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Co-editors: Keitha Dunstan,
Bryan Howieson and Cherryl Umoh

CONFERENCE INFORMATION TO MEMBERS

The detailed conference program listing papers to be presented, panel sessions and Plenary Speakers information has been included in this issue. Also enclosed is the program at a glance.



SPONSORSHIP

CPA Australia

Institute of Chartered Accountants in Australia

New Zealand Institute of Chartered Accountants

Support from our sponsors is gratefully acknowledged

Presidents' Message

Welcome to the June newsletter.

Change in Executive Director

Members will have received our emails regarding the change in the Association's Executive Director. After fourteen years of committed service to AFAANZ and its members Ms Effie Margiolis decided that it was time for her to explore new career paths. Effie has been a central figure in the Association over that time and an important influence in the growth and development of AFAANZ and its services. We offer Effie much thanks for her contributions and wish her every success and happiness for the future.

We have been fortunate to have secured the services of Ms Cheryl Umoh as Effie's replacement. Cheryl has had extensive experience in the administration of various organisations and her wide variety of valuable skills and enthusiasm means the Board is excited about the opportunity of working with her. We invite you to make yourselves known to Cheryl and to welcome her to the Association. Her email address is cherylu@afaanz.org.

Results of Board Elections

At the Association's AGM in May we had pleasure in announcing the results of the recent elections to the AFAANZ Board. The successful candidates were Associate Professor Keryn Chalmers (Monash University), Associate Professor Paul de Lange (RMIT), and Professor Jenny Stewart (Griffith University). Our congratulations go to Keryn, Paul, and Jenny and our thanks to all candidates who offered themselves for service to the Association.

Revisions to AFAANZ Sponsorship Arrangements

At its May meeting the AFAANZ Board considered, inter alia, new proposals to



Bryan Howieson and Keitha Dunstan

completely revise our relationships with various sponsors. These proposals were prepared by Keryn Chalmers and represent an exciting new opportunity to grow and diversify our sponsorship base and further secure our financial future. At the time of writing, we are in the process of presenting these new sponsorship arrangements to the CEOs of our traditional supporters, CPA Australia, the ICAA, and NZICA.

Professional Entrance Requirements

As noted in a previous newsletter, there has been much speculation and discussion regarding the decision by the ICAA to broaden its entry requirements; in particular, the possibility of the entry of graduates from any discipline. Dr Sue Wright, the holder of the Education Portfolio, has pursued discussions with the ICAA on behalf of our members regarding this matter. This newsletter contains the details of an interview between Sue and Ms Sheena Frenkel of the ICAA that we hope will provide more information about how this alternative entrance method will operate. Of course, AFAANZ will continue to monitor this development and its implications for our members and educational institutions.

Accounting and Finance

Under the editorship of Professor Robert Faff the number and quality of submissions

to Accounting and Finance continues to go from strength to strength. This growth has been so impressive that we have been able to negotiate a special fifth edition for the journal for 2006 to assist in managing the number of excellent submissions that we have been able to attract. Please remember that Robert remains committed to publishing quality papers across all the disciplines and research fields in accounting, finance, and accounting information systems and we encourage you to submit your papers to him for the journal.

At the May Board meeting, the Board had much pleasure in renewing Robert's term as editor of Accounting and Finance. On behalf of all members, we thank Robert and his editorial team for the exemplary service they have provided to the Association and the journal.

AFAANZ Research Grants

This year's round of AFAANZ Research Grants has attracted an unprecedented level of interest with over forty applications. The research grants scheme continues to be a great success and represents a valuable benefit to our institutional members. The successful applicants for 2006 will be announced at our conference in Wellington. The scheme is coordinated by the AFAANZ treasurer, Professor Barry Cooper, and we thank Barry and his selection panel for the considerable time and effort they contribute to the operation of the scheme.

2006 Annual Conference

It is now less than a month to the start of our annual conference in Wellington, New Zealand. The conference team of Keitha Dunstan, David Hay, Jenny Stewart, Gail Fowler, Effie Margiolis and Diana Mascara, and now Cheryl Umoh, have been working extremely hard to finalise arrangements and ensure you enjoy a productive and exciting experience. As mentioned elsewhere in this newsletter, we have received a record number of submissions across a diverse range of topics and fields of research. We

are particularly pleased that we have been able to offer streams of papers in areas such as Critical Perspectives. Also, don't forget the various forums being offered by our Special Interest Groups who are all offering informative and valuable programs at the conference.

The Doctoral Consortium is being run in the days prior to the conference and has attracted a wide range of participants. The Consortium is organised by Professor Ian Eggleton and we thank Ian for the hard work he puts into this very demanding role.

If you are attending the conference, please take the time to visit the trade booths of our various sponsors who will again be offering valuable information and products relevant to your teaching and research. Please also make yourself known at the AFAANZ booth where you can meet our new Executive Director, Cheryl Umoh and say hello to our Office Assistant, Diana Mascara who will again be helping with the conference activities.

We are looking forward to meeting as many of you as we can at the conference.

Bryan Howieson **Keitha Dunstan**
President (Australia) **President (New Zealand)**

2006 Conference Update

Preparations for the 2006 conference are nearing completion. A record number of research papers were submitted this year prompting us to expand the program. The research areas with the greatest number of submissions are financial accounting, auditing, corporate governance, finance, management accounting and education. The program will also feature sessions on international accounting, environmental accounting, ethics, public-sector and not-for-profit accounting, and accounting history. This year we have also been able to add streams for accounting information systems, critical perspectives

 ANU <small>THE AUSTRALIAN NATIONAL UNIVERSITY</small> School of Accounting & Business Information Systems and School of Finance & Applied Statistics	 Victoria University School of Accounting, and Finance	 MONASH Department of Accounting & Finance,	 THE UNIVERSITY OF WAIKATO The Business School	 THE UNIVERSITY OF WESTERN AUSTRALIA Business School	 UNSW <small>THE UNIVERSITY OF NEW SOUTH WALES</small> School of Accounting	 Victoria <small>UNIVERSITY OF WELLINGTON</small> Te Whare Wānanga o te Upoko o te Ika a Māui School of Accounting & Commercial Law
 Massey University School of Accountancy	 Unitec <small>NEW ZEALAND</small> School of Accountancy, Law & Finance	 THE UNIVERSITY OF MELBOURNE Dept of Accounting, and Business Information Systems and the Dept of Finance	 MACQUARIE UNIVERSITY - SYDNEY Department of Accounting and Finance	 Curtin <small>University of Technology</small> School of Accounting	 DEAKIN UNIVERSITY School of Accounting, Economics and Finance	 QUT School of Accountancy and School of Economics and Finance
 UNIVERSITY OF CANBERRA	 The University of Sydney School of Business	 University of Western Sydney School of Accounting	 Central Queensland UNIVERSITY School of Commerce	 UniSA School of Commerce School of Commerce	 RMIT University School of Accounting, and Law	 Griffith UNIVERSITY Griffith Business School Department of Accounting, Finance and Economics
afaanz welcomes its institutional members for 2006	 The University of Queensland The Business School	 The University of Queensland The Business School	 The University of Queensland The Business School	 The University of Queensland The Business School	 The University of Queensland The Business School	 The University of Queensland The Business School

and interdisciplinary research. We encourage you to remind colleagues working in such areas that AFAANZ is devoted to a very broad sphere of accounting and finance research and we welcome innovative research approaches as well as those that are well-established.

With so many papers submitted, the task of selecting papers and posters has been more difficult than ever! We are grateful to the Technical Committee for their considerable efforts – Karen Benson, Jacqueline Birt, Jayne Bisman, Garry Carnegie, Keryn Chalmers, Larelle Chapple, Andrew Ferguson, Kathleen Herbohn, Stewart Lawrence, David Lont, Neale O'Connor, Greg Tower, and Paul Wells.

Having a discussant for each paper is a very valuable feature of the AFAANZ Conference, and we appreciate all those who have agreed to undertake this useful contribution to the research environment. We are currently finalising the best paper awards where these apply.

In addition to the technical sessions, there are several other highlights to look forward to. We are very much looking forward to presentations by our two plenary speakers, Professor Russell Lundholm and Professor Gary Sundem. Further details regarding these sessions can be found elsewhere in this newsletter.

The draft program is included in this newsletter. We recommend that you download the final version from the conference website (www.afaanz.org) closer to the conference dates. The final program will show final names of the chairs for session and discussants on individual papers.

We look forward to seeing you in Wellington.

David Hay and Jenny Stewart
Joint Chairs, 2006 AFAANZ Technical Committee

Board of Directors of AFAANZ for 2006/7

President (Australia):	Mr Bryan Howieson University of Adelaide
President (New Zealand):	Professor Keitha Dunstan Victoria University of Wellington
Treasurer:	Professor Barry Cooper RMIT University
Board of Directors:	Associate Professor Keryn Chalmers Monash University Dr Paul de Lange RMIT University Professor Ian Eggleton University of Waikato

Associate Professor
David Hay
University of Auckland
Professor Jenny Stewart
Griffith University
Dr Sue Wright
Macquarie University
Editor, *Accounting & Finance*: Professor Robert Faff
Monash University
Executive Director: Ms Cheryl Umoh
AFAANZ

Practice Portfolio Report

The main item of interest since our last newsletter has been the release of the new legally backed Australian Auditing Standards. Professor Christine Jubb from Deakin Business School is a member of the AUASB and she has kindly provided the following summary of the new standards. My thanks to Christine for her support.

Bryan Howieson
Practice Portfolio

Auditing Standards under CLERP 9

On 1 July 2004, the CLERP (Audit Reform and Corporate Disclosure) Act (CLERP 9 Act) became effective in Australia. Amongst other things, this Act mandated the reconstitution of the then Auditing & Assurance Standards Board (AuASB) and placed it under the strategic direction of the Financial Reporting Council. The AuASB had been funded by CPA Australia and the Institute of Chartered Accountants in Australia through its Joint Standing Committee, and its Secretariat was the Australian Accounting Research Foundation. I spent two years on part time secondment to the AARF in 2001 and 2002 and thoroughly enjoyed the experience.

Since its formation, the newly reconstituted Auditing and Assurance Standards Board (AUASB) [note the subtle change in the upper case of the acronym] has been busy redrafting the existing Auditing Standards. This was necessary to ensure their enforceability under the *Corporations Act 2001*, since another of the CLERP 9 clauses gave Auditing Standards legal backing for audits conducted under that Act. The Australian Securities and Investments Commission (ASIC) made clear its intention to not take action under this clause prior to 1 July 2006, by which time redrafted Auditing Standards, as legislative instruments, would be in place.

To explain the need for a period of grace, Australian Auditing Standards have been almost completely harmonised with those of the International Auditing and Assurance Standards Board (IAASB) since 1995. However, the IAASB does not draft

its standards with a view to legal enforceability, with widespread use of the present tense throughout (eg “the auditor considers...”). Thus the AUASB’s first priority has been to recast the body of previous Auditing Standards. The revised Standards had to make clear through “bold” lettering the mandated aspects of an external auditor’s role and responsibilities, ensure that only aspects within the auditor’s power to control were included in those responsibilities, and provide guidance in relation to fulfilment of those responsibilities that retained the notion of “professional judgement”.

On 1 May 2006, the AUASB released 36 revised Auditing Standards, including a new document *Preamble to AUASB Standards*, which explains the background to the formation of the AUASB and the drafting rules used in the revision process. It released also a *Foreword to AUASB Standards*, which is not a Standard, for use primarily in a non-statutory audit and assurance environment. These two documents are recommended reading for all those interested in learning more about the changes, and how the Standards are to be interpreted and applied. The numbering of the Standards has changed also, now mirroring that of the IAASB’s International Standards on Auditing (ISAs). All Standards are downloadable without charge from the AUASB’s Website (www.auasb.gov.au). One other major change is that the Standard dealing with the statutory review of half-year reports by the auditor (ASRE 2410) is fully self-contained.

