



UNIVERSITY OF TASMANIA

School of Accounting & Finance Annual Report 1999

INTRODUCTION

The 1999 Report of the School of Accounting and Finance is the tenth Annual Report published by the School.

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

MISSION STATEMENT

The School of Accounting and Finance is committed to excellence in teaching and research.

AIMS

In common with other academic schools in a university, the School of Accounting and Finance pursues the major aims of teaching, research and professional development.

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

In research, the major aim of the School is to identify research issues in relation to accounting, finance and related areas 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 School are to have a consistent presence and influence with the two major accounting bodies, the Australian Society of CPAs and the Institute of Chartered Accountants in Australia, with finance organisations such as the Finance and Treasury Association, and to maintain strong links with accounting firms, industry and government. Each year, the School aims to offer a number of professional development courses to the business and government community.

HEAD OF SCHOOL'S REVIEW

In 1999, the School of Accounting and Finance continued to move from strength to strength in its undergraduate and postgraduate educational offerings, and in its research output. In particular, enrolments in the School increased, and the quality of our honours and postgraduate students was outstanding by both national and international standards. This was evidenced by the number of students who were awarded national competitive scholarships and grants, and the fact that one of our honours students won the University medal for her outstanding academic success. It was particularly pleasing to see that many of the School's postgraduate students published research findings in international refereed academic journals during the year.

The School's services to the Tasmanian and national business communities remained strong. For the first time in Tasmanian history, staff in the School were State Presidents of the Institute of Chartered Accountants in Australia and the Australian Society of CPAs in the same year. Also, many staff participated actively in the activities of these professional bodies. The School also continued to play a strong role in delivering the Australian Institute of Company Directors Course, and the Public Sector Management Course was taught by members of the School. The School looks forward to continuing its trend of an even stronger association with Tasmanian business in the future.

The new-look B.Com, introduced in 1999, proved popular. This new B.Com structure was born out of a major initiative proposed by the School and adopted by the University for implementation in 1999. The new structure provides more choice for students in first year. After completing a number of essential core units, students can now choose the first year units relevant to their planned majors in the second and third years of the degree.

The School continued to consult with its stakeholders regarding its courses and its outside activities. Student liaison meetings provided strong input from students to the teaching and learning environment. Also, the School of Accounting and Finance Liaison Committee, with members drawn from accounting firms, financial institutions, professional bodies, industry and government, provided valuable feedback and advice. The School is grateful to all members of this committee for making the time and effort to contribute to the School's progress.

Our research seminar program flourished in 1999, with interstate and overseas academics presenting cutting-edge research findings. We are grateful to the Auditors' and Liquidators' Trust Fund for sponsorship of this program.

We are also grateful to the Australian Society of CPAs for sponsoring the annual research lecture, which was delivered by Professor Bruce Grundy.

The School experienced a change of headship at the start of August. Professor Stewart Leech completed an uninterrupted 10 years as Head of the School. He has contributed an enormous amount to the School during the 26 years he has been on the University staff, and as Head of School he has provided leadership that has steered the School through difficult times, and enabled it to prosper as a School at the forefront of teaching innovation and research in Australia and internationally. Sadly for the School, Stewart will be leaving us in July 2000 to take up the inaugural Chair of Accounting and Business Information Systems at The University of Melbourne. Our loss is clearly Melbourne's gain, and we wish Stewart well in his new role.

There are many people and organisations who contribute much to the School. While this report mentions only a very few by name, the School is extremely grateful for all the support it obtains from its stakeholders and friends, and we look forward to productive professional associations in the future.

Finally, I must thank my colleagues on the staff of the School of Accounting and Finance. Their dedication, enthusiasm, and professional participation in all aspects of School activities have contributed enormously to the successes of the School over the last decade, and particularly throughout 1999.

HEAD OF SCHOOL'S REVIEW

We look forward to building upon our developments of 1999, and to remaining amongst the top Australian Schools of Accounting and Finance in our teaching, research, and community contributions.

Jayne M. Godfrey
Professor of Accounting and Finance, Head of School



[Professor Jayne Godfrey; Professor Stewart Leech]

STAFF

PROFESSORS

HEAD OF SCHOOL (from 01/08/99)
DEPUTY HEAD OF SCHOOL (to 31/07/99)

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

Professor Jayne Godfrey was appointed Professor of Accounting and Finance in 1996. She is a graduate of the Universities of Melbourne, Sydney and Queensland, and has held teaching and research appointments at each of these institutions. She has also held appointments at the London School of Economics & Political Science, the Universities of Arizona, Auckland, Technology - Sydney, and Queensland University of Technology. She has taught in numerous executive programs and consulted to a range of organisations on matters relating to benchmarking, financial accounting, or auditing. She is a Fellow of the Australian Society of CPAs, a Fellow of the Institute of Chartered Accountants in Australia, and a Member of the Australian Institute of Company Directors. She has been Head of the School of Accounting and Finance at the University of Tasmania since August 1999.

Jayne is best known for her publications concerning earnings management, the economic determinants and consequences of alternative methods of accounting, and for the book *Accounting Theory* (co-authored with Professors A Hodgson and S Holmes). She has co-authored two other books and serves on the editorial board of several academic research journals. She was the academic member of the Australian Accounting Standards Board from 1995-1999 inclusive, and during 1999 she was a Vice-President of the Tasmanian Divisional Council of the Australian Society of CPAs. Jayne is also a Past President of the Accounting Association of Australia and New Zealand, the premier association of academics in accounting and finance throughout the Asia Pacific region.

STAFF

PROFESSORS

HEAD OF SCHOOL (from 01.01.99 to 30/07/99)

Stewart A. Leech

BCom (Melb), MEc (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 was Head of the School of Accounting and Finance at the University of Tasmania from 1989 to 1999.

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 Chair of the Tasmanian Branch for 1999-2000. 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*, the *New Review of Expert Systems*, and *Accounting Forum*, and is an Associate Editor of the *International Journal of Accounting Information Systems* and the *Journal of Financial Information Systems*.

Professor Leech was Chair of the Information Systems Section of the American Accounting Association for 1998-99. He is Vice-Chair of the Artificial Intelligence/ Emerging Technologies Section of the American Accounting Association and a charter member of the Association for Information Systems. He is Co-Chair, Placements for ICIS2000, and Program Chair for the International Research Symposium on Accounting Information Systems. His teaching interests are in the field of accounting information systems. He is best known internationally for his research into intelligent decision aids in accounting and the semantic modeling of accounting phenomena.

Professor Leech will be leaving the University of Tasmania in July 2000, having accepted the Chair of Accounting and Business Information Systems at The University of Melbourne.

VISITING PROFESSOR

Severin V. Grabski

BSBA & MBA (Marquette), PhD (Arizona State), CPA, CMA

Professor Severin Grabski was Visiting Professor in the School for Semester 1, 1999. Professor Grabski is an Associate Professor of Accounting, Michigan State University. His previous academic appointments include that of Instructor at Marquette University. His primary teaching interests are in Accounting Information Systems. He has developed and taught undergraduate, masters and doctoral courses. His primary area of research is on the impact of technology on decision makers. His research is wide-ranging, including design science research as it relates to the development of accounting information systems, to behavioral research that examines whether decision makers are better able to use one type of information system compared to another, to research that evaluates the productivity or success of implemented systems. His current research focuses on the factors necessary for the successful implementation of Enterprise Resource Planning systems, and the subsequent impact of these systems on the Internal Audit function.

STAFF

ASSOCIATE PROFESSOR

John W. (Jack) English

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

Associate Professor Jack English joined the School in 1989. Earlier, he had come to Australia from the USA where he was 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, investment analysis and personal financial management. Associate Professor English is the author of a number of books in Australia and overseas on investment, small business management, and personal financial management.

