the notion of representational faithfulness to the regulation of financial accounting. Together with Sue Hrasky he commenced work on an ongoing project investigating determinants of resource allocation within internal audit departments. He also co-authored a paper with Jayne Godfrey and Sue Hrasky entitled “*Standard-setting in Australia: Implications of recent radical reform proposals*”.

Kathy Gibson continued to explore issues of accountability and the contribution which the accounting discipline can make towards ecological sustainability and environmental conservation. These include accounting for the costs of pollution and contamination, and the use of natural resources, together with reporting on the development and use of heritage and community assets by both the public and private sectors. Kathy Gibson is currently enrolled in a PhD program. The topic of her dissertation is ‘Accounting Philosophy’ with particular concern for the environmental and social effects of accounting practice.

Professor Jayne Godfrey undertook the following research during 1997:

“Income smoothing, extraordinary items and accounting for political costs”,

(Co-author with K. Jones, The University of Melbourne).

“Determinants of short-term earnings management: Influences of once-off and enduring attributes”,

(Co-author with P.S. Koh, University of Tasmania).

“Standard-setting in Australia: Implications of recent radical reform proposals”,

(Co-author with P. Collett and S. Hrasky, University of Tasmania).

“The explanatory power of alternative earnings management models using alternative measures of property, plant and equipment”, (Co-author with J. Culvenor, La Trobe University).

“The explanatory power of alternative total accruals models”, (Co-Author with P.S. Koh, University of Tasmania).

“An analysis of earnings management in an income smoothing context”, (Co-author with K.T. Ng, University of Tasmania).

“Investment opportunity set and contracting influences on accounting policy choice”,

(Co-author with M Bradbury, University of Auckland).

“A cross-sectional analysis of firms’ currency risk management responses to foreign currency accounting regulation”,

(Co-author with J. R. Evans, Coopers & Lybrand).

“An efficient contracting approach to accounting portfolio determination”.

“Evaluation and measurement: A university alumni association perspective on benchmarking”,

(Co-author with P.J. Godfrey, Godfrey Business Advisory Services).

“Share price reactions to ASRB regulation of accounting for foreign currency translation”,

(Co-author with R. Heaney, Australian National University).

RESEARCH ACTIVITY

Professor Godfrey also undertook various other projects which are currently at hypothesis development or early data collection stages. They include projects in collaboration with colleagues at the University of Tasmania, The University of Melbourne, The London School of Economics and Political Science, and Manchester University. The projects involve contracting and international accounting issues.

Barry Hicks continued his examination of the compliance by company auditors with the Corporations Law requirement to report to the ASC when, in the course of performing their duties as auditor of a company, they are satisfied that there has been a contravention of the Corporations Law. This is the topic of a dissertation for an LLM program in which Barry Hicks is currently enrolled. He also continued to examine the operation of the environmental legislation introduced into Tasmania in 1994.

Brian Hopley continued research into partner compensation arrangements in professional accounting firms. A study of a national "Big 6" partnerships was undertaken to identify the key compensation variables in a planned single profit pool structure.

Sue Hrasky completed work on an investigation into the impact of role ambiguity and human resource management strategies on job satisfaction and job-related tension in the public sector. A paper resulting from this work has been accepted for presentation at a Symposium on Issues of Accountability & Performance hosted by Griffith University in Brisbane in February 1998. She also commenced work on an ongoing project with Peter Collett investigating determinants of resource allocation within internal audit departments. She co-authored a paper with Jayne Godfrey and Peter Collett entitled "*Standard-setting in Australia: Implications of recent radical reform proposals*".

Chris Ikin continued research to develop a model that describes the determinants of non-audit service fees paid by Australian companies to their independent external auditors, and how this might affect auditor independence. He is preparing a research paper titled "*The Demand Determinants of Non-Audit Service Fees: An empirical Analysis with Implications for Auditor Independence*".