In this initial phase of the AUASB’s work, the Board has continued to use primarily the IAASB’s ISAs as a base, in line with the FRC’s strategic directive to it. It has elevated some clauses that were previously “grey” letter guidance to “bold”, and chosen the word “ordinarily” for use to describe actions and considerations in which the auditor would normally engage, depending on the audit circumstances. Having undertaken this task, the AUASB is in an excellent position to contribute to the IAASB’s “clarity” project wherein a review of all the ISAs is to take place, with revised drafting rules. Information about the IAASB’s work can be seen at www.ifac.org.au.

There is still much for the AUASB to do. Its remit includes authority to issue Standards and Guidance material for both statutory and non-statutory audit and audit related engagements. With Phase I of the task, to have a suite of legally enforceable Audit Standards complete for adoption for reporting periods commencing on or after 1 July 2006, now complete attention turns to other tasks.

**Christine Jubb,
AUASB Member,
Deakin Business School**

IAAER/IASB/KPMG Call for Research Proposals

Following the enormous success of the previous set of international accounting standards research proposals,

it has been decided that the IASB and KPMG (U.S.) are prepared to support a new round of research proposals. The call for the proposals follows below and members are strongly urged to submit proposals for these high profile research grants.

Call For Proposals

Research on Defining, Recognizing and Measuring Liabilities

IAAER – KPMG Research Opportunities

The International Association for Accounting Education and Research (IAAER) and KPMG are pleased to invite research proposals under the Defining, Recognizing and Measuring Liabilities Research Program. The program supports scholarly research directed at informing the IASB’s decision process for its project on Liabilities and Equity Distinctions. Up to five research grants of \$25,000 (U.S.) each will be awarded under this program. In addition, as discussed in more detail below, funded projects will be showcased at two events involving representatives from the IASB, as well as renowned accounting researchers. Research teams may publish their findings in the outlet of their choice. The *Journal of Accounting Research* has agreed to provide special “fast-track” reviews for research papers funded under the program that meet its normal standards of publication, and the *Journal of International Financial Management and Accounting* has agreed to offer the option of publication. Funding for this program has been provided by the KPMG Foundation.

Program Objective

The Defining, Recognizing and Measuring Liabilities Research Program promotes and supports research directed at developing theory and evidence to inform the IASB’s decision process for its Liabilities and Equity Distinctions project. This joint project with the U.S. FASB is one of several highlighted in the updated Memorandum of Understanding between the two Boards issued in late February 2006. More information on the Liabilities and Equity Distinctions project is available on the IASB’s website at www.iasb.org and the FASB’s website at www.fasb.org. Information on the two boards’ related Conceptual Framework project is also available on their websites.

Program Funding

Up to five research projects will be selected for funding of \$25,000 each. Grant payments will be distributed in three installments and may be applied to cover travel costs associated with attending program events and/or direct costs associated with the research.

IAAER invites proposals from research teams domiciled anywhere in the world. Additionally, proposals are encouraged from research teams whose members are from

different regions of the world. Research proposals based on empirical-archival, empirical-experimental, or analytical research methods will be considered. Funding decisions will be based on the potential of the research to provide valuable input to the IASB and its national standard setting partners. Members of the Proposal Review Committee will review proposals and make preliminary recommendations to the Program Advisory Committee. Final funding decisions will be made by the Program Advisory Committee.

Research Questions

The objective of this research program is to support scholarly research directed at informing the IASB's decision process for the board's project on Liabilities and Equity Distinctions. To meet this objective, examples of research questions that might be addressed, and examples of motivating questions that might be used as a basis for developing a research question include (but are not limited to):

1. Is the current definition of liabilities in the IASB's *Framework*, or in the FASB's conceptual framework, adequate as a basis for providing decision-useful information? Should financial statements continue to distinguish liabilities from equity? If not, how should income be defined?
2. Not all obligations are liabilities for accounting purposes.
 - a. What characteristics should be used to distinguish *obligations* from *liabilities*?
 - b. Should *economic compulsion* be sufficient to create a liability? Common examples of arrangements with the characteristic of economic compulsion are preferred stock instruments with cumulative dividends (if the issuer does not pay, it is effectively precluded from issuing preferred stock in the future) or, more severely, increasing rate preferred stock instruments (if the instruments are not redeemed, the dividend rate increases exorbitantly).
 - c. Should a *constructive obligation* qualify as a liability? (Constructive obligations are discussed in the FASB's Concepts Statement 6, paragraph 40, IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, paragraph 10, and the IASB's Exposure Draft of Amendments to IAS 37).
3. The current elements definitions provide explicit definitions for both assets and liabilities but not for equity, which is left as a residual category.
 - a. Should *both* liabilities *and* equity be defined, or should one be defined and the other left as a residual category? If both are defined, should there be scope for items that fail to meet either definition and, thus, fall into a middle category?
 - b. Would definitions of assets and equity, leaving liabilities as the residual category, be a better basis for providing decision-useful information?
 - c. Given the number of arrangements that appear to combine aspects of both liabilities and equity, should there be a new element created for such arrangements? How would such an element be defined and distinguished from both liabilities and equity?
 - d. What characteristics, conceptually, should distinguish liabilities from equity?
4. What is the most relevant measurement attribute for non-financial liabilities that require, or could require, performance on the part of the obligor (examples include warranties and asset retirement obligations)?
5. In measuring liabilities at fair value, should changes in the issuer's own credit standing be included or excluded in fair value remeasurements? If they should be excluded, how should the excluded amount be determined?
6. Some financial instruments are compound, in the sense that they contain characteristics of both liabilities and equity (and sometimes assets). Examples include convertible debt and puttable stock. How should these instruments be accounted for (e.g., classified, measured at inception, and possibly remeasured)?
7. Sometimes separately issued financial instruments can be economically (or otherwise) linked to create an arrangement involving more than one instrument, but having an economic outcome that is similar or identical to the outcome that will occur if the arrangement involved just one instrument. For example, a written put on the issuer's shares can be arranged to have an outcome similar to a convertible debt issuance that is linked to a share repurchase, and straight (nonconvertible) debt can be arranged to have an outcome similar to a convertible debt issuance that is linked to a purchased call option on the issuer's shares. Should separately issued instruments in such arrangements ever be linked together for accounting purposes? If so, what should be the principles (or rules) governing this linkage?

Project Deliverables

Between February 16 and March 1, 2007 contracts will be signed by research teams. Each contract will specify interim milestones, deliverables, and expected delivery dates. Key dates to be agreed to in the contract include:

September 2007 (Date TBA)

Research designs and interim results will be presented at a by-invitation only one-day IAAER mini-conference in London held immediately before or after the IASB board meeting. The mini-conference will be held in conjunction with the annual meeting of the British Accounting Association's Special Interest Group on International Accounting (IAFSIG) and will represent a collaborative effort with the IAAER and the European Financial Reporting Research Group (Eufin). Representatives of the IASB, as well as renowned researchers, will provide feedback during the mini-conference to assist the research teams in refining their projects. Each research team will submit interim results to the Program Advisory Committee prior to the mini-conference. The first grant installment of \$8,000 will be dispersed to each team following the mini-conference. IAAER will waive the conference registration fee for members of the research teams to attend the joint conference of IAFSIG, Eufin, and IAAER.

August 2008

Research teams will be invited to present their results at the American Accounting Association (AAA) annual meeting in sessions co-sponsored by the AAA, the AAA's International Accounting Section, and IAAER. IAAER will provide the research team members with lunch tickets to attend the AAA International Accounting Section lunch where the research teams will be recognized. Teams will be required to submit final results to the Program Advisory Committee prior to the AAA Annual Meeting. The second grant installment of \$8,000 will be dispersed to each team following the AAA meeting.

October 2008

Final results will be presented at a mini-conference in Norwalk held immediately before or after the joint meeting of the IASB and FASB. The final deliverables will focus on highlighting the significance of the findings to standard setters. Representatives of the IASB and FASB will be in attendance. The third grant installment of \$9,000 will be dispersed to each team following the mini-conference.

Research Proposal Format

Research proposals should be concise and not exceed 10 pages (1.5 spacing and 12 font). All proposals should be in English. Proposals should contain the following information:

- ▶ Clear and concise definitions and description of the:
 1. Research question
 2. Research objectives
 3. Research method to be employed
- ▶ Description of the proposed research activities

- ▶ References to leading studies on the topic (attach a reference list not exceeding two pages)

- ▶ Indication of how the proposed research will inform the IASB decision process in regard to its Liabilities and Equity Distinctions project

Each proposal should additionally:

- ▶ Designate a Principal Investigator who will have primary contractual responsibility for the research project

- ▶ Include a curriculum vitae for each member of the research team

Publication of Research Findings

Research teams may publish their findings in the outlet of their choice. The Journal of Accounting Research will offer a fast track review option, and the Journal of International Financial Management and Accounting will offer the option of publication.

RFP Program Advisory Committee

Members of the RFP Program Advisory Committee include:

Mary E. Barth IASB Board Member and Joan E. Horngren Professor of Accounting, Stanford University	Katherine Schipper FASB Board Member
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Timothy B. Bell Director, Assurance Research, KPMG International Audit and Advisory Services Center	Donna L. Street, Program Coordinator IAAER Vice President Research and Mahrt Chair in Accounting, University of Dayton
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Submission Deadline

The proposal submission deadline for the Defining, Recognizing and Measuring Liabilities Research Program is December 15, 2006. Funding decisions will be announced as soon as the evaluation process is complete, but no later than February 16, 2007.

All proposals are to be submitted electronically to the Defining, Recognizing and Measuring Liabilities Research Program Program Coordinator, at the following email address donna.street@notes.udayton.edu.

Proposal text and supporting materials should be in a single electronic file in either Word or PDF format.

Questions about the program or proposal process should be directed to Donna Street at donna.street@notes.udayton.edu.



2006 AFAANZ CONFERENCE

2 – 4 July Preliminary

Welcome...

On behalf of the AFAANZ Board, it is our pleasure to invite you to attend the 2006 AFAANZ Conference to be held at the Wellington Convention Centre from 2-4 July in Wellington, New Zealand.

With a record number of papers being presented and our known-to-be entertaining social functions, we are sure that the event will provide you with the opportunity to explore the latest teaching and research findings within the accounting and finance disciplines, as well as giving you plenty of time to network with colleagues from around the globe. We are looking forward to this occasion where delegates can explore the latest developments within the profession and also take the time to exchange ideas with other academics and professional bodies.

We are honoured that the conference will feature a variety of international and local keynote speakers; including Gary Sundem, the Julius A Roller Professor in Accounting and Associate Dean for Graduate Programs at the University of Washington Business School, and Russell Lundholm, the Arthur E Anderson Professor of Accounting at the Stephen M Ross School of Business, University of Michigan.

With a growing diversity to our program and our prominent speakers, we are confident that the 2006 AFAANZ Conference will provide its delegates with a stimulating and valuable experience. We look forward to welcoming you to Wellington in July.

Bryan Howieson (Australia)
Keitha Dunstan (New Zealand)
Presidents

Cheryl Umoh
Executive Director

AFAANZ gratefully acknowledges the generous support of CPA Australia, the Institute of Chartered Accountants in Australia and the New Zealand Institute of Chartered Accountants in funding this year's plenary speakers.