SENIOR LECTURERS

Kathy M. 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 School at the end of 1993. Prior to that 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, and is an External Associate of the Business Ethics Research Unit of Victoria University, Melbourne. She is on the Editorial Board of the *News Journal* of the Asia-Pacific Centre for Environmental Accountability, and acts as referee for *Abacus*, *Accounting Auditing and Accountability Journal*, *Accounting Forum*, *Accounting Research Journal*, *Accountability & Performance*, and *Critical Perspectives on Accounting*. Kathy is also Coordinating Adviser for the University's Young Achievement Australia team, which in 1999 won the Australian Marketing Institute Award. She was appointed Chair of the Commerce Degree Board of the Faculty of Commerce and Law in 1998.

John Livermore

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

John Livermore has been a lecturer in the School 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. 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 and a chapter on land and air carriage in a recent book on international trade law. He is also the editor of a volume on transport law in *The Laws of Australia* published in complete form by the Law Book Company in 1999 and has three chapters on Carriage by Land and Sea in that volume. He continued as Editor of the *Asia Pacific Journal of Transport Law and Policy*, an internet journal (<http://www.comlaw.utas.edu.au/APJoTL&P>) John has conducted two public inquiries for the Tasmanian Government on road/rail transport and on the port handling of wheat imports into the state. He has presented short courses and seminars for a number of private sector organisations.

STAFF

SENIOR LECTURERS

John S. 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 Schools of Accounting at the University of Cape Town and Rhodes University. On arriving in Australia he joined the School of Business at the former Tasmanian State Institute of Technology 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, 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.

LECTURERS

Tong-Gunn Chew

BCom (Tas), MCom (Tas), CPA

Tong-Gunn Chew joined the School in November, 1995. Previously she worked in Singapore for Coopers & Lybrand in their Audit Department and J P Morgan in their Financial Department. Since February 1999, Tong-Gunn Chew has been relocated to Singapore and her responsibilities include the administrative operation of the offshore BCom program in Accounting in Singapore and Kuala Lumpur as well as the provision of lectures for four accounting units per year. Tong-Gunn is also enrolled in the PhD program at the University of Tasmania. The topic of her thesis is "*Incentives for Voluntary Disclosures by Financial Institutions in Singapore*".

Peter H. Collett

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

Peter Collett joined the School 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 School 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 School in 1990 as a lecturer. 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 transactions, corporate regulation and accountability, financial services, environmental law and personal financial management. Barry Hicks has co-authored two texts on *Australian Financial Institutions Law* and a book on *Personal Financial Management*, published in 1999. He has also published in refereed journals. He is the Co-ordinator of the Company Directors' Course offered by the Australian Institute of Company Directors at the University in Hobart in conjunction with the School. He presents modules in the Course and has presented a number of short courses and seminars for private and public sector organisations.

STAFF

LECTURERS

Sue L. Hrasky

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

Sue Hrasky joined the School in 1987 as a lecturer. Her previous positions include tutor in accounting with the School, and Financial Analyst with Telecom Australia. Her current teaching and research interests are in the areas of auditing, international harmonisation, and personal financial management. Sue Hrasky has published in refereed journals and co-authored a book, *Personal Financial Management*, published in 1999. She has conducted various seminars for private and public sector organisations.

Chris Ikin

BEC (Hons) (Tas), FCA

Chris Ikin joined the School of Business at the former Tasmanian State Institute of Technology 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, accounting information systems and auditing. Chris Ikin has taught in the MBA program and the Graduate Diploma of Professional Management offered by the Faculty of Commerce and Law. He has presented various short courses and seminars for public and private sector organisations. He is a member of the Membership Services Committee of the Institute of Chartered Accountants in Australia (Tasmania Branch).

Peter J. Mansfield

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

Dr Peter Mansfield joined the School 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 School of Economics and in the MBA Program offered by the Faculty of Commerce and Law. Dr Mansfield's teaching is in the area of finance. His current research projects include asset pricing and volatility modeling for both interest rates and exchange rates.

ASSOCIATE LECTURERS

Jenifer Austin

BCom, CPA

Jenifer Austin re-joined the School in January 1998, having previously been an associate lecturer with the School from 1992 to 1996. Her previous positions include auditing in State and Commonwealth organisations. Her current teaching and research interests are in the areas of taxation, auditing and government financial management. Jenifer is undertaking a Master of Commerce program in the School.

STAFF

ASSOCIATE LECTURERS

Catherine M. Rundle
BEC (Hons) (Tas), CPA

Catherine Rundle re-joined the School in July 1994 having previously been a tutor in accounting with the School from 1986 to 1989. In the intervening period she worked in public accounting practice. Catherine Rundle teaches taxation, financial accounting and personal financial management. Her research interests are in the area of taxation and she has co-authored a book, *Personal Financial Management*, published in 1999. In 1997 Catherine took 10 months leave from the School to work with the State Department of Treasury and Finance advising in the tax policy area. Catherine is Sub-Dean for the School.

Stephen P. Vickers
BA (Hons)(Canterbury), ACA

Stephen Vickers came to the University of Tasmania in 1994 after teaching at universities in the United Kingdom. His main interests are accounting information systems (in which he is currently doing his PhD) and the use of computers in teaching. He has taught extensively in management accounting, financial accounting, accounting information systems and finance.

OFFICE STAFF

Christine Hurley (Business Manager)
Suellen Lampkin (Secretary)
Adriana Zanella (Clerical Officer)

COMPUTER SUPPORT STAFF

School of Accounting and Finance, & School of Management
Rodney Foley, Information Technology Support Officer (from 01.07.99)

Information Technology Unit (Faculty of Commerce and Law)
Peter Trueman, Information Technology Manager (to 24.09.99)
David Chalmers, IT Officer (to 09.04.99)
Greg Hind, IT Officer
Jason James, IT Officer

TEACHING

COURSES AND UNITS OFFERED IN 1999

BACHELOR OF COMMERCE (ACCOUNTING & FINANCE MAJORS)

First Year

BFA103 Accounting & Financial Decision Making
BFA104 Accounting Context & Method
BFA141 Commercial Transactions
BFA181 Financial Management

Second Year

BFA201 Financial Accounting
BFA2/305 Personal Financial Management (Hobart only)
BFA221 Accounting Information Systems
BFA241 Corporate Regulation & Accountability
BFA261 Management Accounting
BFA281 Financial Management
BFA285 Investment Analysis (Hobart only)

Third Year

BFA301 Advanced Financial Accounting
BFA302 Accounting Theory
BFA303 Auditing
BFA307 Social & Environmental Accounting (Hobart only)
BFA347 Financial Services (Hobart only)
BFA384 International Finance (Hobart only)
BFA385 Financial Risk Management (Hobart only)
BFA391 Taxation

BACHELOR OF COMMERCE (HONOURS)

BFA420 Advanced Accounting Theory
BFA425 Advanced Accounting Information Systems
BFA429 Corporate Governance and Accountability
BFA435 Advanced Management Accounting
BFA441 Dissertation

MASTER OF COMMERCE

BFA701 Advanced Financial Accounting
BFA710 Accounting Research Methods
BFA711 Advanced Accounting Theory
BFA725 Advanced Accounting Information Systems
BFA729 Corporate Governance and Accountability
BFA735 Advanced Managerial Accounting
BFA741 Dissertation

HONOURS AND POSTGRADUATE PROGRAMS

General

The School teaches in the following degree courses and programs offered by the Faculty of Commerce and Law.

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 1999 are listed above.

Formal responsibility for the Honours and Postgraduate programs in the School rests with the Director of Research and Postgraduate Studies.

Enrolments in 1999

Enrolments in the School's Honours and Postgraduate programs have grown considerably in recent years and during 1999 there were candidates enrolled in the Bachelor of Commerce (Honours), Master of Commerce (by Coursework), and PhD programs. These were as follows:

Doctor of Philosophy

Candidate: **Keryn Chalmers**
Supervisor: Professor Jayne Godfrey
Enrolled: 1998
Topic: *"Determinants of Derivatives Disclosures: A Legitimising Approach"*.

Candidate: **Tong-Gunn Chew**
Supervisor: Professor Jayne Godfrey
Enrolled: 1997
Topic: *"The Effects of Disclosure on Banks' Performance"*.

HONOURS AND POSTGRADUATE PROGRAMS

Candidate: **Jane Culvenor**
Supervisor: Professor Jayne Godfrey
Enrolled: 1997
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
Topic: *“Accounting Philosophy”*.