Professor Stewart Leech and Phil Collier (Department of Electrical Engineering & Computer Science) continued research on a computational model of expertise for companies in financial distress. This project has been supported by a large ARC grant of \$64,000 and Institute of Chartered Accountants in Australia (I.T. Chapter) research grants of \$11,720. During 1997, Professor Leech presented papers on this project to the *Fourth Annual AIS Research Symposium of the American Accounting Association* in Phoenix Arizona; the *20th Annual Congress, European Accounting Association* in Graz, Austria; the *American Accounting Association's Workshop on AI/ES in Accounting* in Dallas Texas; the *Insolvency Practitioners Association of Australia (Melbourne Forum) Conference*, in Cairns; and Research Seminar Programs at Edith Cowan University, Deakin University, the University of Western Sydney, and La Trobe University. Also a paper on the project was presented by Phil Collier to the *Workshop on Business Applications of AI, Fifteenth International Joint Conference on Artificial Intelligence* in Nagaya, Japan.

Professor Stewart Leech, Phil Collier, Vicky Arnold (University of Massachusetts, Dartmouth) and Steve Sutton (Bryant College, Rhode Island) undertook further work on a project that aims at identifying factors that determine the use of and reliance on intelligent decision aids in accounting. A research grant of \$2654 from the Auditors' and Liquidators' Trust Fund provided some initial support for the project.

RESEARCH ACTIVITY

John Livermore established the Asia Pacific Journal of Transport Law and Policy as an internet journal [<http://www.comlaw.utas.edu.au/APJoTL&P>]. The editorial board includes Professor Doo Hwan Kim, Director, Institute of Legal Studies, Soong Sil University, Seoul, Republic of Korea; Professor Teruo Sakamoto, Faculty of Law, Kanto Gakuin University, Tokyo, Japan; Mr Susumu Miyoshi, Vice President, Legal Affairs, Japan Airlines, Tokyo; Professor Chia-Jui Cheng, Dean, School of Law, Taipei, Taiwan; Mr Rod Margo, Partner, Condon & Forsyth, Los Angeles, USA. The Advisory Board of Editors includes Emeritus Professor Bin Cheng, University of London and Professor Michael Milde, Director, Institute and Centre of Air and Space Law, McGill University, Montreal, Canada. John Livermore continued work, with a research assistant, on "*Transport Law: Australia*" for publication in the "*International Encyclopedia of Laws*" by Kluwer Law International in 1998. He worked on a collection of essays, "*Current Problems in Maritime Law*" also for publication in 1998 by Kluwer Law International. He also completed the revised and final chapters on Carriage by Land and Sea in '*Volume 34: Transport, Laws of Australia*' published in December 1997 by the Law Book Company.

Dr Peter Mansfield continued research into the relationships between the spot and forward currency markets for the Australian Dollar. He also continued his examination of the impact of Reserve Bank Intervention in the currency markets, long term persistence in the sharemarket, interest rate parity, and the term structure of US interest rates.

John Pugh continued his examination of the development of competencies and competency based-assessment in accounting education.

Cathy Thomas continued her examination of how the accounting profession has reacted to the corporate failures of the 1980s.

RESEARCH AWARDS

In 1997 Professor Jayne Godfrey received the ANBAR citation for a research paper published in 1996. The citation is for 'Excellence in Research Implications'. Particulars of the paper are as follows:

Godfrey, J.M and B. Yee, 'Mining Sector Currency Risk Management Strategies: Responses to Foreign currency Accounting Regulation', *Accounting & Business Research*, Vol 26 No 3, Summer 1996.

STRATEGIC RESEARCH CENTRE FOR ENVIRONMENTAL ACCOUNTABILITY

Members of staff of the Department under the leadership of Kathy Gibson, formed an 'Environmental Accountability Research Group' late in 1994. In June 1996 the University approved the establishment within the School of Commerce and Law of a Strategic Research Centre for Environmental Accountability which assumed responsibility for the activities of the Research Group. Several members of staff in the Department accepted positions in the Centre.

Following its establishment the Centre assumed responsibility for publication of the *Environmental Accountability Research Group Newsletter*, previously undertaken by the Research Group, and it was re-named the *Strategic Research Centre for Environmental Accountability Newsletter*. Particulars of publications in the *Newsletters* have been included in previous annual reports of the Department.

In 1997 the Centre became a founding member of the *Asia Pacific Centre for Environmental Accountability (APCEA)* following an agreement entered into between the University of Tasmania and *APCEA*. Other Australian and New Zealand Universities also joined. The Centre's *Newsletter* became the *News Journal of the Asia Pacific Centre for Environmental Accountability*.