SATURDAY 1 JULY 2006

AFAANZ Special Interest Group Symposia and Forum
0900-1700
Accountability Interest Group (SIG1) Symposium
Accounting Standards Interest Group (SIG3) Forum
Accounting Education Group (SIG5) Symposium

SUNDAY 2 JULY 2006

1300-1700 Registration
1300-1400 HoDs Meeting
1400-1530 Plenary Session 1
1530-1600 Afternoon Tea
1600-1730 Concurrent Session 1
1730-1800 General Meeting of Members
1800-2000 Welcome Reception

MONDAY 3 JULY 2006

0900-1030 Concurrent Session 2
1030-1100 Refreshment Break
1030-1530 Poster Session 1
1100-1230 Concurrent Session 3
1230-1330 Lunch
1330-1500 Concurrent Session 4
1500-1530 Refreshment Break
1500-1530 General Meeting of Members
1530-1700 Concurrent Session 5
1700-1830 Forum
1830-1930 Happy Hour

TUESDAY 4 JULY 2006

0900-1030 Plenary Session 2
1030-1100 Refreshment Break
1030-1530 Poster Session 2
1100-1230 Concurrent Session 6
1230-1330 Lunch
1330-1500 Concurrent Session 7
1500-1530 Refreshment Break
1530-1700 Concurrent Session 8
1915-1945 Pre Dinner Drinks
1945-Late Conference Dinner

DISCLAIMER

Every effort has been made to present, as accurately as possible, all of the information contained in the program. AFAANZ, the Technical Committee, Capital Conferences Pty Ltd, its Agents or Servants, nor the sponsors will be held responsible for any changes in the structure or content of the technical program and any general or specific information published relative to the program. AFAANZ reserves the right to change any or all of the content of this brochure. AFAANZ©2003. All rights reserved.

2006 AFAANZ CONFERENCE PLENARY SPEAKERS

Sponsored by



The Institute of
Chartered Accountants
in Australia



PLENARY SESSION 1

Sunday 2 July 2006
2.00pm – 3.30pm

Professor Russell Lundholm

Arthur E Andersen Professor of Accounting
University of Michigan

The Inefficiency of Stock Markets

I will begin by discussing recent evidence documenting various market inefficiencies, with particular emphasis on how the market might inefficiently incorporate accounting information. I will then discuss how the different anomalies might be substitutes or complements, and how the different factors get used in practice at hedge funds and mutual funds. Finally, I will discuss why the inefficiencies might persist in a well-functioning stock market and present some evidence on the cost of exploiting the inefficiencies.



PLENARY SESSION 2

Tuesday 4 July 2006
9.00am – 10.30am

Professor Gary Sundem

Julius A Roller Professor in Accounting and
Associate Dean for Graduate Programs
University of Washington

Accounting Education: Knowledge, Skills and Integrity

Since the Bedford Committee report in 1986 and the formation of the Accounting Education Change Commission in 1989, accounting education in the US has been responding to calls for change. This session will address the recent history of accounting education change in the US and how it has affected accounting education throughout the world. It will focus on three legs of accounting education, transmitting knowledge, developing skills and instilling integrity. It will also address how faculty can continue to improve accounting education in an environment of decreasing resources.

PROGRAM AT A GLANCE

Saturday Sessions										
Venue	MFC (Level 1)	MFC (Level 1)	MFC (Level 2)	MFC (Level 2)	MFC (Level 2)	WTH (Level G)	WTH (Level G)	WTH (Level 2)	WTH (Level 2)	WTH (Level 2)
Room	Frank Taplin Room	Main Auditorium	Lion Harbourview Lounge 1	Lion Harbourview Lounge 2	Lion Harbourview Lounge 2	Ilott Theatre	Square Affair 2	Civic Suite 1	Civic Suite 2	Civic Suite 3
9.00-17.00	Accountability Interest Group (SIG1) WTH (Level 2) – Civic Suite 1			Accounting Standards Interest Group (SIG3) WTH (Level 2) – Civic Suite 3			Accounting Education Interest Group (SIG5) WTH (Level 2) – Civic Suite 2			
Day 1										
Sunday, July 2										
Registration (12.00pm – 6.00pm)										
12.00-1.00	JSC Meeting (Square Affair 1 - WTH Level G)									
1.00-2.00	HoDs meeting (Civic Suite 1 - WTH Level 2)									
2.00-3.30	Welcomes & Plenary: Professor Russell Lundholm (MFC Main Auditorium - Level 1)									
3.30-4.00	Afternoon Tea, Renouf Foyer (Level 1)									
4.00-5.30	Financial accounting: Goodwill	Financial markets	Education: Skills and capabilities	Management accounting	International Accounting: Empirical	Auditing: Auditor Judgment	Corporate governance I			
5:30-6.00	General Meeting of AFAANZ Members (MFC Main Auditorium - Level 1)									
6.00-8.00	Welcome Reception									
Day 2										
Monday, July 3										
Registration (8.00am – 6.00pm)										
9.00-10.30	Finance: Asst Pricing & Price Impacts	Financial markets: Takeover	Critical perspectives	Management accounting	Financial accounting: Regulation	Financial accounting: Stock Market Reactions	Corporate governance II	Auditing: Audit Committees, Internal Audit	Public sector & not for profit	
10.30-11.00	Morning Tea, Renouf Foyer (Level 1)									
11.00-12.30	Finance: Asst Valuation & Pricing	Financial markets: Takeovers	Education: Curriculum issues	Management accounting	Financial accounting	Environment accounting	Corporate governance III	Auditing: Other	International accounting	
12.30-1.30	Lunch, Renouf Foyer (Level 1)									
1.30-3.00	Finance: Portfolios and Funds Management	Financial markets	Education: Pedagogical issues	Inter-disciplinary	Financial accounting: Debt Covenants	Financial accounting: Performance	Corporate governance IV	Auditing: Independence	Public sector	Poster Session 1 (10.30-3.30) Promenade Level 1

Venue	MFC (Level 1)	MFC (Level 1)	MFC (Level 2)	MFC (Level 2)	MFC (Level 2)	WTH (Level G)	WTH (Level G)	WTH (Level 2)	WTH (Level 2)	WTH (Level 2)
Room	Frank Taplin Room	Main Auditorium	Lion Harbourview Lounge 1	Lion Harbourview Lounge 2	Lion Harbourview Lounge 2	Ilott Theatre	Square Affair 2	Civic Suite 1	Civic Suite 2	Civic Suite 3
3.00-3.30	Afternoon Tea, Renouf Foyer (Level 1)									
3.30-5.00	Finance: Behavioural Finance	Financial markets: Analysts Forecasts	Education: Accounting & the profession	Management accounting: Goal Setting Issues	Financial accounting: Earnings Management	Environment accounting	Ethics: Ethical Issues in Acctg	Auditing: Firm-specific studies	Accounting history	
5.00-6.30	Forum – Professor Stephen Zeff (Room: MFC Main Auditorium)									
6.30-7.30	Happy Hour, Renouf Foyer									
Day 3										
Tuesday, July 4										
9.00-10.30	Registration (8.00am – 4.00pm)									
10.30-11.00	Plenary Session Two: Professor Gary Sundem (MFC Main Auditorium - Level 1)									
11.00-12.30	Finance: Default Risk, Bankruptcy & Price Impacts	Financial markets: IPO	Education: Improving quality	Inter-disciplinary	Financial accounting: Forecasting	Financial accounting: Earnings/ Cash Flows	Accounting information systems	Auditing: Auditing Standards	Public sector	Poster Session ² (10.30-3.30) Promenade Level 1
12.30-1.30	Lunch, Renouf Foyer (Level 1)									
1.30-3.00	Finance: Financial Institutions	Financial markets: Regulation	Critical perspectives	Management accounting: Performance measurement	Financial accounting: Forecast / IPO	Environment accounting	Corporate governance	Auditing	International accounting	
3.00-3.30	Afternoon Tea, Renouf Foyer (Level 1)									
3.30-5.00		Financial markets: Market Efficiency	Education: Approaches to learning	Management accounting	Financial accounting: Disclosure	Financial accounting: Financial Regulations	Corporate governance	Auditing: Audit Quality & Independence	International accounting: Reflections	
5.30-6.00						Accounting Education (SIG 5) AGM	Accounting Standards (SIG 3) AGM			
7.15-7.45	Pre-Dinner Drinks West Court, WTH (Level G)									
7.45-Late	Conference Dinner Main Auditorium, MFC (Level 1)									

MFC – Michael Fowler Centre

WTH – Wellington Town Hall

Forum



centre for ACCOUNTING,
GOVERNANCE &
TAXATION RESEARCH

in association with



presents a

Business Links Seminar

International Financial Reporting Convergence: Inevitable or Improbable?

Monday, 3 July 2006, 5.00 – 6.30pm

Main Auditorium, Michael Fowler Centre, Wellington.

Feature Speaker: Professor Stephen Zeff, Rice University, Texas, USA



Professor Stephen Zeff is by many accounts the world's leading accounting historian and is a well known commentator on accounting and accounting standard setting. He is author or editor of more than 25 books and has written more than 100 articles. He serves on the editorial board of more than 20 research journals in ten countries, and he has recently completed six years service as book review editor of The International Journal of Accounting. He is a past editor of the Accounting Review and a past president of the American Accounting Association. Professor Zeff is also active in several European organisations. He is the only non-British member of the academic panel of the Accounting Standards Board of the United Kingdom, and, from 1981-2004, he was the only non-European on the executive committee of the European Accounting Association. Professor Zeff is a life member of AFAANZ.

At the end of the presentation there will be time for questions and further discussion.

Poster Sessions

Monday July 3

10.30-3.30, Room: Auditorium Promenade

POSTER SESSION 1

Financial accounting

Changes in Segment Reporting in the Australian Banking Industry

Birt, J., Kend, M., Hu, X.

Finance

Financial Profiling of SMEs: An Application by Data Mining

Ozgülbas, Nermin
Koyuncugil, Ali Serhan

International Accounting

Drivers of Corporate Disclosure : An Empirical Investigation in a Central European Setting

Grüning, Michael

Banking accounts volatility induced by IFRS 39: A simulation model applied to the French case

Ben Hamida, Nessrine

Definition of a SOX compatible reference risk and control matrix based on a mixed method approach

Giller, Barbara Maria
Redlein, Alexander

Management Accounting

The Impact Of New Accounting Consolidation Practice On Corporate Group Strategy In Japan

Kishita, T.

Critical Perspectives

Accounting Research from Stakeholder Theory Perspectives

Manzurul Alam

Ethics

An Investigation of the Interactive Effect of Gender and Ethical Development on Ethical Behaviour

Loh, Chang-Yuan
Edwards, Peter
Baxter, Jane

Business Ethics Teaching: an Action Research Spiral

Kay Plummer

Understanding the ethical decision making map in auditing

Yao, Lee
Ang, Swee Thian

Tax

Accounting for Income Taxes: Early Adoption Issues

Wyatt, Kim
McNicholas, Patty

Tuesday July 4

10.30-3.30, Room: Auditorium Promenade

POSTER SESSION 2

Education

A Framework for Examining Program Content

Ling, Anthony, Moriarity, Shane, Rainsbury, Liz

Creative Management Accountants: Short Case Studies to Promote Creativity in the Classroom

Wynder, Monte

Accounting Information Systems

The Impact of enterprise Resource Planning systems on Management Accounting: an Australian Study

Jackling, Beverley
Sprakman, Gary

How will user perceptions affect the adoption of RFID technology

Rodrigues, Mark
James, Keiran

Management Accounting

The Application of Management Accounting Techniques in Malaysian Higher Learning Institutions: A Survey of Practices

Azhar, Z., Abdul Rahman., I. K.

Does Islam influence budgetary slack creation? Empirical evidence from Malaysia

Sulaiman, M., Adnan, S.

Small Businesses and the GST: Changes in Management Accounting Routines

Ciccotosto, S., Nandan, R.

Management Accounting Change in Australasia

France, A.