Candidate: **Ping Sheng Koh**
Supervisor: Professor Jayne Godfrey
Enrolled: 1997
Topic: *“The Impact of Institutional Investors on Corporate Earnings Management”*.

Candidate: **Isaac Otchere**
Supervisor: Professor Jayne Godfrey
Enrolled: 1995
Topic: *“Information Transfer Effects Associated with Dividend Initiation Announcements”*.

Candidate: **Stephen Vickers**
Supervisor: Professor Stewart Leech
Enrolled: 1994
Topic: *“The Semantic Modelling of Accounting Phenomena”*.

Master of Commerce (by Coursework)

Candidate: **Jenifer Austin**
Supervisor: Professor Jayne Godfrey
Enrolled: 1998
Topic: *“The Effect of Privatisation on Reported Net Asset Management for Australian Commonwealth and State Government Business Enterprises”*.

Candidate: **Sasono, Adi**
Supervisor: Professor Jayne Godfrey
Enrolled: 1998
Topic: *“Auditor Quality and the Presence of Audit Committees: An Association with Income Smoothing”*.

Bachelor of Commerce (Honours)

Candidate: **Nikole Allison**
Supervisor: Ms Kathy Gibson
Enrolled: 1999
Topic: *“Environmental Disclosure in Annual Reports: An Examination of Quality”*

Candidate: **Jessica Ang**
Supervisor: Ping Sheng Koh
Enrolled: 1999
Topic: *“Tangible Asset Revaluation Policy Choice: A Study of Decisions by Managers of Financially Distressed and Healthy Firms”*

Candidate: **Bai, Lu**
Supervisors: Professor Stewart Leech and Professor Severin Grabski
Enrolled: 1998 (part-time)
Topic: *“ERP Implementation in a Service Organization: A Case Study”*

Candidate: **Carlin Dowling**
Supervisor: Jack English, Kathy Gibson
Enrolled: 1999
Topic: *“Voluntary Environmental Agreements: ‘A Win for Business’? The Market Value Impact of Participating in the Greenhouse Challenge”*

Candidate: **Daron Heald**
Supervisor: To be advised
Enrolled: 1998 (part-time)
Topic: To be advised.

Candidate: **Li Peng Lim**
Supervisor: Professor Jayne Godfrey
Enrolled: 1999
Title: *“Accounting Policy Choice for Restructuring Costs”*

Degrees Awarded on the basis of 1999 Studies

PhD
Isaac Otchere
Awarded in 2000

HONOURS AND POSTGRADUATE PROGRAMS

MCom

Sasono Adi

Awarded in 2000

Bachelor of Commerce (Honours)

Nikole Allison (First Class)

Jessica Ang (First Class)

Bai, Lu (Second Class, Upper Division)

Carlin Dowling (First Class)

Li Peng Lim (First Class)

Scholarships awarded to Honours and Postgraduate students

In 1999 a number of prestigious scholarships were held by postgraduate students in the School. This was very pleasing both for the successful students and for the School. Examples of the students holding competitive PhD scholarships were as follows:

Name	Title	Value
Keryn Chalmers	AAANZ/ASCPA/ICAA PhD Scholarship (part-time)	\$7,500
Jane Culvenor	AAANZ/ASCPA/ICAA PhD Scholarship (part-time)	\$7,500
Ping Sheng Koh	DETYA Overseas Postgraduate Research Scholarship Tasmanian Research Scholarship Faculty of Commerce and Law	tuition stipend

Career paths pursued by recent Honours and PhD candidates

Name	Qualification & Year	Position
Dr Isaac Otchere	(PhD, 1999)	Lecturer, The University of Melbourne
Nikole Allison	(Hons, 1999)	Auditor, Wise Lord and Ferguson, Hobart
Bai, Lu	(Hons, 1999)	Investment Accountant, Colonial Mutual Group, Sydney
Carlin Dowling	(Hons, 1999)	PhD candidate, School of Accounting and Finance, University of Tasmania

HONOURS AND POSTGRADUATE PROGRAMS

Name	Qualification & Year	Position
Justin Hill	(Hons, 1999)	LLM student, The University of Melbourne, and part-time solicitor with Mallesons Stephen Jaques, Melbourne
Li Ping Lim	(Hons, 1999)	Graduate Intern, the Australian Accounting Research Foundation, Melbourne
George Piggott		LLB student, final year, The University of Sydney, and employed part-time (corporate and international tax) with Arthur Andersen, Sydney.

Honours and Postgraduate Forums

In August and October, Honours and Postgraduate Studies forums were held for Honours, Masters and PhD candidates. These forums are designed to allow candidates to outline their research topic and progress, and to receive comments and suggestions from staff and research students in the School. Candidates and staff participating in the Forums in 1999 all agreed that they were highly beneficial.

Publications by Honours and Postgraduate Students

Contributions to Journals

Culvenor, J., Godfrey, J.M. & Byrne, G., 'Modelling Total Accruals in an International Environment: The Impact of Alternative Measures of PPE', *Journal of International Accounting Auditing & Taxation*, Vol 8, No 2, 1999.

Koh, P.S., & Godfrey, J.M., 'The Explanatory Power of Alternative Accruals Models', *Accounting Research Journal*, Vol 12, No 2, 1999.

Sasono, A., & Godfrey, J.M., 'Determinants of Income Smoothing', *Asia-Pacific Journal of Accounting*, Vol 6, No 2, 1999.

Conference Papers

Bai, L., Grabski, S.V., & Leech, S.A. 'The Complementary Relationships among Critical Factors and Procedures for the Successful Implementation of ERP Systems', *Seventh Annual AIS Research Symposium*, February 2000, Phoenix, Arizona (forthcoming).

Culvenor, J., Godfrey, J.M., & Ng, K.T., 'An Analysis of Income Smoothing', *22nd Annual Congress of the European Accounting Association*, May 1999, Bordeaux, France.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Accounting Association of Australia and New Zealand Annual Conference*, July 1999, Cairns.

HONOURS AND POSTGRADUATE PROGRAMS

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Financial Accounting and Auditing Research Conference*, July 1999, Manchester, UK.

Papers Presented at Seminars at Other Universities

Bai, L., Grabski, S.V., & Leech, S.A. 'The Complementary Relationships among Critical Factors and Procedures for the Successful Implementation of ERP Systems', *Research Seminar Program, Texas Tech University*, November 1999, Lubbock, Texas.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, University of Queensland*, March 1999.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, Griffith University*, June 1999.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, The University of Melbourne*, April 1999.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, Monash University*, May 1999.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, Victoria University of Technology*, March 1999.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, University of Tasmania*, October 1999.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, University of Technology*, Sydney, May 1999.

Culvenor, J., & Godfrey, J.M., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, La Trobe University*, June 1999.

INTERNATIONAL STUDENTS IN THE SCHOOL

In 1999 there were over 100 international students enrolled in undergraduate units in the Accounting and Finance Majors of the Bachelor of Commerce Degree offered by the School on the Hobart and Launceston campuses. Several international students were also enrolled in the School's postgraduate programs.

The largest numbers of international students in the School are from Malaysia and Singapore, however there are also students from other countries. Many students are offered a place in the first year of the BCom program. In recent years, as a result of the decision by Faculty of Commerce and Law to award advanced standing in certain cases, increasing numbers of students have gained entry to the second year of the program. Such students have typically completed studies at polytechnics or colleges in their home country and the awards of these institutions have been recognised by Faculty.

INTERNATIONAL STUDENTS IN THE SCHOOL

In Semester 1 1999 new students were welcomed at a morning tea held by the School for international students and staff. This function provided an opportunity for newly arrived students to meet with their lecturers, tutors, and with other students.

Professor Leech announced the winner of the School's Outstanding International Student Awards in Accounting and Finance. The awards provide encouragement and recognition of the performance of international students in the School. They are awarded to the students who achieve the highest level of academic performance in the Accounting and Finance Majors of the BCom degree. Ms Li Peng Lim, who had completed her undergraduate studies in 1998 and was enrolled as an Honours student at the University of Tasmania in 1999, was successful in winning both awards.