In 1997 one issue of the *Newsletter* and three issues of the *News Journal* were published with the assistance of the Department. Members of staff of the Department contributed articles to the *Newsletter* and the *News Journal*, particulars of which are provided in this annual report under 'Publications'.

The Group and now the Strategic Research Centre have played an important role in the development and implementation of the Department's Mission Statement and its Strategic and Research Management Plans.

During 1997 the following staff of the Department were involved in the activities of the Centre:

Director of the Centre

Kathy Gibson

Board of Management of the Centre

Barry Hicks

Chris Ikin

John Livermore

Catherine Rundle

Advisory Board

Chair

Professor Stewart Leech

Member

Professor Jayne Godfrey

DEPARTMENT RESEARCH SEMINARS AND WORKSHOPS

Participants in the Department Research Seminars and Workshops included both visitors and members of staff. A list of the topics and presenters is provided below.

March

John Livermore, University of Tasmania, “*Electronic Bills of Lading and Functional Equivalence*”.

Professor Jayne Godfrey, University of Tasmania, “*Earnings Management by Australian IPOs*”.

April

Dr Stephen Lim, (co-author with Zoltan Matolcsy) University of Technology Sydney, “*Do Managers of Failed Companies Manage their Earnings Prior to Failure? - An Empirical Investigation*”.

May

Professor Paul Israelsen (co-author with James Reeve), Southern Denmark Business School, “*Profit Reporting and Analysis in Complex Market and Manufacturing Environments*”.

Professor Dan Dhaliwal (co-author with Merle Erickson & Robert Trezevant), University of Arizona, “*Ownership Changes after a Firm Initiates a Cash Dividend: New Evidence that Tax Clienteles for Dividend Policies Matter*”.

[From Left: Professor Stewart Leech; Professor Jayne Godfrey; Professor Dan Dhaliwal; Dr Peter Mansfield, Seminar Co-ordinator].



Tong-Gunn Chew, University of Tasmania, “*The Effect of Specific Audit Experience on Internal Control Evaluations*”.

August

Professor Stewart Leech, University of Tasmania (co-author with Phillip Collier & Nicole Clark), “*A Cognitive Computational Model of Knowledge and Reasoning in Insolvency*”.

Professor Greg Clinch, University of New South Wales, “*Revalued Financial, Tangible, and Intangible Assets: Associations with Share Prices and Non Market-Based Value Estimates.*”

Ping Sheng Koh, University of Tasmania (co-author with Professor Jayne Godfrey), “*Determinants of Short-Term Earnings Management: Influences of Once-Off and Enduring Attributes*”.

September

Christine Brown, The University of Melbourne (co-author with Professor Kevin Davis), “*Endowment Warrants: Valuing a Financial Innovation*”.

DEPARTMENT RESEARCH AND WORKSHOPS

October

Jane Culvenor, La Trobe University, “*Modelling the Extent of Earnings Management with Australian Firms*”.

Associate Professor Art Moreau, University of New South Wales, “*Individual-Specific Friction, Uncertain Effective Tax Rates and Historical Price Dependency in Asset Prices*”.

Staff Research Workshop

Sue Hrasky & Peter Collett, University of Tasmania, “*An Investigation into the Diversity of Internal Audit Practices in Australia*”.

Kathy Gibson, University of Tasmania, “*Alternative Values and Environmental Impacts*”.

Chris Ikin, University of Tasmania, “*The Demand for Non-Audit Services*”.

GRANTS

Tong-Gunn Chew was awarded an Australian Society of CPAs Research Grant (\$4000) for a project titled, “*The Impact of Specific Audit Experience on Internal Control Evaluation - Further Evidence*”. She also continued work on a School of Commerce and Law Strategic Research Grant (\$2557) awarded in 1996 entitled, “*The Impact of Specific Audit Experience on Internal Control Evaluation*”.

Kathy Gibson together with **Jayne Godfrey** and **Chris Ikin** were awarded Mineral Policy Institute funding (\$6,250) for a Trade Liberalisation project.