Joint Costs: An investigation into the joint cost allocation methods used by New Zealand firms.

Holden, Mark

Public Sector

Performance disclosure by Australian government entities

Maria Mucciarone and John Neilson

Financial reporting practices of Victorian state schools

Martin Samy

Evaluating performance in the public sector MetService: A case for broadening financial accountability

Belinda Luke

Perceptions of managers of NGOs on the use of accountability information by government funding agencies in respect to grants

Ken Crofts

TECHNICAL PROGRAM

CONCURRENT SESSION 1 Sunday 2 July 4.00 p.m. – 5.30 p.m.			
MFC Main Auditorium	Frank Taplin Room	Square Affair 2	Civic Suite 2
FINANCIAL MARKETS Capital Structure and Restructuring	FINANCIAL ACCOUNTING Goodwill	INTERNATIONAL ACCOUNTING Empirical Research in International Accounting	AUDITING Auditor Judgment and Decision Making
Chair: Denise Frost	Chair: Jayne Godfrey	Chair: Ian Langfield-Smith	Chair: Gary Monroe
Reverse Leverage Buyouts, Timing and Underpricing	The value relevance of reported goodwill and identifiable intangible assets within the Australian context	Empirical Analysis of Underpricing and Post-Issue Stock Performance of China-Based Firms Incorporated and Listed Outside the PRC	Can we measure the value of an auditors judgment
Bowman, R., Graves, L.	Watson, J., Dahmash, F., Durand, R.	Van der Zahn, M., Singh, I., Brown, A.	Sahrawat, K, Davis, D.
Alcock, J.	Boland, G.	Duncan, K.	Radich, R
Share Purchase Plans in Australia: Issuer characteristics and valuation implications	Accounting for Goodwill in Australian Business Combinations: Is there Value to Choose?	Does accounting choice influence U.S. investment in non-U.S. companies? Evidence from U.S. Institutional Investment in Australian companies	Auditor performance variation: Impact of sub-speciality knowledge differences between industry specialists
Ferguson, A., Brown, P., Stone, K.	James, K., How, J., Verhoeven, P.	Fargher, N., Chugh, S.	Dowling C, Moroney, R.
Wu, G.(H.)	Mathews, R.	Howieson, B.	Sim, M.
Does the presence of venture capitalists predict better performance to UK small firms?	Goodwill Accounting and Investment Opportunity Sets: The Role of Impairment Tests	Default Under Different GAAPs: Does Insolvency Prediction Depend on Accounting Standards?	The Effects of Audit Team Structure and Task Complexity on Auditor Confidence
Zhou, V.	Koh, P-S., Godfrey, J.	Platikanova, P.	Scully , G., Lees, C.
Bowman, R.	Cotter, J.	Langfield-Smith, I.	Dowling, C.
Civic 3	Lion Harbourview Lounge 1	Lion Harbourview Lounge 2	
CORPORATE GOVERNANCE I	EDUCATION Skills and capabilities	MANAGEMENT ACCOUNTING Theoretical Developments	
Chair: Jonathan Tyler	Chair: Mark Brimble	Chair: Michael Grayson	
Is the Cross-listing Premium Really Related to Investor Protection	What skills and attributes does an accounting graduate need? Evidence from student perceptions and employer expectations	Management control systems and strategy: What's been happening?	
Nowland, J., Clarkson, P., Ragunathan, V.	Kavanagh, M., Drennan, L.	Tucker, B., Thorne, H., Gurd, B.	
Karim, W.	Lucas, U.	Chang, L.	
A Corporate Governance Explanation of the A-B Share Discount in China	Personal And Interpersonal Skills: The Process Of Prescribing Definitions in An Accounting Degree	In search of management accounting theory	
Yu, W., Tong, W.	Whitefield, D., Kloot, L.	Granlund, M., Malmi, T.	
Farooque, O.	Lee, C.	Brown, D.	
Corporate governance and the value-relevance of accounting information: Empirical evidence from Australia	Financial Planners in Australia - A critical evaluation of gaps in behavioural skills and competencies	Criticisms of the predominant approaches to research in management accounting and the case for further practice based research	
Habib, A., Azim, M.	Jackling, B., Sullivan, C.	Davis, N.	
Rankin, M.	Cull, M.	Baker, M.	

The Conference Welcome Reception commences at 6 p.m.

CONCURRENT SESSION 2 Monday 3 July 9.00 a.m. – 10.30 a.m.

MFC Main Auditorium	Frank Taplin Room	Ilott Theatre	Square Affair 2	Civic Suite 1
FINANCIAL MARKETS Takeovers Chair: Robert Durand	FINANCE Asset Pricing and Price Impacts Chair: David Woodliff	FINANCIAL ACCOUNTING Regulation Chair: Richard Morris	FINANCIAL ACCOUNTING Stock Market Reaction to Earnings Chair: Sarah McVay	CORPORATE GOVERNANCE II Chair: Kevin Adams
The Causal and Dynamic Relationship between Stock Returns and Trading Volume: Evidence from Emerging markets in South-East Asia	Free Cash Flow Models, Terminal Values and the Timing of Asset Replacements	Incentives for Cross Guarantee in Corporate Groups	Frequency of Financial Media Coverage and the Information Content of Accounting Earnings	Is Corporate Governance Associated with the Disclosure of Forward Looking Information in the Annual Report?
Pisedtasalasai, A., Gunasekarage, A.	Lally, M.	Dean, G., Bradbury, M., Clarke, F.	Rahman, A.	Percy, M., O'Sullivan, M., Stewart, J.
Trung, C.	Wright, S.	Jackson, A.	Gallery, N.	Chalmers, K.
The Bidder Shareholder Wealth Effects of Takeover Announcements and Their Relationship with Pre-Takeover Toehold Formation	Modelling Exchange-Traded Barrier Options traded in the Australian Options Market	Not So Due Process: The Case against the Due Process applied within the Australian accounting standard setting arrangements	The Impact of the Statutory-Backed Continuous Disclosure Regime on the Market Reaction to Management Earnings Forecasts and Earnings Announcements in New Zealand	Do Better Governed Firms Make More Informative Disclosures? Canadian Evidence.
Le, T-H., Welch E.	Easton, S., Gerlach, R.	Hurst, G.	Dunstan, K., Gallery, G., Truong, T.	Brown, P., Beekes, W., Chin, G.
Durand, R.		Birt, J.	Wong, N.	Rose, G.
		Magic Pudding or Regulatory Arbitrageur's Friend? The Use of Hybrid Debt Equity Securities by Australian Listed Corporations	Do Stock Prices in China Reflect Information in Earnings Persistence?	Corporate Governance Quality and Market Liquidity Around Quarterly Earnings Announcements
		Carlin, T., Finch, N., Ford, G.	Navissi, F., Mirza, M., Yao, I.	Kangagaretnam, K., Lobo, G., Whalen, D.
		Bradbury, M.	McVay, S.	Ding, R.
Civic Suite 2 AUDITING Audit Committees, Internal Audit	Civic 3 PUBLIC SECTOR and NOT FOR PROFIT Decision making and accountability	Lion Harbourview Lounge 1 CRITICAL PERSPECTIVES Critical issues surrounding regulators/standard setters	Lion Harbourview Lounge 2 MANAGEMENT ACCOUNTING Judgment and Decision Making Applications	
Chair: Elizabeth Carson	Chair: Rob Sims	Chair: Margaret Lightbody	Chair: Deryl Northcott	
The value of internal audit in fraud detection	Looking for Habermas: An investigation into community participation in decision-making regarding costs and funding two New Zealand local authorities' activities	Is The IASB Democratic or Are All Standard Setters Not Created Equal?	Task interdependence, communication channel preference for the receipt of management accounting information and managerial performance	
Ferguson, C., Coram, P., Moroney, R.	Barrett, J., Scott, C.	Howison, B., De Lange, P.	Salmon, S., Joiner, T.	
Subramaniam, N.		Ahmed, K.	Ang, N	
Is mandated internal control reporting necessary? The experience of listed Dutch companies	Australian public sector evidence: Links of accountability and representation	The Financial Framework of Appointments and Membership of AASB	The Effect of Decision Framing and Negotiation Partner's Objective on Judgments About Negotiated Transfer Prices	
Deumes, R., Knechel, R.	Neilson, J., Tower, G.	Brown, A., Van der Zahn, M.	Chang, L., Cheng, M., Trotman, K.	
Carson, E.	Mack, J.	Van Der Laan, S.	Langfield-Smith, K.	
The quality of audit committees post Enron	Accounting and accountability issues relating to Australian rules country football clubs in Victoria	Applying the blow torch of research methodology to the rhetoric of regulation	The Effects of Information, Data and Redundant Cue Load on Multi-Perspective Performance Reporting	
Rainsbury, E.	Halabi, A.	Spence, C.	Iselin, E., Mia, L., Sands, J.	
Bond, D.	Crofts, K.	De Lange, P.	Schulz, A.	

**This session will be followed by Morning Tea
10.30 a.m. – 11.00 a.m.**

CONCURRENT SESSION 3
Monday 3 July 11.00 a.m. – 12.30 p.m.

MFC Main Auditorium	Frank Taplin Room	Ilott Theatre	Square Affair 2	Civic Suite 1
FINANCIAL MARKETS Takeovers	FINANCE Asset Valuation and Pricing	FINANCIAL ACCOUNTING Investment Performance/ Valuation	ENVIRONMENTAL ACCOUNTING Social and Environmental Reporting	CORPORATE GOVERNANCE III
Chair: Peter Clarkson	Chair: Sue Wright	Chair: Irene Tutticci	Chair: Roger Burritt	Chair: Graeme Rose
Takeover Motives in a Weak Regulatory Environment Surrounding a Market Shock	The Value of Imputation Credits and its Impact on the Cost of Capital	The Investment Performance of Ethical Funds in Australia	Targeting the Reader: Social and Environmental Disclosure from a Managerial Stakeholder Perspective	Strong Investor Protection and Concentrated Management Ownership: Hong Kong Evidence during the Asian Financial Crisis
Anderson, H., Marshall, B.	Parrington, G., Truong, G., Peat, M.	Jones, S., Van der Laan, S., Frost, G., Loftus, J.	McMurtrie, T.	Leung, S., Horwitz, B.
Clarkson, P.	Lally, M.	Benson, K.	Gadenne, D.	Dunstan, K.
Takeover Wake-Up Calls: Evidence on Australian Unsuccessful Target Performance Improvements	An Examination of the Australian Stock Exchange and the Australian Financial Review's Fair Values	Time-series coefficient variation in value-relevance regressions and the impact of reversion to fundamentals	Reflections on social and environmental accounting and thoughts about future directions and mega-accounting reports	Non-monotonic Relationship between Ownership Concentration and Performance in Bangladesh under Mono-directional Perspective
Bugeja, M., Lee, P., Whittaker, L.	Easton, S., Ivanovic, I.	Jackson, A., Coulton, J., Curtis, A.	Mathews, M.	Farooque, O., Van Zijl, T., Dunstan, K., Karim, W.
Dew, K.	Truong, G.	Brown, Phil	Burritt, R.	Shaller, G.
The Role of Outside Blockholders in Takeover Contests	Transitory Price Changes: Evidence from the Chinese Stock Markets	The Nonequivalence of the Earnings and Dividends Approaches to Equity Valuation	Conceptualising professional accountability association involvement in social and environmental reporting	
Clarkson, P., Aguiar, R., Ragunathan, V.	Karim, K., Zhang, Z., Nemiroff, H., Wang, J.	Stecher, J.	Mangion, D.	
Gasbarro, D.	Dunmore, P.	Gallery, G.	Narraway, G.	
Civic Suite 2	Civic 3	Lion Harbourview Lounge 1	Lion Harbourview Lounge 2	
AUDITING Other	INTERNATIONAL ACCOUNTING Pacific Rim Research in Accounting	EDUCATION Curriculum issues	MANAGEMENT ACCOUNTING Decision Facilitating Issues	
Chair: Renee Radich	Chair: Bryan Howieson	Chair: Leslie Brown	Chair: Axel Schulz	
Auditor perceptions of time budget pressure: A comparison across different auditor positions and different types of firms	Effects of National Culture on Audit Group Evaluation of Internal Control	Public Sector Accounting Education In Australian Universities	Cost estimation: a role too far for management accountants?	
McNamara, S, Liyanarachchi, G.	Sim, M.	Sciulli, N., Sims, R., Simone, J.	Collier, P. M., Knight, C.	
Pflugrath, G.	Woodliff, D.	Ryan, C.	Wynder, M.	
Corporate images of audit firms in a multilingual society	Progress towards adopting International Financial Reporting Standards in Russia: An empirical study of Russian company practices	Curricula in introductory accounting: The 'old' and the 'new'	Costing systems and the cost of spare capacity - is the capacity issue given adequate consideration?	
Moizer, P., Willekens, M.	Gray, S., Morris, R., Voronina, T.	Lee, C., Bisman, J.	Bates, K., Bradshaw, J.	
Jubb, C.	Platikanova, P.	Halabi, A.	Thiagarajah, T.	
Changes in market reaction to audit opinions in China	A Developing Country's Natural Environment Disclosures	Curriculum Requirements for Entry-Level management Accounting in Australian Business Organisations	Development of a CPA System in an Australian Telecommunications Company	
Wang, Y., Czernkowski, R., Green, W.	Nurhayati, R., Brown, A., Tower, G.	Richardson, W., Desriyani, L.	McManus, L.	
Montroe, G.	O'Neill, S.	Gallagher, L.	Davis, N.	