STAFF/STUDENT LIAISON MEETINGS

As part of the School's quality assurance procedures relating to its responsibility for teaching and the promotion of student learning, the School arranges regular liaison meetings with undergraduate and postgraduate students.

Meetings with undergraduate students on both the Hobart and Launceston campuses 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 School 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 School. 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 School and remedial action is taken where possible and appropriate. Reports of remedial action are provided to students both generally and at subsequent liaison meetings.

Four meetings were held in 1999, two in Hobart and two in Launceston.

SCHOOL LIAISON COMMITTEE

The School Liaison Committee maintains and develops interaction on both teaching and research between the School and representatives of accounting firms, financial institutions, professional bodies, industry and government. The Committee meets on a twice-yearly basis.

Two meetings of the Liaison Committee were held in 1999, in May and October. At the first meeting there was discussion in relation to a variety of matters including changes to the structure of the Bachelor of Commerce Degree, the structure of the Accounting and Finance Majors, teaching on multiple campuses in Tasmania, teaching and learning initiatives, Professional Placement Program for International Students, promotion of the University's image, and that of individual lecturers, and research projects/topics suitable to be undertaken by Honours and Masters students, or collaborative research with academic staff.

At the October meeting there was further discussion in relation to a number of these issues as well as discussion of student liaison meetings, the AVCC Research and Teaching Green Papers, teaching offshore, the ASCPA Research Lecture and the academic activities of Honours and Postgraduate students.

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

SCHOOL LIAISON COMMITTEE

Membership of the Liaison Committee, 1999/2000

School Members (*First Semester*)

Professor Stewart Leech (chair)
Kathy Gibson
Chris Ikin
Peter Mansfield
Student representative: Carl Hollingsworth

School Members (*Second Semester*)

Professor Jayne Godfrey (chair)
Jack English
Kathy Gibson
Barry Hicks
Student representatives: Bronwyn Campbell & Ping-Sheng Koh

External Members

Tim Abey, Chief Executive, Tasmanian Chamber of Commerce and Industry
Peter Allan, State Manager, Department of Education, Workplace Relations & Small Business
Robert Atkinson, Partner, Atkinson Gibson
George Austin, Partner, Austin Stevens & Co
Simon Barnsley, Deputy Secretary, Corporate Services, Department of Education
David Baulch, Tasmanian Audit Office
Damien Egan, Chair, Retirement Benefit Funds Board
Harvey Gibson, Partner, Wise Lord and Ferguson
Paul Green, Managing Partner, KPMG Chartered Accountants
Steven Hernyk, Deloitte Touche Tohmatsu
Richard Pringle-Jones, Senior Investment Adviser, JB Were & Son
Michael Reardon, Manager for Victoria & Tasmania, Department of Education, Training & Youth Affairs
Bruce Rose, Senior Manager, Administration, Tasmanian Public Finance Corporation
Liz Stackhouse, Chief Executive Officer, Launceston General Hospital
Peter Tracey, Murdoch Clarke
Jayne Wilson, Chartered Accountant
Ian Wright, Partner, Garrott & Garrott

ECONOMICS AND COMMERCE RESOURCES CENTRE

The School of Accounting and Finance, in conjunction with the School of Economics, continued to operate a resources centre that was 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 were provided from funds donated by accounting firms and others. The School expresses its gratitude to all those who have supported the Centre over recent years, including:

Arthur Andersen	Simon Gillies	Price Waterhouse
Auditors' & Liquidators' Trust Fund	KPMG Chartered Accountants	Peter Tracey
Australian Society of Certified Practising Accountants	Moore Robsons	Wise Lord & Ferguson
Bruce Brown	Morton Hove Wilson	
Cox, Miller & Robinson	PBS Partners	

COMPUTING LABORATORIES, FACULTY OF COMMERCE & LAW

Overview

1999 was a year of consolidation for the Faculty's computer laboratories following a major overhaul in 1998. All Faculty laboratory computers with 32mb were upgraded to 64mb and remaining usability issues were identified and addressed.

Laboratories

During 1999, there were eight Faculty-maintained computer laboratories available to students from the School of Accounting and Finance. Students were encouraged to use the laboratory they found most conveniently located.

Lecture Notes

The ability to access Faculty lecture notes from home, via the Internet, proved popular with students. Early in 1999 this service was extended to cover students studying under the offshore program.

Web Mail System

Running Eudora from a floppy disk was a workable solution for student e-mail but with increasing sizes of e-mail attachments and the relatively small size of floppy disks, a new solution was required. In November 1999 Faculty commenced a trial of a web interface to electronic mail. This system proved to be very popular because it allows students to check their e-mail from anywhere on the Internet using only a web browser. The system will be made available to all Commerce and Law students in Semester One 2000.

Future Plans

During 1999 the IT Unit looked at priorities in the laboratories and planned ahead taking into account the future needs of students. New computers will be installed in two of the laboratories in 2000, replacing the existing Pentium 120 machines, and the number of machines in the Commerce and Economics building laboratories will be increased to help cope with the ever-growing demand.

RESEARCH

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

RESEARCH ACTIVITY

Jenifer Austin's current research activity is an examination of Net Asset Management by privatised Australian Commonwealth and State Government business enterprises.

Tong-Gunn Chew continued with her PhD program in the area of '*The Effects of Disclosure on Banks' Performance*'. She also worked on a research paper entitled '*Outsourcing of Internal Audit to External Auditors with Predominantly Compliance Based Audit Experience*'.

RESEARCH ACTIVITY

Peter Collett together with Professor Jayne Godfrey and Sue Hrasky worked on a research paper entitled 'Harmonisation: Behind the Rhetoric'.

Associate Professor Jack English completed four chapters in a book entitled *Personal Financial Management*, published in 1999. The chapters are entitled, 'Financial Planning', 'Cash Management', 'Investment Fundamentals' and 'Stockmarket Investment'. His forthcoming book, *Australian Stockmarket Investor (2nd edition)*, will be published by Allen & Unwin in 2000.

Kathy Gibson continued to explore issues of accountability and the contribution that the accounting discipline can make towards ecological sustainability and environmental conservation. These include accounting for 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. She is currently enrolled in a PhD program exploring philosophical issues of accounting with particular concern for the environmental and social effects of accounting practice.

Professor Jayne Godfrey undertook research on the following projects during 1999:

Determinants of short-term earnings management: Influences of once-off and enduring attributes, co-authored with P.S. Koh, University of Tasmania.

An analysis of earnings management in an income smoothing context, co-authored with J. Culvenor, La Trobe University, and K.T. Ng, University of Tasmania.

Investment opportunity set and contracting influences on accounting policy choice, co-authored with P.S. Koh, University of Tasmania.

A cross-sectional analysis of firms' currency risk management responses to foreign currency accounting regulation, co-authored with J.R. Evans, Coopers & Lybrand.

An efficient contracting approach to accounting portfolio determination.

Professor Godfrey also undertook various projects which include projects in collaboration with colleagues at the University of Tasmania, The University of Queensland, The London School of Economics and Political Science, and Manchester University. The projects involve auditing, contracting and accounting regulation issues.

Barry Hicks continued his examination of the compliance by company auditors with the Corporations Law requirement to report to the ASIC 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 thesis for a Master of Laws program in which he is currently enrolled. With three co-authors he finalised six chapters in a book entitled *Personal Financial Management*, published in June 1999. The chapters are entitled, 'Borrowing Fundamentals', 'Consumer Credit', 'Finance for Cars and Homes', 'Insurance Fundamentals', 'Property and Liability Insurance' and 'Life, Disability and Health Insurance'. He wrote a paper on Corporate Codes of Ethics that was accepted for publication. He examined contract law issues associated with contracting out by local government and prepared course materials for a Local Government Executive Development Program to be offered in 2000. He commenced work on a chapter on 'Banking' to be contributed to the 3rd edition of *The Tasmanian Law Handbook* (forthcoming 2000).