Kathy Gibson together with **Dallas Hanson**, **Barry Hicks** and **Rhett Walker** were awarded a University of Tasmania Teaching Development Grant (\$5,000) for a project entitled, “*Environmental Higher Education for the Twenty-First Century*”.

Kathy Gibson together with **Barry Hicks**, **Chris Ikin** and **Catherine Rundle** were awarded a University of Tasmania Teaching Development Grant (\$10,000) for a project entitled “*Environmental Accountability*”.

Kathy Gibson was awarded a University of Tasmania Promotional Collaborative Grant (\$1,182) for a project on Measurement and Reporting of Assets in the Public Sector.

Professor Jayne Godfrey was awarded the following:

A Small ARC Grant (\$10,000) with **Jane Culvenor** (La Trobe University) for a project entitled, “*The Explanatory Power of Alternative Earnings Management Models using Alternative Measures of Property, Plant and Equipment*”.

A Small ARC Grant (\$12,000) with **Ping Sheng Koh** for a project entitled, “*Determinants of Earnings Management*”.

Professor Jayne Godfrey and **Professor Stewart Leech** were Lead Principal Investigators (with Professor P. Liesch, Professor D. Chalmers and Dr. C. Keen) for a University of Tasmania Research Infrastructure Grant (\$62,000) for a project entitled, “*Electronic Research Database Collection*”.

John Livermore continued work on a School of Commerce and Law Strategic Research Grant (\$1,000) for research on the Australian entry for “Transport”, in the “*International Encyclopedia of Laws*”, to be published by Kluwer Law International, The Netherlands.

Professor Stewart Leech together V. Arnold, P. Collier and S.G. Sutton were awarded a research grant (\$2,654) from the Auditors and Liquidators Trust for a project entitled “*Identification of the Factors that Determine the Use of and Reliance on Expert Systems Concerning Insolvency Decisions*” (joint with).

PUBLICATIONS

Books

English, J.W., “*Australian Stockmarket Investor*”, Allen and Unwin, Sydney, 1997.

English, J.W. & Hamilton, R., “*The Small Business Book*”, 3rd edition., BWB Books, Wellington, New Zealand, 1997.

Godfrey, J.M. & Robb, A., “*Dictionary of Accounting and Finance Terms*, 3rd edition, Adison Wesley Longman, Sydney, 1997.

Godfrey, J.M., Hodgson, A. & Holmes, S., “*Financial Accounting Theory*”, 3rd edition, Jacaranda Wiley & Co, Sydney, 1997.

Godfrey, J.M., Hodgson, A. & Holmes, S., “*Financial Accounting Theory - Solutions Manual*”, 3rd edition, Jacaranda Wiley & Co, Sydney, 1997.

Contribution to Books

Godfrey, J.M., ‘World Accounting - Australia’ in Orsini, L.L. & McAllister, J.P. (eds), *World Accounting*, Mathew Bender, 1997.

Godfrey, J.M., Foreign Currency Translation: International Perspectives’, in A. Rashad Abdel-khalik (Ed.), *Encyclopedia of Accounting*, Blackwell Publishing Inc., London, 1997.

Leech, S.A., ‘Data Base Accounting’, in A. Rashad Abdel-khalik (Ed.), *Encyclopedia of Accounting*, Blackwell Publishing Inc., London, 1997.

Livermore, J., Chapter 2 ‘Carriage by Land’ and Chapter 3 ‘Carriage by Sea’ of ‘Volume 34: Transport’, *Laws of Australia*, Law Book Company, Sydney, 1997.

Contributions to Journals

English, J.W., “The Time Value of Future Options in Australia” in Bos, T. and Fetherston T.A. (Eds.) *Advances in Pacific Basin Financial Markets*, Vol. 3, JAI Press, Greenwich, Connecticut, 1997.

Gibson, K. M., “Courses on Environmental Accounting”, *Accounting Auditing and Accountability Journal*, Vol 10, No. 4, 1997.

Leech, S.A., Research in Accounting Information Systems, *Accounting Forum*, 20(3-4), (December-March) 1996-97.

Leech, S.A., Discussion of Integrating Accounting and Advanced Manufacturing Information Systems: An ABC and REA-Based Approach, *Journal of Information Systems*, 8(2), (Fall) 1994 (Note: published in 1997.)