This session will be followed by Lunch
12.30 p.m. – 1.30 p.m.

CONCURRENT SESSION 4 Monday 3 July 1.30 p.m. – 3.00 p.m.

MFC Main Auditorium	Frank Taplin Room	Ilott Theatre	Square Affair 2	Civic Suite 1
FINANCIAL MARKETS Market Reaction and Wealth Impacts Chair: Stephen Easton	FINANCE Portfolios and Funds Management Chair: Peter Clarkson	FINANCIAL ACCOUNTING Debt Covenants and Accruals Chair: Jane Hamilton	FINANCIAL ACCOUNTING Firm Performance and Executive Compensation Chair: Philip Brown	CORPORATE GOVERNANCE IV Chair: Brendan O'Connell
The Asymmetric Effect of Macroeconomic News Surprises on Australian Financial Markets	Fund flow and return: Evidence from individual funds	The Use of Debt Covenants in Public Debt	Investor sophistication and patterns in stock returns after earnings announcements: The impact of allowing Qualified Foreign Institutional Investors into the Chinese market	Determinants of Remuneration: Australian Evidence
Fang, V, Lin, C-T, Parbhoo, K.	Benson, K., Faff, R., Smith, T.	Begley, J., Chamberlain, S.	Czernkowski, R., Curtis, A., Liang, K.	Rankin, M.
Spear, N.	Akhtar, S.	Ruddock, C.	Wong, J.	Brown, Paul
Event Day 0? Event Day Misalignment and After-hours Earnings Announcements	Liquidity Preferences in Mutual Fund trades and Fund Performance	The Market's Perception of the Reliability of Deferred Tax Accruals	Are short-sellers influenced by price momentum from trading based upon fundamental analysis?	The impact of the Announcement of CEO Options: Empirical Evidence from Australia
Truong, C., Berkman, H.	Cullen, G., Gasbarro, D.	Tutticci, I., Herbohn, K., Chang, C.	Curtis, A., Fargher, N.	Balachandran, B., Chalmers, K., Putra, Y.
Prescott, J.	Faff, R.	Hamilton, J.	Sidhu, B.	Stewart, J.
Optimal Betting Strategies for Simultaneous Events	Stock Market Volatility: Evidence From Sweden	Accrual Quality and Internal Control over Financial Reporting	Non-Accounting Information and Stock Price Volatility	Corporate Governance and CEO Dismissal in Australia
Grant, A., Johnstone, D., Kwon, O. K.	Tahir, M., Hellberg, T.	McVay, S., Doyle, J., Ge, W.	Taylor, S., Shan, Y., Walter, T.	Wright, S., Lau, J., Sinnadurai, P.
Emanuel, D.	Oliver, B.	Navissi, F.	Fargher, N.	Azim, M.
Civic Suite 2	Civic 3	Lion Harbourview Lounge 1	Lion Harbourview Lounge 2	
AUDITING Auditor Independence Chair: Ken Trotman	PUBLIC SECTOR Innovation and Change Chair: Nick Sciuilli	EDUCATION Pedagogical issues Chair: Bill Richardson	INTERDISCIPLINARY Chair: Lisa McManus	
Threats to auditor independence: The impact of non-audit services, tenure and alumni affiliation	Public sector change, organisational culture and financial information: A study of local government	Exploring students' experience of group work in an accounting subject: a phenomenographic study	Effect of Gender, Family Structure and Firm Affiliation, on Career Promotion in Auditing	
Carson, E., Ping, Y., Simmet, R.	Kloot, L., Martin, J.	Dyball, M., Reid, A., Ross, P., Schoch, H.	Whiting, R., Van Vugt, O.	
Niemi, L.	Neilson, J.	Hamilton, F.	Lightbody, M.	
Interpreting recent changes in audit modification rates with the changes in client risk and audit environment: Evidence from Australia	Cost savings from outsourcing in the Australian public sector: Anecdote or evidence?	Surface to Deep: An assessment intervention to influence the students' learning approach	Does the Size and Holding Concentration of Executive Options Schemes Have Consequences for Firm Financial Performance?	
Fargher, N., Jiang, L.	Bisman, J.	Murphy, D., McGrath, D.	Carlin, T., Ford, G.	
Rainsbury, E.	Colquhoun, P.	Mladenovic, R.	Kristoffersen, I.	
The effect of affiliation on auditor independence	A successful partnership? The impact of devolving financial responsibility on South Australian preschools	Developing an Accounting-Specific Learning Inventory for use as a Diagnostic Tool within Teaching	Job Satisfaction among Financial Planners in Australia	
Martinov-Bennie, N., Cohen, J., Simmet, R.	Lightbody, M.	Mladenovic, R., Lucas, U.	Clayton, B., Petzall, S., Margret, J.	
Hay, D.	Lee, J.	Jackling, B.	Bedford, D.	

This session will be followed by Afternoon Tea 3.00 p.m. – 3.30 p.m.

CONCURRENT SESSION 5
Monday 3 July 3.30 p.m. – 5.00 p.m.

MFC Main Auditorium	Frank Taplin Room	Ilott Theatre	Square Affair 2	Civic Suite 1
FINANCIAL MARKETS Analysts Forecasts	FINANCE Behavioural Finance	FINANCIAL ACCOUNTING Earnings Management	ENVIRONMENTAL ACCOUNTING Social and Environmental Performance and Disclosures	ETHICS Ethical Issues in Accounting
Chair: Andrew Worthington Neglect, analyst following and the feasibility of gaining returns to the book-to-market strategy in Australia	Chair: Philip Gharghori The Impact of Management Confidence on Capital Structure	Chair: Ann Tarca Impact of Family Dominance on Monitoring of Earnings Management by Audit Committee: Evidence from Hong Kong	Chair: Tony McMurtrie Revisiting the relation between environmental performance and environmental disclosure: an empirical analysis	Chair: Kay Plummer The Impact of the Ethical Environment on Auditor Judgments
Curtis, A., Coulton, J., McGoffin, H.	Oliver, B.	Leung, S., Jaggi, B.	Clarkson, P., Li, Y., Richardson, G., Vasvari, F.	Pflugrath, G., Martinov-Bennie, N., Chen, L.
Easton, S.	Gharghori, P.	Bliss, M.	Brown, A.	Cooper, B.
The accuracy of analysts' dividend forecasts around the world	An Intimate Portrait of the Individual Investor	Operational Flexibility and Earnings Management: Some Evidence of the Benefits of Breadth and the Costs of Depth in Multinational Corporations	The rhetoric of environmental reporting: The case of India	Social responsibility, ethics and tax avoidance: A study of Hong Kong tax professionals
How, J., Brown, P., Verhoeven, P.	Durand, R., Newby, R., Sanghani, J.	Bliss, M., Gul, F.	Chatterjee, B., Mir, M. Z.	Simmons, R., Shafer, W.
Coulton, J.	Wee, M.	Begley, J.	Raaf, J.	Plummer, K.
Differential effects of Regulation FD on Long and Short Term Analyst Forecasts Accuracy Precision and Value Relevance	Portfolio Choice 101	The Contemporaneously Endogenous Character of Accounting Variables	The Influence Of Environmental Protection Authority Prosecutions On Corporate Environmental Disclosures	Leadership, Culture and Employee Deceit: The Case of the National Australia Bank
Leung, S., Srimidhi, B., Jaggi, B.	Durand, R., De Silva Rosa, R.	Christodoulou, M., McLeay, S.	Gadenne, D., Ladewig, J.	Dellaportas, S., Cooper, B., Braica, P.
Stecher, J.	Oliver, B.	Hurst, G.	McMurtrie, T.	Martinov-Bennie, N.
Civic Suite 2 AUDITING Firm-specific studies	Civic 3 ACCOUNTING HISTORY	Lion Harbourview Lounge 1 EDUCATION Accounting and the profession	Lion Harbourview Lounge 2 MANAGEMENT ACCOUNTING Goal Setting Issues	
Chair: Brenda Porter Was Andersen a bad auditor? An examination of the quality of Andersen's audits before Enron	Chair: Michael Scorgie Stakeholder Divergence and Institutional Extinction in the Not-for-profit Sector: the CORSO story	Chair: Margaret Ann Johns Educational Tools for Effectively Teaching and Assessing a Core Financial Planning Unit in an Undergraduate Accounting Degree	Chair: Cecilia Spence The Effectiveness of Tiered Goals vs. Stretch Goals	
Zhang, W., Cahan, S.	Sutton, D., Baskerville, R., Cordery, C.	Cull, M., Davis, G., Walker, L.	Schulz, A., Jeffery, S., Webb, A.	
Lennox, C.	Bisman, J.	Adams, D.	Kober, R.	
Auditor merger, audit quality and audit fee: evidence from the PricewaterhouseCoopers merger in the UK	Funding progress: Colonial Hypocrisy 1885-1911	Academic-Practitioner Teaching Collaborations - Pathway for Revitalising Accounting Education	Further evidence on the importance of Reasons-to-Budget on budget importance and performance	
Jia, Y., Ding, R.	Hooper, K., Prescott, J.	Hutchings, G., Addison, P.	Sivabalan, P., Booth, P., Malmi, T., Brown, D.	
Leung, P.	Carnegie, G.	Watty, K.	Cheng, M.	
Materiality and audit opinion: Do financial scandals induce succeeding auditors to Arthur Andersen to report more conservatively?	Accounting Choice, Market Failure, and Accounting Regulation: a case study of New Zealand holding companies adoption of consolidated accounting, 1946-1957	The Accounting Profession As A Career Choice For Tertiary Business Student in Japan - A Factor Analysis	Preliminary results from an experimental investigation of the effect of performance-based rewards on standard cost variance analysis	
Lai, K.	Keenan, M.	Sugahara, S., Boland, G.	Wynder, M.	
Roebuck, P.	Hooper, K.	Cull, M.	Collier, P.	

This session will be followed by the Forum
5.00 p.m. – 6.30 p.m.
in the MFC Main Auditorium.