Sue Hrasky continued work with Professor Jayne Godfrey and Peter Collett producing a paper entitled 'Harmonisation: Behind the Rhetoric'. She completed three chapters in a book entitled, *Personal Financial Management*, published in 1999. The chapters are entitled 'Essentials of Superannuation', 'Superannuation Planning', and 'Entering Retirement'.

RESEARCH ACTIVITY

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 entitled 'The Demand Determinants of Non-Audit Service Fees: An empirical Analysis with Implications for Auditor Independence'.

Professor Stewart Leech and Philip Collier (Defence Science and Technology Organisation Australia) finalized 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 an Institute of Chartered Accountants in Australia (I.T. Chapter) research grant of \$11,720. During 1999, papers from this research was published in the *International Journal of Intelligent Systems in Accounting Finance and Management*, and in *Accounting Forum*.

Professor Leech, Philip Collier, Professor Vicky Arnold and Professor Steve Sutton (both at Texas Tech University) undertook work on a project that aims at identifying factors that determine the use of and reliance on intelligent decision aids in accounting. The research is funded by a Large ARC Grant. Initial results from this research were presented at the *American Accounting Association Auditing Section Midyear Conference* in Atlanta, the *Sixth Annual AIS Research Symposium* in Phoenix, the *International Symposium on Audit Research (ISAR1999)* in Los Angeles, the *Accounting Association of Australia and New Zealand Annual Conference* in Cairns, the *American Accounting Association Annual Meeting* in San Diego, the *Research Workshop Program* at Michigan State University and the *Research Seminar Program* at Texas Tech University. A paper has also been accepted for the *American Accounting Association Auditing Section Midyear Conference* in Newport Beach, California in January 2000.

Professor Leech and Professor Severin Grabski (Visiting Professor from Michigan State University) commenced work on an investigation of the relationships between Enterprise Resource Planning Systems and internal audit. A paper authored by Grabski, Leech and Bai, Lu (an honours graduate) has been accepted for the *Seventh Annual AIS Research Symposium* in Phoenix in February 2000.

John Livermore marked his ninth year as editor of *Laws of Australia: Transport*, with the publication of the final edition containing the chapter *Aviation* (Heilbronn, G.) (November 1999). He attended the Millenium Conference on the Future of Air and Space Transportation in Shanghai in November, and gave a paper 'Airport Hubs and Spokes: An Asian and Australian Comparison'. He contributed two chapters, 'Transport' and 'Franchising', to *Marketers and the Law* (Clarke, E., and others) to be published by LBC Information Services (forthcoming 2000).

Dr Peter Mansfield continued his research into the relationships between the trading activities of the Reserve Bank of Australia and movements of the Australian dollar. He also collaborated with Dr B Felmingham of the School of Economics in an investigation into Australia's real interest rates. During his sabbatical leave at Cornell University in the second half of the year Dr Mansfield collaborated with Dr G Samorodnitsky of the Department of Operations Research and Industrial Engineering. Together they explored the phenomena of long range dependence in large data sets.

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

Catherine Rundle completed three chapters in a book entitled *Personal Financial Management*, published in 1999. The chapters are entitled, 'Real Estate Investment', 'Taxation Fundamentals' and 'Taxation Planning'.

Stephen Vickers continued work on his PhD concerned with the modelling of accounting phenomena. He is particularly interested in looking at alternatives to double-entry bookkeeping for the recording of accounting transactions.

STRATEGIC RESEARCH CENTRE FOR ENVIRONMENTAL ACCOUNTABILITY

The Strategic Research Centre for Environmental Accountability, in which members of staff of this School have been actively involved for several years, was closed in 1999 as part of a University rationalisation of small research centres. The News Journal which it founded is now being published by Macquarie University, and Kathy Gibson remains a member of the editorial board.

SCHOOL RESEARCH SEMINARS AND WORKSHOPS

The School of Accounting and Finance gratefully acknowledges the financial support of the Auditors' & Liquidators' Trust Fund in presenting its annual Research Seminar Program.

Participants in the 1999 Research Seminar Program included visitors, members of staff and research students. A list of the topics and presenters is provided below.

March

Mr Ping Sheng Koh, University of Tasmania, *The Impact of Institutional Investors on Corporate Earnings Management* (presentation of PhD proposal)

Professor Severin V. Grabski, Michigan State University (co-authors: Professor Stephen Rockwell and Professor Eric Denna), *Returns to IT Spending: Effects of Efficiency and Effectiveness*.

April

Ms Christine Tan, The University of Melbourne, *The Ex ante Relative Valuation Roles of Equity Book Value and Net Income as a Function of the Restructuring of Financial Health*.

Professor Keith Houghton, The University of Melbourne (co-author: Ms Christine Jubb), *Director-Auditor Associations and Investor Confidence*.

May

Dr Vince Hooper, The Australian National University, *The Pricing of Political Risk in Emerging Stock Markets*.

July

Professor James E Hunton, University of South Florida, (co-author: Professor Dana Gibson), *Soliciting User-Input During the Development of an Accounting Information System: Investigating the Efficacy of Group Discussion*.

Professor James E Hunton, University of South Florida, *Workshop: Quantum Physics, Complexity Theory, and Chaos*.

Dr Baljit Sidhu, University of New South Wales, (co-authors: Professor Greg Clinch and Ms Samantha Sin), *The Usefulness of Direct and Indirect Cash Flow Disclosures*.

SCHOOL RESEARCH SEMINARS AND WORKSHOPS

August

Dr Greg Shailer, Australian National University, *A Model of Owner-Managers' Objectives and Investment Decisions*.

Honours Students Forum

September

Dr Michael Briers, University of New South Wales, *The Roles of Actor-Networks and Boundary Objects in Management Accounting Change: A Field Study of an Implementation of Activity-Based Costing*.

Dr Michael Briers, University of New South Wales, *Reflection in Action: Continuously Improving Accounting Education*.

October

Professor Jayne Godfrey, University of Tasmania (co-author Ms Jane Culvenor), *The Derived Demand for Specialist Auditor Services*.

Postgraduate Forum

Presentations by postgraduate students included:

Keryn Chalmers, *'Financial Statement Preparers' Revealed Preferences: The Disclosure of Derivative Financial Instruments'*.

Ping Sheng Koh, *'The Impact of Institutional Investors on Corporate Earnings Management'*.

Sasono, Adi, *'Auditor Quality and the Presence of Audit Committees: An Association with Income Smoothing'*.

GRANTS

Professor Jayne Godfrey together with Professor R.J. Braithwaite was awarded DEETYA funding of \$89,672 for a project entitled *Promoting Access-Increasing Opportunities for University Education*.

Professor Jayne Godfrey together with Jane Culvenor was awarded a Small ARC Grant for 1999 (\$10,500) for a project entitled *Modelling the Extent to which Managers Operating within the Australian Regulatory Environment Manage Reported Earnings*.

Professor Stewart Leech together with Professors Vicky Arnold & Steve Sutton and Philip Collier was awarded a Large ARC Grant for 1999-2000 (\$53,000), for a project entitled *The Impact of Intelligent Decision Aids on Human Decision Making*.

PUBLICATIONS

Contribution to Books

English, J.W., (co-author with Hicks, B.J., Hrasky, S.L., & Rundle, C.M.) *Personal Financial Management*, Allen & Unwin, Sydney, 1999 (Chapters 1, 2, 9, 10).

Gibson, K.M., foreword to Francis, R.D., *Ethics and Corporate Governance*, UNSW Press (forthcoming 2000).

Hicks, B.J., (co-author with English, J.W., Hrasky, S.L. & Rundle, C.M.) *Personal Financial Management*, Allen & Unwin, Sydney, 1999 (Chapters 3, 4, 5, 6, 7, 8).

Hrasky, S.L., (co-author with English, J.W., Hicks, B.J., & Rundle, C.M.) *Personal Financial Management*, Allen & Unwin, Sydney, 1999 (Chapters 14, 15, 16).

Livermore, J., Chapters, 'Transport' and 'Franchising' in *Marketers and the Law*, Clarke, E., (ed) Griggs, L., Hoyle, A., Lennard, J., Stewart, K., Fitzgerald, A., LBC Information Services, (forthcoming 2000).