Livermore, J., “Electronic Bills of Lading: A Progress Report” (co-author with K. Euarjai), *Journal of Maritime Law and Commerce* 28(1) 1997.

Mansfield, P., “The Relationship Between the Trading Activities of the Reserve Bank of Australia and Movements in the Value of the Australian Dollar”, *International Review of Financial Analysis*, 6 No 1 (1997).

Mansfield, P., “Rationality and the Risk Premium on the Australian Dollar” (co-author with Dr B. Felmingham), *International Economic Journal* 11 No 3 (Autumn) 1997.

PUBLICATIONS

Book Reviews

Pugh, J., "Computerised Accounts" by Basset, P.H. in *Computers & Education*, Vol. 22, No. 4, May 1994, 366-367.

Other

Gibson, K., "Acid Rain and the Taj Mahal", "Water Quality Management", "Tasmanian - Commonwealth Regional Forest Agreement", *Strategic Centre for Environmental Accountability Newsletter*, Vol. 3 No. 1., May, 1997.

Gibson, K., 'Protection of Agricultural Land', 'Looking Good on Paper', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol. 3 No. 4., August, 1997.

Gibson, K., 'State of the Environment and Cultural Heritage', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol. 3 No. 4., August, 1997.

Gibson, K., 'Australian Ambient Air Quality - NEPM and Impact Statement', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol. 3 No. 4., August, 1997.

Hicks, B., "Due diligence Step 2 - Formulation and Establishment of Policies and Strategies to Minimise Identified Risks", *Strategic Centre for Environmental Accountability Newsletter*, Vol. 3 No. 1., May, 1997.

Hicks, B., 'Due diligence Step 3 - Implementation of Policies and Strategies to Minimise Identified Risks', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol. 3 No. 2., August, 1997.

Hicks, B., 'Due Diligence Step 4 - Continuous Monitoring', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol. 3 No. 3., August, 1997.

Hicks, B., 'Due Diligence Step 5 - Developing and Maintaining a Culture of Environmental Compliance', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol. 3 No. 4., August, 1997.

Rundle, C., "Tax Deductibility of "Rehabilitation Expenses", "Privatisation of Airports - State Environmental Laws", *Strategic Centre for Environmental Accountability Newsletter*, Vol. 3 No. 1., May, 1997.

Rundle, C., 'The 1997 Budget and the Environment', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol. 3 No. 2., August, 1997.

Conference Papers

Chew, T.G., 'The Effect of Specific Audit Experience on Internal Control Evaluation', *Accounting Association of Australia & New Zealand Annual Conference*, (July) 1997, Hobart.

Gibson, K.M. and D. Hanson, "Environmental Education for the Twenty-First Century", *6th International Conference of the Greening of Industry Network*, (November), 1997, University of California, Santa Barbara, California.

Godfrey, J.M. and C. Chetcutti, "Earnings Management by Australian IPOs", *20th Annual Congress, European Accounting Association*, (April) 1997, Graz, Austria.

Godfrey, J.M. and P.J. Godfrey, 'Evaluation and Measurement: A University Alumni Association Perspective', *Australian University Alumni Association Council Conference*, (October) 1997, Hobart.

PUBLICATIONS

Leech, S.A., P.A. Collier and N. Clark, "A Cognitive Computational Model of Knowledge and Reasoning in Insolvency", *Fourth Annual AIS Research Symposium*, (February) 1997, Phoenix, Arizona.

Leech, S.A., P.A. Collier and N. Clark, "A Model of Expertise in Insolvency", *20th Annual Congress, European Accounting Association*, (April) 1997, Graz, Austria.

Collier, P.A., S.A. Leech and N. Clark, "A Validated Expert System for Decision-Making in Insolvency", Workshop on Business Applications of AI, *Fifteenth International Joint Conference on Artificial Intelligence*, (August), 1997, Nagaya, Japan.

Leech, S.A., P.A. Collier and N. Clark, "An Expert System for Modeling Reasoning in Corporate Recovery", *American Accounting Association Workshop on AI/ES in Accounting*, (August) 1997, Dallas, Texas.