CONCURRENT SESSION 6 Tuesday 4 July 11.00 a.m. – 12.30 p.m.

MFC Main Auditorium	Frank Taplin Room	Ilott Theatre	Square Affair 2	Civic Suite 1
FINANCIAL MARKETS IPO	FINANCE Default Risk, Bankruptcy and Price Impacts	FINANCIAL ACCOUNTING Future Predictions and Forecasting	FINANCIAL ACCOUNTING Earnings / Cash Flows Properties	ACCOUNTING INFORMATION SYSTEMS
Chair: Asher Curtis	Chair: Farshid Navissi	Chair: Malik Mirza	Chair: Paul Dunmore	Chair: Khondkar Karim
Evaluating IPO Incentives and Prospects	Bankruptcy Conditions in a Stochastic Dynamic Model of the Firm	The Impact of Disclosure Regulation on Analyst Forecasts: A Comparison of Australia and the U.S.	Earnings Decomposition and the Persistence of Earnings	Understanding the Impact of Expert Systems on Auditors' Information Processing and Decision Outcomes
Wyatt, A.	Peat, M.	Hsu, G., Tuttle, I., Lindsay, S.	Wells, P., Kean, S.	Ho, S., Ferguson, C.
Curtis, A.	Grant, A.	Dahmash, F.	Hodgson, A.	Gregor, S.
New economy initial and seasoned equity offers	Default risk and the cross-section of equity returns	Towards an Improved Framework for Predicting Corporate Failure: A Comparison of Open vs. Closed Form Discrete Choice Models	Distribution of Accruals and Prediction for Future Cash Flow and Earnings	Implementation and Infusion Implications for XBRL
Murgulov, Z., Muthuswamy, J., Bornholt, G.	Gharghori, P., Chan, H., Faff, R.	Jones, S., Hensher, D.	Lai, K.W.	Locke, J., Lowe, A.
Ragunathan, V.	Tahir, M.	Ng, C.	Lont, D.	Fowler, C.
The survival of initial public offerings in Australia		The Smoothing of Reported Corporate earnings through Target Setting: Acceptable Practice or Shareholder Deception?	Earnings and Forecasting Future Cash Flows: Does Firm Size Matter?	The Desking of Auditors' Abilities: An empirical test of the Theory of Technology Dominance
Rath, S., Lamberto, A.		Hillier, J., McCrae, M.	Farshadfar, S., Ng, C., Brimble, M.	Moroney, R., Dowling, C., Leech, S.
Lee, P.		Hsu, G.	Dunmore, P.	Kang, H.
Civic Suite 2	Civic 3	Lion Harbourview Lounge 1	Lion Harbourview Lounge 2	
AUDITING	PUBLIC SECTOR	EDUCATION	INTERDISCIPLINARY	
Special Session on Auditing Standards	Issues in local government accounting	Improving quality	Expanding accounting boundaries	
Chair/Commentator: Roger Sinnott	Chair: Louise Kloot	Chair: Dianne McGrath	Chair: Alan Lowe	
Force of Law: the work of the AUASB in setting legally enforceable auditing standards	Depreciation as a 'smoothing device' – An appropriate objective for local authority reporting?	Do student perceptions matter? A study of the effect of student perceptions of management accounting on student performance	The Perception Gap – (Ac)counting invisible volunteers	
James, B.	Pilcher, R.	Ferreira, A., Balasingham, B., Santoso, A., Mudalige, N.	Narraway, G., Cordery, C.	
	Kloot, L.	Richardson, W.	Lawrence, S.	
Issues Facing Auditing Standard Setters in New Zealand	An investigation of infrastructure asset management in Queensland local government authorities	Gaps and Overlaps: a model to map the development of generic skills within a profession based undergraduate degree.	Accounting for Lost Time: an exploration of workplace safety performance measurement	
Prangnell, H., Moores, J.	Mack, J., Simpson, C.	McGrath, D., Murphy, D.	O'Neill, S.	
	Maguire, W.	Brimble, M.	Bradshaw, J.	
	Budget basis for local government services: A case study	Quality in Accounting Education in Australia: Who is Charting the Course?		
	Alam, M.	Watty, K.		
	Mucciarone, M.	Kavanagh, M.		

**This session will be followed
by Lunch
12.30 p.m. - 1.30 p.m.**

CONCURRENT SESSION 7
Tuesday 4 July 1.30 p.m. – 3.00 p.m.

MFC Main Auditorium	Frank Taplin Room	Ilott Theatre	Square Affair 2	Civic Suite 1
FINANCIAL MARKETS Regulation	FINANCE Financial Institutions	FINANCIAL ACCOUNTING Management Forecast / IPO	ENVIRONMENTAL ACCOUNTING Sustainability and the organisation	CORPORATE GOVERNANCE V
Chair: Paul Nowak	Chair: Karen Benson	Chair: Peter Wells	Chair: Reg Mathews	Chair: Philomena Leung
Regulation Fair Disclosure: An Analysis of SEC Enforcement Actions	Personal bank account access and awareness: An analysis of the technological and informational constraints of Australian consumers	Do investors adequately discount management's forecast optimism at IPO?	Sustainability Ratings: A Social Responsibility, Investment Perspective on Listed Airline Companies in Australia	Corporate Social Performance and Financial Characteristics - Australian evidence on the relationship between ratings on environmental, social and governance criteria
Lont, D., Griffin, P., Segal, B.	Worthington, A.	Simon, A., Curtis, A., Yao, J.	Burritt, R., Bachoo, K., Tan, R.C.W.	Kristoffersen, I., Gerrans, P., Clark-Murphy, M.
Birt, J.	Locke, J.	Coulton, J.		O'Connell, B.
Substitute Trading and the Effectiveness of Insider Trading Regulations	An examination of institutional dividend clienteles: Evidence from Australian institutional portfolio holdings	The Impact of Recent Regulatory Changes on the Earnings Forecasting Behaviour of Australian Initial Public Offering Firms	Social Responsibility: Taking up the challenge in an Australian Credit Union	Internal Control Procedural Quality: Antecedents and Interaction Effects on the Organisational Justice and Employee Fraud Relationship
Huang, H.	Jun, A., Gallagher, D., Partington, G.	Gallery, G., Gallery, N., Linus, A.	McGrath, D.	Subramaniam, N., Rae, K.
Nowak, P.	Worthington, A.	Bryant-Kutcher, L.	Simmons, R.	Nowland, J.
One Size Fits All? Investor Protection Regulation of Centralised Trading Platforms		The value information available from non-financial indicators of innovation in biotech IPOs	Annual Reports: a mechanism to signal sustainable performance?	
Boyle, G., Meade, R.		Ferguson, A., Curtis, A., Kuo, A.	Raar, J.	
Khanna, B.		Rahman, A.	Mathews, R.	
Civic Suite 2	Civic 3	Lion Harbourview Lounge 1	Lion Harbourview Lounge 2	
AUDITING	INTERNATIONAL ACCOUNTING	CRITICAL PERSPECTIVES	MANAGEMENT ACCOUNTING	
Audit Pricing and Industry Specialization	International Financial Reporting	Critical Views of Corporate Responsibilities	Performance measurement: Intervening Roles	
Chair: Caitlin Ruddock	Chair: Allan Hodgson	Chair: Sandra Van Der Laan	Chair: Jayne Bisman	
The investment opportunity set and industry specialization by auditors	The effects of international financial reporting standards on the accounts and accounting quality of Australian firms	Asbestos Victims versus Corporate Power: The Case of James Hardie Industries	In a Performance Measurement System: Is It Job-Relevant Information or Its Decision-Making Use That Leads to Better Performance?	
Jeter, D., Hamilton, J., Godfrey, J., Caham, S., Ferguson, A.	Goodwin, J., Ahmed, K.	O'Connell, B., Webb, L.	McWhorter, L., Matherly, M.	
Audit fee rigidities in the presence of market frictions: Evidence and explanations	How are AIFRS Reconciliations to Previous GAAP Being Disclosed	Strategic performance measurement systems in NZ local government: a Foucauldian analysis	An empirical analysis of the relationship between the interactive use of performance measurement systems, creativity and performance: the intervening role of psychological empowerment	
Ferguson, A., Taylor, S., Lennox, C., Knechel, R.	Jubb, C.	Lawrence, S., Nyamori, R.	Webster, C.	
Audit fees and investor protection: Evidence from Hong Kong	An Investigation of International Comparability of Management Discussion and Analysis Reports	Are privatized airports accountable for their social responsibilities?	Wynder, M.	
Li, J., Kim, J., Shi, H.	Tarca, A., Seah, S.	Zakrzewski, D., Juchau, R.	The Design of Performance Management Systems: Evidence from the Public Sector in Hong Kong	
Sahrawat, K.	Percy, M.	Mirza, M.	Yuen, S., Chan, S.	
			Pazmandy, G.	

This session will be followed by Afternoon Tea 3.00 p.m. - 3.30 p.m.

<p style="text-align: center;">CONCURRENT SESSION 8 Tuesday 4 July 3.30 p.m. – 5.00 p.m.</p>			
MFC Main Auditorium	Ilott Theatre	Square Affair 2	Civic Suite 1
FINANCIAL MARKETS Market Efficiency	FINANCIAL ACCOUNTING Disclosure	FINANCIAL ACCOUNTING Impact of Financial Regulations	CORPORATE GOVERNANCE VI
<p>Chair: Marvin Wee</p> <p>Order Imbalance and Returns: An Examination of Order Size and Trader Identity</p> <p>Yang, J., Milne, B., Wee, M.</p> <p>Grayson, M.</p> <p>Are Markets Systematically Misinformed? A Synthesis of the Fama-French and the Kane Models of Difference of Opinion and a Test in the Financial Markets of Germany, Mexico, Thailand and Turkey.</p> <p>Dew, K.</p> <p>Partington, G.</p> <p>Explanations: why post-earnings-announcement drift occurs, why stock prices tend to rise after a stock split, and some reasons why managements smooth earnings</p> <p>Grayson, M.</p> <p>Wyatt, A.</p>	<p>Chair: Majella Percy</p> <p>The Relevance of Off-balance Sheet Lease Finance Disclosures</p> <p>Lee, R., Spear, N.</p> <p>Garg, M.</p> <p>Voluntary disclosure of operating income</p> <p>Wong, J., Wong, N.</p> <p>Tuttici, I.</p> <p>The strategic use of prior-period benchmark disclosures in management earnings forecasts</p> <p>Coulton, J.</p> <p>Lee, R.</p>	<p>Chair: Malik Mirza</p> <p>Does regulatory change improve financial reporting timeliness? Evidence from Bangladeshi listed companies.</p> <p>Karim, AKM W., Ahmed, J. U.</p> <p>Chatterjee, B.</p> <p>Evidence on the Link between CEO Remuneration and Company Performance</p> <p>Walker, J., Clarkson, P., Nicholls, S.</p> <p>Wells, P.</p> <p>The Impact of the Accelerated Filing Deadline on Timeliness of 10-K Filings</p> <p>Bryant-Kutcher, L., Peng, E., Zvinakis, K.</p> <p>Lee, J.</p> <p>Tyler, J.</p>	<p>Chair: Chew Ng</p> <p>Independent Directors, Returns to Shareholders, and Executive Compensation</p> <p>Huang, C., Chen, H. C.</p> <p>Shailer, G.</p> <p>Substitute and Complementary Effects of Alternate Monitoring Mechanisms on Firm Performance</p> <p>Azim, M., Shailer, G.</p> <p>Godfrey, J.</p> <p>Executive Performance-based Remuneration: How is it Paid under Performance Change and Different Board Structures?</p>
<p>Civic Suite 2</p> <p>AUDITING</p> <p>Audit Quality and Independence</p> <p>Chair: Andrew Ferguson</p> <p>Putting downward pressure on premiums paid by auditors for professional negligence insurance: an Australian experiment</p> <p>Langton, R</p> <p>Delaney, M.</p> <p>Audit quality and properties of analysts' earnings forecasts</p> <p>Kwon, Y., Choi, J., Behn, B., Kang, T.</p> <p>Dunmore, P.</p>	<p>Civic 3</p> <p>INTERNATIONAL ACCOUNTING</p> <p>Reflections on International Accounting Issues</p> <p>Chair: Richard Morris</p> <p>Black Economic Empowerment, Legitimacy, and Accounting Disclosures: Evidence from Post-Apartheid South Africa</p> <p>Van Staden, C., Cahan, S.</p> <p>Cordery, C.</p> <p>Identifying Decision Useful Information With the Matrix Format Income Statement</p> <p>Hancock, P., Tarca, A., Brown, P.</p> <p>Simon, A.</p> <p>Small GAAP: a large jump for the IASB</p> <p>Baskerville, R., Cordery, C.</p> <p>Cahan, S.</p>	<p>Lion Harbourview Lounge 1</p> <p>EDUCATION</p> <p>Approaches to learning</p> <p>Chair: Sidney Weil</p> <p>Creating positive outcomes and developing 'softer skills' using mentoring to foster a collaborative learning environment in a large first year accounting course</p> <p>Kavanagh, M.</p> <p>McManus, L.</p> <p>Examining the relationship between the use of on-line learning and academic performance</p> <p>Halabi, A., Dyt, R., Maxfield, J.</p> <p>Matherley, M.</p> <p>Students' perceptions of ABC quick software and the impact of these perceptions on learning</p> <p>Balachandran, B., Santoso, A., Ferreira, A., Mudalige, N.</p> <p>Kavanagh, M.</p>	<p>Lion Harbourview Lounge 2</p> <p>MANAGEMENT ACCOUNTING</p> <p>Balanced Scorecard and Corporate Life Cycle</p> <p>Chair: Paul Collier</p> <p>Balanced Scorecard Content, Use, and Performance Impacts; Some Australian Evidence</p> <p>Bedford, D., Brown, D., Malmi, T.</p> <p>Yuen, S.</p> <p>Multiple Objectives, Management Control Systems and the Balanced Scorecard: An Exploratory Study</p> <p>Sundin, H., Brown, D., Granlund, M.</p> <p>Alam, M.</p>
<p>The Conference Dinner will commence at 7.15 p.m. for 7.45 p.m.</p>			