Livermore, J., 'Multimodal Transport: Carrier Liability and Issues related to Bills of Lading' in *Multimodal Transport*, Pampouki-Kiantou, A. (ed) Kluwer Law International, (forthcoming 2000)

Livermore, J., 'Antarctic Transport: Treaties, Policies and Issues' in *Sovereignty at Sea: Westphalia to Madrid*, Herr, R. (ed), Antarctic Resources Centre, (forthcoming 2000).

Livermore, J., Chapters 1, 2 & 3 (revision) in *Transport: Laws of Australia*, LBC Information Services (forthcoming 2000).

Livermore, J., 'Current Problems in Maritime Law, (ed), Kluwer Law International (forthcoming 2000)

Livermore, J., 'Transport: Australia' in *International Encyclopaedia of Laws* (Huybrechts, M (ed), Kluwer Law International (forthcoming 2000)

Livermore, J., 'Airport Strategies in Hub and Spokes Systems: Asian and Australian Comparisons', *Millenium Conference on the Future of Air and Space Transportation*, November 1999, Shanghai, Regency Press, Los Angeles (forthcoming 2000).

Rundle, C.M., (co-author with English, J.W., Hicks, B.J., & Hrasky, S.L.) *Personal Financial Management*, Allen & Unwin, Sydney, 1999 (Chapters 11, 12, 13).

Contributions to Journals

Gibson, K.M. & Ranero, F., 'Bribery Crackdown: Ramifications for Accountants', *Australian CPA*, Vol 69, No.2, March 1999, pp.56-57.

Gibson, K.M., 'Sustainable Yield of State Forests', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol 5, No.1, March 1999, pp.5-6.

Gibson, K.M., 'National Emissions Trading: what are the Boundaries?', *News Journal of the Asia Pacific Centre for Environmental Accountability*, Vol 5, No.2, June 1999, pp.12-17.

PUBLICATIONS

- Godfrey, J.M.,** & Sasono, A., 'Determinants of Income Smoothing', *Asia-Pacific Journal of Accounting*, Vol 6, No 2, 1999.
- Godfrey, J.M.,** Byrne, G., & Culvenor, J., 'Modelling Total Accruals in an International Environment: The Impact of Alternative Measures of PPE', *Journal of International Accounting Auditing & Taxation*, Vol 8, No 2, 1999.
- Godfrey, J.M.** & Godfrey, P.J., 'Benchmarking Quality Management: An Alumni Perspective', *Benchmarking: An International Journal*, Vol 6, No 1, 1999.
- Godfrey, J.M.,** & Jones, K.L., 'Political Cost Influences on Income Smoothing via Extraordinary Item Classification', *Accounting & Finance*, Vol 39, No 3, 1999.
- Godfrey, J.M.,** & Koh, P.S., 'The Explanatory Power of Alternative Accruals Models', *Accounting Research Journal*, Vol 12, No 2, 1999.
- Hicks, B.J.,** 'Developing a Code for Corporate Ethics', *Australian CPA*, October 1999.
- Leech, S.A.,** Collier, P.A. & Clark, N., 'A Generalized Model of Decision-Making Processes for Companies in Financial Distress', *Accounting Forum*, 23(2), June 1999, pp 155-174.
- Leech, S.A.,** Collier, P.A., & Clark, N., 'A Validated Expert System for Decision Making in Corporate Recovery', *International Journal of Intelligent Systems in Accounting, Finance and Management*, Vol 8, 1999, pp 75-88.
- Mansfield, P.J.,** 'GARCH in Question ... and as a Benchmark,' *International Review of Financial Analysis*, Vol 9, No 2, Summer 1999.

Other Publications

- Gibson, K.M.,** 'Response to 'National Emissions Trading'', Discussion Paper 1, Australian Greenhouse Office website, 1999.
- Gibson, K.M.,** & Hanson, D., 'Resource Extraction in Remote Regions – Achieving the Momentum that Leads to Responsible Behaviour', *Proceedings of Tenth Annual Conference of the International Association for Business and Society*, Paris, June 1999.

Reports of Restricted Access

- Gibson, K.M.,** Report on Issues Paper No. 3, 'Environmental Accounting and Reporting', Government of Victoria, Department of Treasury and Finance, Melbourne, 1999.
- Gibson, K.M.,** Response to 'National Emissions Trading, Establishing the Boundaries', Discussion Paper 1, National Greenhouse Office, Canberra, 1999.
- Gibson, K.M.,** Submission to Senate Committee Hearing, 'OECD Treaty to Combat Bribery', Parliament House, Melbourne, April 1999.

PUBLICATIONS

Conference Papers

Chew, T.G., 'Outsourcing of Internal Audit to External Auditors with Predominantly Compliance Based Audit Experience', *European Accounting Association Annual Conference*, May 1999, Bordeaux, France.

Chew, T.G., 'Outsourcing of Internal Audit to External Auditors with Predominantly Compliance Based Audit Experience', *Accounting Association of Australia and New Zealand Annual Conference*, July 1999, Cairns.

Gibson, K.M. & Hanson, D., 'Resource Extraction in Remote Regions – Achieving the Momentum that Leads to Responsible Behaviour' *Conference of the International Association for Business and Society*, June 1999, Paris.

Godfrey, J.M., Culvenor, J., & Ng, K.T., 'An Analysis of Income Smoothing', *22nd Annual Congress of the European Accounting Association*, May 1999, Bordeaux, France.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Accounting Association of Australia and New Zealand Annual Conference*, July 1999, Cairns.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Financial Accounting and Auditing Research Conference*, July 1999, Manchester, UK.

Grabski, S.V., Leech, S.A. & Lu, B., 'The Complementary Relationships among Critical Factors and Procedures for the Successful Implementation of ERP Systems', *Seventh Annual AIS Research Symposium*, February 2000, Phoenix, Arizona (forthcoming).

Leech, S.A., Arnold, V., Collier, P.A., & Sutton, S.G., 'The Impact of Intelligent Decision Aids on Experienced and Novice Decision Makers', *American Accounting Association Auditing Section Midyear Conference*, January 1999, Atlanta, Georgia.

Leech, S.A., Arnold, V., Collier, P.A., & Sutton, S.G., 'The Impact of Intelligent Decision Aids on Experienced and Novice Decision Makers', *Sixth Annual AIS Research Symposium*, February 1999, Phoenix, Arizona.

Leech, S.A., Arnold, V., Collier, P.A., & Sutton, S.G., 'The Impact of Political Pressure on Novice Decision Makers: Are Auditors Qualified to make Going Concern Judgments?', *Critical Perspectives on Accounting 1999 Conference*, April 1999, New York.

Leech, S.A., Arnold, V., Collier, P.A., & Sutton, S.G., 'The Impact of Intelligent Decision Aids on Experienced and Novice Auditors', *International Symposium on Audit Research (ISAR1999)*, June 1999, Los Angeles, California.

Leech, S.A., Arnold, V., Collier, P.A., & Sutton, S.G., 'The Impact of Intelligent Decision Aids on Experienced and Novice Decision Maker's Judgments', *Accounting Association of Australia and New Zealand Annual Conference*, July 1999, Cairns.

Leech, S.A., Arnold, V., Collier, P.A., & Sutton, S.G., 'The Impact of Intelligent Decision Aids on Experienced and Novice Decision Maker's Judgments', *American Accounting Association Annual Meeting*, August 1999, San Diego, California.

Leech, S.A., Arnold, V., Collier, P.A., & Sutton, S.G., 'The Effects of Experience and Complexity on Order and Recency Bias in Decision Making by Professional Accountants', *American Accounting Association Auditing Section Midyear Conference*, January 2000, Newport Beach, California (forthcoming).

PUBLICATIONS

Papers Presented at Seminars at Other Universities

Gibson, K.M., 'Ethics and the Accounting Profession: Said and Done', *Business Ethics Research Unit, Victoria University*, April 1999, Melbourne.

Gibson, K.M., Hanson, D., & Kile, R., 'Ok Tedi, A Case for Accountability', *Deakin University*, June 1999, Geelong.

Gibson, K.M., Hanson, D., & Kile, R., 'Ok Tedi Revisited', *Macquarie University*, September 1999, Sydney.