Leech, S.A. and P.A. Collier, "Receiverships: To trade on or Not to Trade On; A decision Support Model", *Insolvency Practitioners Association of Australia (Melbourne Forum) Conference*, (October) 1997, Cairns.

Livermore, J., "Airline Deregulation: Strategies for Asian and Australasian Airlines", *The International Conference on Air and Space Policy, Law and Industry* (4th Asian International Conference on Air and Space Law) (June) 1997, Seoul, Republic of Korea.

Mansfield, P. and B. Felmingham, 'Australian Forward Currency Market Volatility', *Econometric Society Australasian Meeting* (July) 1997, Melbourne.

Papers presented at Seminars at other Universities

Chew, T.G., 'The Effect of Specific Audit Experience on Internal Control Evaluation', School of Business, Research Seminar Program, *La Trobe University*, (September), Melbourne.

Godfrey, J.M and M. Bradbury, "Investment Opportunity Set Influence on Accounting Policies and estimates: New Zealand Evidence", Department of Accounting, Research Seminar Program, *The University of Sydney*, (October), Sydney.

Godfrey, J.M. and Koh, P.S., "Determinants of Short Term Earnings Management: Influences of once-off and enduring attributes", Department of Accounting and Finance, Research Seminar Program, *Monash University*, (September), Melbourne.

Godfrey, J.M. and Koh, P.S. "Determinants of Short Term Earnings Management: Influences of once-off and enduring attributes", School of Business, Research Seminar Program, *La Trobe University*, (August), Melbourne.

Leech, S.A., P.A. Collier and N. Clark, "A Cognitive Computational Model of Knowledge and Reasoning in Insolvency", School of Accounting and Finance, Research Seminar Program, *Edith Cowan University*, (April), Perth.

Leech, S.A., P.A. Collier and N. Clark, 1997, "A Cognitive Computational Model of Knowledge and Reasoning in Insolvency", School of Accounting and Finance, Research Seminar Program, *Deakin University*, (September), Melbourne.

Leech, S.A., P.A. Collier and N. Clark, 1997, "A Cognitive Computational Model of Knowledge and Reasoning in Insolvency", Faculty of Management, Research Seminar Program, *University of Western Sydney*, (September), Sydney.

Leech, S.A., P.A. Collier and N. Clark, 1997, "A Cognitive Computational Model of Knowledge and Reasoning in Insolvency", School of Business, Research Seminar Program, *La Trobe University*, (September), Melbourne.

RESEARCH LECTURE

The Australian Society of CPAs (Tasmanian Division) Annual Research Lecture in conjunction with the Department of Accounting and Finance was held in Hobart on 29 September, 1997 and Launceston on 30 September, 1997.

The 1997 Research Lecture was delivered by Professor Stanley Biggs and the title was, “*Analytical Procedures: Promise, Problems, and Implications for Practice*”.

The Research Lecture is for academics, teachers, students, accountants and the business and government community. It has been held each year since 1990.



[From Left: Professor Jayne Godfrey; Denis Pratt, Director, Australian Society of CPAs (Tasmanian Division); Professor Stanley Biggs; Sally Denny, President, Australian Society of CPAs (Tasmanian Division); Professor Stewart Leech].

THE ANNUAL CONFERENCE OF THE ACCOUNTING ASSOCIATION OF AUSTRALIA AND NEW ZEALAND

During July the Department hosted The Annual Conference of the Accounting Association of Australia and New Zealand (AAANZ). AAANZ is the premier body representing the interests of accounting academics and others interested in accounting education in Australia and New Zealand. The successful three-day conference attracted over 350 registrants from more than ten countries. Planning for the Conference commenced in 1994 when the Department was successful in its bid for the 1997 Conference. It was thirteen years since the Conference was last held in Hobart. The local Organising Committee comprised Professor Stewart Leech (Chair), Kathy Gibson, Sue Hrasky, Christine Hurley and Catherine Rundle while the Technical Committee was chaired by Professor Jayne Godfrey.