Editor's Report

A&F to Publish an Extra Issue in 2006

I am pleased to report that at its recent May meeting, the AFAANZ Board authorised the publication of a one-off extra issue of Accounting and Finance in 2006. This will make 2006 a five issue volume. This initiative is in response to the backlog of accepted papers currently at the journal. We greatly appreciate the encouragement and support that Blackwell Publishing has provided and also our Institutional Members that have helped give us the financial backing to take this course of action.

Application for inclusion in the ISI Social Science Citation Index

As foreshadowed in a previous Newsletter, in December 2005 we submitted our application for Accounting and Finance to be included in the ISI SSCI. The process for considering the application is lengthy – we do not expect to hear the outcome until later this year.

Forthcoming Papers

The following papers have been accepted and will be published in Volume 46, Issue 2 of Accounting and Finance, due out in June 2006.

"Data Preprocessing and Data Parsimony in Corporate Failure Forecast Models – Evidence from Australian Materials Industry" **Wu, Lee & Tan**

"Revisiting the Corroboration Effects of Earnings and Dividend Announcements" **Cheng & Leung**

"Active Investment Manager Portfolios and Preferences for Stock Characteristics" **Brands, Gallagher & Looi**

"Financial Covenants in the Markets for Public and Private Debt" **Mather & Peirson**

"Bayesian Comparison of Several Continuous Time Models of the Australian Short Rate" **Sandford & Martin**

"Effect of Cognitive Style and Professional Development on the Initiation of Radical and Non-radical Management Accounting Innovations" **Emsley, Nevicky & Harrison**

"Should there exist Secondary Markets for Executive Stock Options?" **Kallunki et al**

"Does Market Misvaluation Help Explain Share Market Long-Run Underperformance Following a Seasoned Equity Issue?" **Brown, Gallery & Goei**

The following papers have been accepted and will be published in Volume 46, Issue 3 of Accounting and Finance, due out in September 2006.

"Environmental Social Controls and Capital Investments: Australian Evidence" **Wood & Ross**

"Capitalised Intangibles and Financial Analysts" **Matolcsy and Wyatt**

"Accounting Graduates' Perceptions of Skills Emphasis in Australian Undergraduate Accounting Courses: An Empirical Investigation" **De Lange, Jacking and Gut**

"The Impact of On-Field Football Success on the Off-Field Financial Performance of AFL Football Clubs" **Pinnuck & Potter**

"NZ Mutual Fund Performance" **Bauer, Otten & Tourani-Rad**
 "Australian CEO Remuneration: Pay and Performance" **Merhebi, Swan and Zhou**

"The Relationship between Franking Credits and the Market Risk Premium" **Gray & Hall**

"The Relation between External Audit Fees, Audit Committee Characteristics and internal Audit" **Goodwin-Stewart & Kent**

Robert Faff

Editor, Accounting and Finance

Report on Changes to Entry Pathways for CA Program

On behalf of its members, AFAANZ plays a role in monitoring and evaluating developments that affect education and training in the accounting profession. With this in mind, the Board recently interviewed Sheena Frenkel, the General Manager of the ICAA, regarding changes that ICAA are introducing to entry pathways to the CA Program.

What is happening?

From 2007, ICAA will admit non-accounting graduates to the CA Program if they

- ▶ have passed an entrance examination,
- ▶ have employee sponsorship from a chartered or an accredited organisation, and
- ▶ are undertaking accounting-related work experience and are supported by on-the-job training.

Why are these changes being introduced?

ICAA members have requested these changes

- ▶ to address the shortage of quality "client ready" graduates joining the accounting profession.
- ▶ to diversify the skills base of accounting professionals.

What type of graduate employee would seek this route to a professional accounting career?

- ▶ In practice only the larger accounting organisations are likely to be interested in employing non-accounting graduates and sponsoring them through the CA program. Small to medium sized practices and employers in commerce would be less likely to seek diversity of employee skills in this way, at least in part due to the cost to the employer of preparing the graduate for the entrance exam.

- ▶ Employers will be seeking the very best graduates from non-accounting fields. The entrance exam and the subsequent CA Program will be a challenge to any non-accounting major.

What academic input has ICAA sought in developing these changes?

- ▶ ICAA's Academic Board with membership including senior accounting academics has been fully involved in developing these changes.

How will the changes affect universities?

- ▶ ICAA does not anticipate that this change will affect enrolments in undergraduate accounting programs. It is continuing its promotion of accounting careers with undergraduates and school leavers. This new route to the CA qualification is longer, more difficult, and more costly, and cannot be directly accessed by school leavers who wish to become chartered accountants.

How will the standard of professional accounting knowledge and skills be affected by these changes to the CA Program?

- ▶ The ICAA does not wish to dilute the professional standing of the CA qualification.
- ▶ The aim of this change is to create diversity in teams of accounting professionals working mainly in chartered firms. The ICAA membership has indicated that it is important for any professional working as part of such a team to have the CA qualification.

How can knowledge of accounting, equivalent to an undergraduate program, be taught in eight months, and reportedly assessed via a multiple choice examination?

- ▶ The format of the entrance examination will not be determined until the number of candidates is known, which will be after June 2006.
- ▶ The content that candidates are expected to have mastered is the "nuts and bolts" of accounting, sufficient to enable them to undertake the CA Program. It will include content of financial statements, consolidations, and other topics similar to the core knowledge areas of the CA Program. At this stage, it is not envisaged that standards will be covered. It is not an overview of accounting but a practical assessment of a working knowledge of accounting.
- ▶ By necessity the training that candidates receive will not be the equivalent of an undergraduate accounting program, nor an accounting conversion course. It is the employer's responsibility to support their candidates in their preparation for the examination, and to fill any knowledge gaps.
- ▶ The larger employers are looking to the ICAA to show leadership in regards to the training needed for the exam. As a consequence there could be either a university/training company partnership established, or the ICAA could run the training through their CPE unit.

How many candidates are likely to use this entry route?

- ▶ This won't be known until later in the year, when employers will be interviewing non-accounting graduates in campus interviews. Factors to be revealed at that time are the level of interest by employers, and the up-take by non-accounting graduates.

Is the ICAA still committed to supporting undergraduate accounting education at universities in Australia?

- ▶ The ICAA has indicated that this priority has not changed.

Sue Wright
Education Portfolio

CPA Australia

CPA Australia Approach to Research

CPA Australia is committed to building knowledge in business, accounting and finance. To do this, CPA Australia actively pursues intellectual capital developed internally and through research contracted externally. Highlighting the importance of academic research to CPA Australia, over \$350,000 has been contributed since 2000 as investing in research is fundamental to ensuring members remain leaders in their chosen field.

CPA Australia continuously acts as an intermediary between theory and practice and this implies more than merely disseminating the work of others.

CPA Australia produces a variety of reports and surveys (<http://www.cpaaustralia.com.au/links?research>) on topics ranging from SME finance, insolvency issues and the impact of FRSA Reporting. In addition, CPA Australia annually sponsors up to 6 competitive research grants and scholarships, available to Australian accounting academics. These grants and scholarships cover an array of areas and each offers funding to a maximum of \$10,000. Again, the topics covered have been diverse and included non-current asset valuation, the financial literacy of small business owners and CGT. Finally, CPA Australia has and will continue to commission research on specific topics of interest.

CPA Australia is also participating in a number of ARC-Linkage Grants. One current project involves examining the role of accountants and accounting in improved sustainability management reporting while another considers the development of a national auditing strategy to the benefit of capital markets. In total, CPA Australia is working on over half a dozen ARC-Linkage projects and will be contributing close to \$200,000 over the next 3 years.

To assist members to be the leaders in their field, CPA Australia will continue its role in undertaking and supporting research in business, accounting and finance.

AFAANZ Doctoral Consortium

29 June – 1 July 2006

InterContinental Hotel, Wellington, New Zealand

PhD Fellows	Institution	PhD Fellows	Institution
ASUDALLI, Nordin	Monash University	LOH, Chang-Yuan	University of Sydney
BEATTIE, Claire	La Trobe University	LU, Meiting	University of New South Wales
BODLE, Kerry	Griffith University	MANGION, Donna	Charles Sturt University
CHEN, Charlene	Macquarie University	MIGLANI, Seema	La Trobe University
CICCOTOSTO, Susan	James Cook University	MILNE, John	University of Sydney
CROFTS, Ken	Charles Sturt University	MURPHY, Daniel	Charles Sturt University
DAVENPORT, Laura	University of Ballarat	OMURA, Teruyo	Griffith University
DEV, Priya	Australian National University	QIU, Jia	University of Queensland
FAROOK, Sayd	University of Technology Sydney	REPPENHAGEN, David	Emory University
GENRICH, Sharron	Queensland University of Technology	RIDGEWELL, Stephen	University of Auckland
GOYEN, Michelle	University of Southern Queensland	SADIQUE, Shibley	Monash University
JONGSUREYAPART, Chatrudee	Victoria University	SEOW, Poh Sun	University of Melbourne
KIM, Maria	University of Sydney	TIAN, Kevin	Curtin University of Technology
KRUK, Jennifer	University of Sydney	TRUONG, Phuong	Victoria University of Wellington
LAM, Peter	University of New South Wales	VU, Tram	Monash University
LE, Hanh Thuy	University of New South Wales	WELLS, Paul	Auckland University of Technology
LI, Yang	University of Technology Sydney	WU, Gang (Henry)	University of Melbourne
		ZAKRZEWSKI, Dorethea	University of Western Sydney

Institute of Chartered Accountants in Australia

27 April 2006 – World's Largest Accounting Body Announced Today

An international accounting coalition, called the 'Global Accounting Alliance' (GAA), has been formed by the world's premier accounting bodies to promote quality professional services, support the global membership, share information and collaborate on international accounting issues.