Gibson, K.M., Hanson, D., & Kile, R., 'Alliances and Accountability: The Lessons of Ok Tedi', *La Trobe University*, October 1999, Melbourne.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, University of Queensland*, March 1999.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, Griffith University*, June 1999.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, The University of Melbourne*, April 1999.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, Monash University*, May 1999.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, Victoria University of Technology*, March 1999.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, University of Tasmania*, October 1999.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, University of Technology, Sydney*, May 1999.

Godfrey, J.M., & Culvenor, J., 'The Derived Demand for Specialist Auditor Services', *Research Seminar Program, La Trobe University*, June 1999.

Grabski, S.V., Leech, S.A. and Bai, L., 'The Complementary Relationships among Critical Factors and Procedures for the Successful Implementation of ERP Systems', *Research Seminar Program, Texas Tech University*, November 1999, Lubbock, Texas.

Grabski, S.V., Rockwell, S., and Denna, E., 'Returns to IT Spending: Effects on Efficiency and Effectiveness', *The University of Tasmania*, March 1999.

Grabski, S.V., and Dunn, C.L., 'Perceived Semantic Expressiveness of Accounting Systems and Task Accuracy Effects', *The University of Melbourne*, April 1999.

Grabski, S.V., Rockwell, S., and Denna, E., 'Returns to IT Spending: Effects on Efficiency and Effectiveness', *University of the Sunshine Coast*, April 1999.

PUBLICATIONS

Grabski, S.V., Rockwell, S., and Denna, E., 'Returns to IT Spending: Effects on Efficiency and Effectiveness', *Griffith University - Nathan*, April 1999.

Grabski, S. V., Rockwell, S., and Denna, E., 'Returns to IT Spending: Effects on Efficiency and Effectiveness', *University of Queensland*, April 1999.

Grabski, S.V., Rockwell, S., and Denna, E., 'Returns to IT Spending: Effects on Efficiency and Effectiveness', *University of Western Australia*, May 1999.

Grabski, S.V., Rockwell, S., and Denna, E., 'Returns to IT Spending: Effects on Efficiency and Effectiveness', *University of New South Wales*, May 1999.

Grabski, S.V., and Dunn, C.L., 'Perceived Semantic Expressiveness of Accounting Systems and Task Accuracy Effects', *Australian National University*, June 1999.

Leech, S.A., Arnold, V., Collier, P.A., and Sutton, S.G., 'The Impact of Intelligent Decision Aids on Experienced and Novice Decision Makers' Judgments', *Research Workshop Program, Michigan State University*, September 1999, East Lansing, Michigan.

Leech, S.A., Arnold, V., Collier, P.A., and Sutton, S.G., 'The Impact of Intelligent Decision Aids on Experienced and Novice Decision Makers' Judgments', *Research Seminar Program, Texas Tech University*, September 1999, Lubbock, Texas.

Mansfield, P.J., 'An Overview of Value at Risk', Theory Center, *Computational Finance Group, Cornell University*, September 1999, USA.

ASCPA ANNUAL RESEARCH LECTURE

The Australian Society of Certified Practising Accountants (Tasmanian Division) Annual Research Lecture, held each year in conjunction with the School of Accounting and Finance, is intended for academics, teachers, students, accountants and the business and government community. The 1999 lecture was delivered by Professor Bruce Grundy and took place in Hobart on 1 November and in Launceston on 2 November. Professor Grundy's title for the lecture was 'Accounting for Stock-Based Compensation: An Economic Perspective'. Extracts are given below.

"Stock-based compensation ties an executive's compensation to her firm's stock price. If such compensation schemes are to align the interests of executives and shareholders, that tie must be strong. The executive must be required to hold more stock and options in her own firm than she would otherwise choose to hold, and she must be precluded from selling her stock and options for some time. This restriction on sale typically takes the form of a vesting period.

"When a firm pays an executive a cash salary, the benefit to the executive, the cost to the firm and the amount to be reported on the financial statements are all the same value. But when a firm rewards an executive with a share and precludes her from selling it for five years, then three distinct questions must be answered:

"How much is that share worth to the executive?

"How much does it cost the firm to give her that share?

"What information about the share grant should be reported in the firm's financial statements?

ASCPA ANNUAL RESEARCH LECTURE

“To help answer these questions consider a very simple firm with a project that will take five years to bring to fruition. The executive hired to manage the project is promised a cash salary of \$5 and her efforts are expected to produce future revenues of \$10. The firm has but a single share outstanding and that share trades at \$5 = $\frac{10}{2}$ - \$5.¹

“Now suppose the compensation committee meets and considers replacing the cash salary with a grant of one restricted share. The manager will be induced to double her efforts and the expected future revenues will jump to \$16. Each of the two shares will receive one half of the future dividends and hence the share price today will jump to \$8 = $\frac{16}{2}$ - 2.

“How much is the restricted share worth to the executive? The executive will correctly argue that because the share is restricted it is worth less than \$8 to her.

“She may argue that, for reasons beyond her control, it may turn out that the share is worth only \$2 by the time it vests. And this even with a doubling of her Herculean managerial effort and skill she would never willingly pay \$8 for such a risky share. She would only tie up the bulk of her wealth in a risky share if she could buy it for \$6. By her valuation, the new package is worth only \$1 more than the old package, and this \$1 just compensates her for working twice as hard.

“How much does it cost the firm to give her the restricted share? There are plenty of investors with five-year investment horizons. Since they would not find the restriction binding, they would value the dividends to be received from the newly issued, restricted share at \$8.

“Should the accountant value this restricted share at the \$8 cost to the firm or the \$6 benefit to the executive?

“The reason one should bother with an economist’s perspective is that unless accountants appreciate that the benefit to the executive is less than the cost to the firm, they risk running into a minefield of inappropriate inferences drawn from their reported valuations of stock and option packages. When a share grant covers not one but 100,000 shares and large packages are reported with odium in the press, valuations placed on salary packages run the risk of fanning flames of ignorance and jealousy rather than adding to the light of greater disclosure. In our simple example an \$8 valuation of the restricted share grant makes it appear as if the executive is better off by \$3 than she used to be, and that this gain comes at the expense of the shareholder. But the executive in our example is no better off, and our firm’s shareholder is better off—his share has jumped from \$5 to \$8 in value. The less astute shareholder sees only that his investment is doing nicely, but believes that it would have done better still if the executive had not colluded with the compensation committee to overpay herself. The layman sees only a fat cat rewarding herself with stock. The accountant must come to see more than just a verifiable share price of \$8.

“Two conclusions are in order. First, stock-based compensation can only provide better incentives if an executive is forced to bear risks that she would not otherwise chose to bear. A successful stock-based incentive scheme must be one where the apparent market value of stock and option grants overstates their value to executives:

“Reported value of stock-based package > Executive’s value of stock-based package

“Both users and preparers of financial statements need to keep this in mind. If the executive is to be no worse off with the move to stock-based compensation, it must be that the executive’s value of the stock package is equal to the value of the original cash-salary package plus compensation for the disutility of increased effort. Thus we have our second conclusion.

¹ For simplicity we ignore the time value of money and assume that the firm's risk is diversifiable.

ASCPA ANNUAL RESEARCH LECTURE

“Even when the executive is no better off and all the net gains from the improved incentives are captured by the shareholders,² the reported value of a stock-based package will be higher than that of the cash-salary package it replaces.

“Even when the executive is no better off, reported value of stock-based package > Cash-salary package

“The impossibility of verifying the increased revenues associated with the switch to stock-based compensation means that only this cost of switching is clear in the financial statements. Both users and preparers of financial statements need to keep the benefits in mind as well.

² It is worth noting that often the scarce input to new projects is managerial talent. When incentive schemes unlock that rare talent, it is the skilled management team that will capture all the net gains. The shareholders as competitive suppliers of capital will be no better or worse off. (Believers in the new economy should think about this in relation to the current level of the market.)