The Conference Program included three outstanding plenary sessions presented by leading international academic researchers. Professor Michael Shields, University of Memphis, presented a comprehensive overview of contemporary management accounting research and possible future directions. Professor Robert Swieringa, Cornell University, outlined the important link between accounting research and policy making, while Professor Philip Brown, University of Western Australia, discussed closing the gap between accounting research and accounting practice. A Research Funding Forum was conducted for the first time, at which Professor Ross Milbourne, Chair of the Australian Research Council Large Grants Committee, and Dr Malcolm Crawley, Chief Executive for the Foundation for Research Science and Technology in New Zealand, outlined how the granting schemes operated and identified key issues relevant to researchers in accounting and finance.

In addition to the plenary sessions, over 100 papers were presented during six concurrent sessions, reflecting the diversity of approaches, issues and interests evident in contemporary research in accounting and finance. Topics covered accounting education, financial accounting, management accounting, environmental accounting, international accounting, finance, taxation, auditing, information systems, accounting history, insolvency, and professional issues.

[The Vice-Chancellor Professor Don McNicol officially opening the AAANZ Conference. Photograph by Steve Eastwood]



PROFESSIONAL DEVELOPMENT ACTIVITIES

During 1997 several members of staff of the Department conducted courses and seminars for the accounting profession and the business and government community. A number of these courses were initiated and organised by the Department of Accounting and Finance while others were at the request of the professional organisations, firms or government departments.

The following are some of the professional courses and seminars with which members of staff were involved in 1997.

Courses offered by the Department and the Australian Institute of Company Directors

The 'Company Directors' Course' is conducted in Hobart by the Department for the Australian Institute of Company Directors. The Course was first offered in Tasmania in 1989. The Department provided the organisation and arranged the tutors for a Course in 1997 which had 16 participants. In the Course there were fortnightly seminars of three hours each. Barry Hicks was the Course Co-ordinator. He was also a tutor and presented modules on "Practice of Directorship"; "Directors' Duties and Responsibilities", "Intellectual Property Issues" and "Environment Issues". Kathy Gibson was a tutor and presented modules on "Introduction to Financial Statements" and "Assessing Company Performance". John Livermore was a tutor and presented a module on "Contract Issues".

The Course covers a range of topics of importance to company directors and the Modules in the Course comprise: "Practice of Directorship"; "Directors' Duties and Responsibilities"; "Introduction to Financial Statements"; "Assessing Company Performance"; "Contract and Intellectual Property Issues for Directors "; "Trade Practices Issues for Directors"; "Contemporary Workplace Issues for Directors"; "Risk Assessment and Environment Issues for Directors "; "Strategic Direction"; and, "Improving Board Effectiveness".

For the first time in 1997 the Department and the Institute also offered a one day seminar titled "Understanding Financial Statements" which was conducted by Kathy Gibson. It is intended that the Seminar will be offered on a regular basis in the future.

Other Seminars and Courses presented in 1997

Kathy Gibson presented a workshop in Public Sector Finance to staff of the Central Institute of Higher Tibetan Studies, Sarnath, Varanasi, India, on 13 February. Several presentations to professional groups followed during the year, including sessions on the Future of Accountancy for the National Institute of Accountants in both Launceston and Hobart, and for the Australian Society of CPAs in Hobart. She also presented a seminar on Accounting Education and Environmental Issues for the Australian Society of CPAs in Melbourne. As in previous years, Kathy Gibson also conducted courses for non-financial managers on behalf of the Australian Society of CPAs, in both Launceston and Hobart.

Barry Hicks "Uniform Consumer Credit Legislation", Australian Institute of Credit Managers (Tasmanian Division), June, 1997.

Professor Stewart Leech & Phil Collier "Liquidate or Trade-on? A computer-based Decision Aid for Insolvency", Auditors' and Liquidators' Trust Fund Seminar organized by the Australian Society of CPAs, October 1997, Hobart and Launceston.

John Livermore, "Are you breaking the law?", a Seminar on Trade Practices Compliance organised by the Australian Marketing Institute, Devonport and Burnie, May & September 1997.

John Pugh presented seminars on Financial Planning and Control in Launceston, Port Moresby and Suva as part of Executive Management Programs conducted under the South Pacific Management Program (SPMP). The latter is run on behalf of the

PROFESSIONAL DEVELOPMENT ACTIVITIES

Australian Department of Defence to improve the management skills of South Pacific nationals involved in the region's defence cooperation program.