[From left: Professor Andrew Glenn, Ms Kathy Gibson, Professor Bruce Grundy, Mr Denis Pratt, Professor Jayne Godfrey]

PROFESSIONAL DEVELOPMENT ACTIVITIES

During 1999 several members of staff of the School 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 School, while others were at the request of the professional organisations, firms or government departments.

The following are some of the professional courses and seminars involving members of staff in 1999:

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

The ‘*Company Directors’ Course*’ is conducted in Hobart by the School for the Australian Institute of Company Directors. The School provided the organisation and arranged the tutors for three one-week intensive courses in 1999. The number of participants in the course ranged from 16 to 21. **Barry Hicks** was the Course Co-ordinator. The course covers a range of topics of importance to company directors and the modules in the course comprise: ‘Practice of Directorship’; ‘Company Law’; ‘Introduction to Financial Statements’; ‘Assessing Company Performance’; ‘Contract and Intellectual Property Issues for Directors’; ‘Trade Practices Issues for Directors’; ‘Strategic HR’; ‘Risk Assessment and Environment Issues for Directors’; ‘Strategic Direction’, and ‘Improving Board Effectiveness’.

Barry Hicks presented the modules ‘The Practice of Directorship’; ‘Company Law’; ‘Intellectual Property Issues for Directors’ and ‘Environment Issues for Directors’; **Kathy Gibson** presented ‘Introduction to Financial Statements’ and ‘Assessing Company Performance’, and **John Livermore** presented ‘Contract Issues for Directors’.

PROFESSIONAL DEVELOPMENT ACTIVITIES

Other Seminars and Courses presented in 1999

Jack English presented research seminars on *'The Time Value of Futures Options'*, at the Departments of Accounting and Economics joint seminar, University of Waikato, on 25 March 1999, and at the Department of Accounting and Finance, University of Auckland, on 23 April 1999.

Kathy Gibson continued to present the 'Resource Management' module of the *Public Sector Management Course*, and has developed materials for the Local Government Executive Development Program to be presented from 2000. Kathy also made a presentation to the Association of Tertiary Education Managers on 'Demystifying Accrual Accounting'.

Barry Hicks presented a module for the Australian Dental Association (Tasmanian Branch) on the 'Duties and Responsibilities of Company Directors', in Hobart in May 1999. He also presented a module on 'Corporate Governance' for the Local Government Association of Tasmania, in Hobart in June 1999.

PROFESSIONAL ACTIVITIES

A number of staff members served in a variety of professional capacities throughout 1999.

Peter Collett continued to serve as technical consultant to the *Australian Society of CPAs' Ethics Centre of Excellence*.

Kathy Gibson continued to serve as a Divisional Councillor of the *Australian Society of CPAs*, and has been appointed State President for Tasmania. She is also Chair of the Society's *Ethics Centre of Excellence*. In addition she has contributed materials on environmental accounting for the CPA Program, and developed self-test multiple choice questions for use in professional development. She has continued her membership of the judging panel of both the *Institute of Public Administration* Annual Report Awards and the *ASCPA* Awards for Accrual Accounting Reports. Kathy's research interests in environmental accounting were also reflected in her continuing role as auditor for the *Environmental Defender's Office*, Hobart. Kathy was also involved in the presentation of professional development seminars for a number of professional bodies, including *Rotary* and the *Australian Council of Professions*, and for managers of *University Business Enterprises*. Kathy is also a member of various committees of the University of Tasmania, including *Academic Senate* and the *Admissions Policy Committee*. At Faculty level, she chairs the *Degrees Board of Commerce*, the *Teaching and Learning Committee* and the *Faculty Complaints Committee*, and is a member of the *Faculty Executive*, *Staff Development* and *International Committees*.

Professor Jayne Godfrey continued to serve as a Member of the *Australian Accounting Standards Board* (1995-1999) until 31 December. She also continued as a member of the Editorial Boards of the *Australian Accounting Review*, the *Arab Journal of Accounting*, *The Financial Reporting Journal* and the *Journal of International Accounting, Auditing and Taxation*. 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 Fellow of *Christ College, University of Tasmania*; a member of the *Program Advisory Board of Ortus Star*; a member of numerous committees within the *University of Tasmania* including the *Research Committee*; *Academic Senate*; *International Committee*; *Faculty Committees*, and she was a Tasmanian Divisional Councillor and Vice-President for the *Australian Society of CPAs*.

Sue Hrasky was involved in the development of a Web-based professional development activity for the *Australian Society of CPAs*. This is an ongoing activity which provides development exercises based around the Society's Journal.

Chris Ikin served as a member of the *Membership Services Committee, Institute of Chartered Accountants in Australia (Tasmanian Branch)*.

PROFESSIONAL ACTIVITIES

Professor Stewart Leech served as Chair of the *Information Systems Section of the American Accounting Association* for 1998-99. He was also elected as Vice-Chair of the *Artificial Intelligence/Emerging Technologies Section of the American Accounting Association* for 1999-2000 and was reappointed as the *Asia/Pacific Region Committee* representative. Professor Leech continued to serve as a State Councillor of the *Institute of Chartered Accountants in Australia* and was elected as Chairman of the *Tasmanian Branch* for 1999-2000. He served as Chair of the *Continuing Education Committee (CPE)* for 1999. Nationally, he was a member of the *CPE Committee and the Disciplinary Committee of the Institute*. He serves as Co-Chair *Placements for ICIS2000* and Program Chair for the *International Research Symposium on Accounting Information Systems*. He continued to serve as an associate editor of *Advances in Accounting Information Systems* and the *Journal of Financial Information Systems*, and on the editorial boards of the *Journal of Information Systems*, the *New Review of Applied Expert Systems*, and *Accounting Forum*.

John Livermore served as a member of the *Executive Council of the Australian Marketing Institute (Tasmanian Branch)*. He also presented a module "Trade Practices" for the *Australian Institute of Company Directors' Course* in Launceston.

APPENDIX

**SCHOOL OF ACCOUNTING AND FINANCE
PRIZES**

Title	Value	Criteria
Shell Prize in Economics and Commerce	100.00	The best course-graduating student in either the Bachelor of Commerce or Bachelor of Economics
Tasmanian Chamber of Commerce and Industry	33.00	The best performance in BFA141 Commercial Transactions
University of Tasmania Women's Club Prize	100.00	The best student in first year in the Faculty of Commerce and Law with a minimum of two distinctions
Grant Scholarship	580.00	The best student in first year in the Faculty of Commerce and Law in 1999
Australian Society of CPAs Prize	500.00	The best student in BFA first year accounting
Australian Society of CPAs Prize	500.00	The best student in second year BFA accounting
Australian Society of CPAs Prize	500.00	The best student in third year BFA Accounting
Pricewaterhouse Coopers Prize in Accounting	250.00	The second year accounting student with the best aggregate performance in second year units provided that candidates present the units BFA201, BFA221, BFA241, BFA261, BFA281 (unless combined degree substitute BFA241 for BLA200)
Pricewaterhouse Coopers Prize in Accounting	250.00	The best students in BFA accounting – second year
Pricewaterhouse Coopers Prize in Accounting	250.00	The best students in BFA accounting – second year
Pricewaterhouse Coopers Prize in Accounting	250.00	The best students in BFA accounting – second year
Pricewaterhouse Coopers Prize in Accounting	250.00	The best students in BFA accounting – second year
Pricewaterhouse Coopers Prize	400.00	The best student in BFA303 Auditing
Tasmanian Chamber of Commerce and Industry	33.00	The best performance in BFA241 Corporate Regulation & Accountability
Tasmanian Chamber of Commerce and Industry	33.00	Taxation Accounting (BFA391 Taxation)
Taxation Institute of Australia Prize		The student with the best result in BFA391 Taxation
Australian Institute of Bankers Prize	250.00	The best student in BFA347 Financial Services
Deloitte Touche Tohmatsu Award	250.00	Awarded to the student with the highest overall mark for the unit Financial Accounting. The award is open to students on both the Launceston and Hobart campuses
Institute of Chartered Accountants in Australia Prize	250.00	The best student in BFA302 Accounting Theory
TASCORP Prize in Finance	250.00	The highest aggregate mark in BFA281 Financial Management and BFA285 Investment Analysis