Professor Jayne Godfrey presented seminars on the 'Presentation and Disclosure of Financial Instruments' to members of the Australian Society of CPAs and the Institute of Chartered Accountants in Australia at various forums in Hobart and in Launceston. She also presented a paper, 'International Harmonisation: Where now?' to participants at the Standard Settings Forum in Hobart.

SUBMISSIONS TO GOVERNMENT

Peter Collett, Professor Jayne Godfrey and Sue Hrasky prepared a submission to the Treasury concerning the proposed changes to accounting standing setting arrangements in Australia embodied in the Treasury's Corporate Law Economic Reform Program (CLERP) Reform Paper No. 1, "*Accounting Standards*" issued in September, 1997.

PROFESSIONAL ACTIVITIES

A number of staff members served in a variety of professional capacities throughout 1997.

Peter Collett continued to serve as technical consultant to the Australian Society of CPAs' Ethics Centre of Excellence which was launched in Hobart in 1992.

Kathy Gibson continued to serve as a Tasmanian Divisional Councillor of the Australian Society of CPAs, and was appointed Vice President - Intellectual Capital. She also continued her membership of the Society's Network Committee and Public Sector Accountants' Committee. She was also a member of the judging panel for the Institute of Public Administration Annual Report Awards. Kathy's research interests in environmental accounting were also reflected in her continuing Directorship of the University's Strategic Research Centre for Environmental Accountability, and her position as auditor for the Environmental Defender's Office, Hobart. She also continues to be an International Associate of the Centre for Social and Environmental Accounting Research at the University of Dundee, Scotland.

Professor Jayne Godfrey continued to serve as a Member of the Australian Accounting Standards Board (1995-1998). She also continued as a member of the Editorial Boards of *Arab Journal of Accounting* and the *Journal of International Accounting and Auditing and Taxation*. She was Chair of the Technical Committee for the Accounting Association of Australia and New Zealand conference which was held in Hobart in July. Professor Godfrey was a referee for ARC grant applications and a referee for research papers for numerous Australian and non-Australian accounting and economics journals. She was a Member of the Advisory Board of the University's Strategic Research Centre for Environmental Accountability; a Fellow of Christ College, University of Tasmania; a member of numerous committees within the University of Tasmania; Spokesperson: Education, Australian Society of CPAs, Tasmania; and, Spokesperson: Accounting Standards, Australian Society of CPAs, Tasmania. In addition, Professor Godfrey is a member of the National Examination Policy Advisory Committee of the ASCPA.

Chris Ikin served as a member of the Accounting Discussion Group, the Institute of Chartered Accountants in Australia (Tasmanian Branch).

Professor Stewart Leech was elected by the Information Systems Section of the American Accounting Association as Vice-Chair-Academic and Chair-elect. He was also reappointed as the Asia/Pacific Region Committee representative of the Artificial Intelligence/Expert Systems Section of the American Accounting Association. He was appointed to the board

PROFESSIONAL ACTIVITIES

of directors of the Center for Educational Technology in Accounting (CETA), University of North Texas. Professor Leech continued to serve as a State Councillor of the Institute of Chartered Accountants in Australia and was elected as Treasurer of the Tasmanian Branch for 1997-98. He serves as Chair of the Continuing Education Committee (CPE), and as a member of the Education Panel, and Careers Marketing Committee of the Tasmanian Branch. Nationally, he is a member of the CPE Committee and the Disciplinary Committee of the Institute. He is a member of the Divisional Appeals Committee of the Australian Society of CPAs (Tasmanian Division) He was Editor of the Special Issue on Accounting Information Systems, *Accounting Forum* (1996-97) and continued to serve as an associate editor of *Accounting Forum*, *Advances in Accounting Information Systems*, and the *Journal of Financial Information Systems* and on the editorial boards of the *Journal of Information Systems* and *The New Review of Applied Expert Systems*. Professor Leech was Chair of the Organizing Committee for the 1997 Accounting Association of Australia and New Zealand annual conference which was held in Hobart in July.

John Livermore served as the Immediate Past Chairman of the Chartered Institute of Transport (Tasmanian Branch), and was a member of the Executive Council of the Australian Marketing Institute (Tasmanian Branch).