The GAA, which was announced in Australia today by the Institute of Chartered Accountants, will represent over 700,000 of the world's leading professional accountants. The Institute is the only Australian accounting body within the alliance.

Other bodies within the alliance include:

- ▶ American Institute of Certified Public Accountants (AICPA);
- ▶ Canadian Institute of Chartered Accountants (CICA);
- ▶ Hong Kong Institute of Certified Public Accountants (HKICPA);
- ▶ Institute of Chartered Accountants of England and Wales (ICAEW);
- ▶ Institute of Chartered Accountants of Ireland (ICAI);

- ▶ Institute of Chartered Accountants of Scotland (ICAS);
- ▶ New Zealand Institute of Chartered Accountants (NZICA); and
- ▶ South African Institute of Chartered Accountants (SAICA).

The Institute of Chartered Accountants, Chief Executive Officer, Graham Meyer said the GAA was an alliance of leading professional accountancy bodies in significant capital markets created to promote quality professional services, global membership support, share information and collaborate on important international issues.

The Alliance will work with national regulators, governments and stakeholders, through member-body collaboration, articulation of consensus views, and working in collaboration, where possible, with other international bodies. Supporting IFAC's role as the voice on international issues is the preferred outcome.

"Increasingly more and more of our members are moving around the world and as a consequence they are looking for greater support from the profession. The GAA will help each member organisation provide that support," Mr Meyer said.

The GAA will be directed by former Institute of Chartered Accountants CEO, Stephen Harrison.

New Zealand Institute of Chartered Accountants

New Zealander to head global accounting alliance

New Zealand Institute of Chartered Accountants' Chief Executive Garry Muriwai has been appointed the inaugural chairman of a new global alliance of professional accounting bodies.

Mr Muriwai, a driving force behind the formation of the Global Accounting Alliance, said the grouping of nine "best in country" accounting organisations would help accountants worldwide address global challenges.

"The accounting profession is now essentially a global profession with increasingly global standards and practices and for some time I've believed there has been an opportunity to create a new organisation that would speak with one voice on these issues."

He said the Alliance will provide global thought leadership, coordinate interactions with regulatory bodies and provide support to alliance members.

"For example, our early milestones include greater advocacy for auditor liability reform, improved collaboration in services to small and medium-sized businesses and the promotion of best practice internationally.

"The alliance's emphasis on advocacy, collaboration and sharing of information and knowledge will give national accounting organisations greater leverage with national regulators, governments and other stakeholders to improve the quality of financial reporting and management.

"The overriding objective is to use the skills and knowledge of accountants in the public interest," Mr Muriwai said.

Mr Muriwai said New Zealand's membership of the alliance will give New Zealand Chartered Accountants access to support in major capital markets represented by other alliance members and allow participation in major global initiatives such as the development of regulations and accounting standards.

SIG News

Accounting History Interest Group (SIG2)

Histories of Accounting Research – Call for Papers

Accounting scholars, in general, tend to admire, even if unconsciously, the schools of thought and associated theoretical perspectives that have driven accounting research and structured debates in the academic community and beyond. Often, little is known about the historical develop-

ment of such schools and the advent and development of key theoretical perspectives which form part of the taken-for-granted underpinnings of frames of reference.

This special issue will comprise articles that provide historical perspectives on schools of thought in accounting. Frequently, examinations of accounting research organise, synthesise and evaluate the published findings of various authors working within a specific paradigm (that is, literature reviews), or undertake a critical analysis of the assumptions and/or methods employed within particular paradigms, such as capital markets research. Accounting history has tended to ignore the research enterprise and focus on specific episodes, such as histories of standard-setting, histories of accounting and auditing techniques and practices, or histories of the profession, firms or prominent individuals. Furthermore, few historical studies in accounting examine the development of accounting research across space. To redress this omission, relevant manuscripts bringing new historical insights about accounting research are cordially invited for review.

Topics may include, but are not limited to, the following areas:

- (1) Examination of changing conceptions of the role of the academic as research paradigms shift, and/or in response to changing constellations of users/supporters of accounting research.
- (2) Identification and evaluation of "significant" past literature reviews.
- (3) The translation or mutation of research issues as they move across research paradigms. That is, how have "old" research questions been transformed or resurrected through the application of different research methods?
- (4) Tracing the trajectory of research questions as new research methods are introduced. What questions become possible, and which are abandoned, as research methods shift within a particular research stream such as auditing?
- (5) Identification of abandoned branches of the "family" tree and identification of any research streams which have become "locked in".
- (6) Exploration of the crucial turning points that launched a literature or changed its questions.
- (7) Studies of the relationship(s) between the evolution of accounting research and broader social discourses and the absorption of accounting discourses within other disciplines.
- (8) Studies which explore why certain countries appear to become home base for particular types of research, such as investigations as to why capital markets research, for example, is more prominent in the US and accounting research within the critical paradigm is more widespread in the UK.

- (9) Longitudinal studies of the relationship(s) between accounting, business and economic history.
- (10) Explorations of the role played by accounting history research in broadening our understandings of contemporary accounting as a social and institutional practice.

Potential contributors are encouraged to interpret this theme using diverse theoretical and methodological perspectives and are strongly encouraged to contact the guest editors in advance to discuss their proposed topics. Submissions must be written in English and forwarded electronically, to the guest editors, by 15 February 2009. This special issue is scheduled to be published in late 2009/early 2010.

Guest editors:

Alan Richardson, Schulich School of Business, York University, Toronto, ON

Joni Young, Anderson School of Management, University of New Mexico, Albuquerque, NM, USA

Email: ARichardson@schulich.yorku.ca, young@mgt.unm.edu

Accounting Standards Interest Group (SIG3)

2006 Accounting Standards Forum Wellington

We have a wonderful day arranged for those who attend the 12th Accounting Standards Forum in Wellington as you can see from the program below. I would like to thank Tony van Zijl, Janice Loftus and Mike Bradbury for their assistance in bringing this program together. I would also like to once again acknowledge the support of the standard setters in New Zealand and Australia for their continuing support of the forum. I would also like to thank Terry Heazlewood the Chair of the Asia-Pacific Financial Reporting Advisory Group (APFRAG) for taking the time to fly to New Zealand to talk at the Forum about APFRAG and its role as he has to return to Sydney the same day as he leaves on an overseas trip on the Sunday. I wish all of you a successful and enjoyable day.

The AGM of the group will also be held during the conference so watch out for information about the day and time.

Program

- 8.45** Registration
- 9.00** Opening Remarks:
- 9.05** FRSB update – Kimberley Crook
- 9.20** IFRIC update – Mike Bradbury
- 9.35** AASB update – Financial reporting by superannuation plans-Dean Ardern
- 10.30** Morning tea
- 10.45** The role and activities of the Asia Pacific Financial Reporting Advisory Group- Terry Heazlewood

- 11.30** Regulatory developments in corporate social responsibility- John Purcell and Janice Loftus
- 12.00** IASB/FASB Framework project- Kevin Simpkins
- 1.00** Lunch
- 2.00** Implications for the Public Sector of the adoption of IFRS in New Zealand- Ken Warren
- 3.00** FRRaG editor's report- Janice Loftus
- 3.05** PhD Presentations
The Impact of Corporate Governance on Corporate Disclosure Behaviour – An Australasian study Thu Phuong Truong, Victoria University of Wellington
The Influence of Societal Factors on IFRS Adoption. Jamal Hor, University of Sydney
- 4.05** Concluding Remarks: Mike Bradbury
- 4.15** Drinks

Financial Reporting, Regulation and Governance

The official journal of the ASIG was relaunched in December 2004 under the new name, Financial Reporting, Regulation and Governance (FRRaG). The objective of the journal is to publish high quality articles that contribute to the advancement of knowledge, thought and debate on issues of financial reporting practice and regulation, and the interface of financial reporting with governance of private for-profit and not-for-profit entities and public sector bodies. FRRaG has received official recognition as a scholarly academic journal from the Australian government Department of Education, Science and Training (DEST). The editors are Phil Hancock (UWA), Janice Loftus (USYD) and Greg Tower (Curtin University), and the associate editor is Alistair Brown (Curtin University). Like its predecessor, FRRaG is an electronic journal, which can be viewed at <http://www.cbs.curtin.edu.au/business/research/journals>.

The journal has two sections: a refereed section, in which all accepted papers have been subject to the double blind review process by two reviewers; and a professional section which aims to provide a forum for the expression of views about issues associated with the broad areas of financial reporting, regulation and governance, in which papers are reviewed by the editors before publication.

There have now been three issues since the journal was relaunched and the Editorial Board invites submissions from accounting practitioners, academics, members of standard-setting bodies and regulators. The manuscript may be sent by email direct to the FRRaG email address: J.Loftus@econ.usyd.edu.au. We are always seeking referees and if you are willing to serve as a referee, please email Janice.

Phil Hancock
Secretary
phancock@biz.uwa.edu.au

News from Institutions

Deakin University

School of Accounting, Economics and Finance

Staff Appointments

Professor Philomena Leung [PhD (RMIT); M.Acc (Glasgow); FCCA; FCPA; MIIA; HD (Acc) / BA (Hons) Acc] was appointed as Head of School, effective December 2005. Professor Leung was Acting in the position since April 2005. Professor Leung is a pioneer for ethics education in accounting and has been instrumental in the design and implementation of accounting ethics courses in Hong Kong and Australia. Professor Leung has an auditing background with one of the then Big Eight, and has taught in tertiary education for nearly 30 years in accounting and auditing. Professor Leung's PhD is in the ethical issues in accounting. She has written widely in ethics, auditing and corporate governance, and has published books in accounting and auditing, and articles in a number of academic and professional journals, including "Modern Auditing and Assurance Services" published by John Wiley & Sons. Besides her PhD in Accounting Ethics, Professor Leung has a Master of Accounting from Glasgow University and member of a number of professional bodies including CPA Australia, The Association of Chartered Certified Accountants (ACCA) and MIIA. Professor Leung has just completed the commissioned project as the leader for IFAC on the Approach and Maintenance of Professional Values, Ethics and Attitudes in accounting education and is pleased to speak to you about some of the team's findings.

New Appointments since July 2005

Gary Wei, Lecturer, Dr Hoa Nguyen – Lecturer, Aiman Abousher – Associate Lecturer, Sutha Kanapathippillai – Associate Lecturer, Janto Haman – Associate Lecturer, Chris Ratcliffe – Lecturer, Dr Brian Clarke – Senior Lecturer, Robert Grose – Senior Lecturer, Michael D’Rosario – Associate Lecturer, John Muniandy – Associate Lecturer.

New Contract appointments since July 2005

Alan Broadbent – Senior Lecturer, Sarah Chinnick – Lecturer, Aminul Miazi – Associate Lecturer, Karen Owen – Associate Lecturer, Peter Richardson – Lecturer, Ross Stevens – Associate Lecturer.

The following existing staff were appointed to Level B positions in April 2006.

Janto Haman, Michael Graham, Chee-Jin Yap, Luisa Lombardi, Prasad Bhattacharya.

The following existing staff were appointed to Level C positions in April 2006

Mike Kerry.

University of Auckland

Department of Accounting and Finance

Staff Appointments

Cameron Truong will join the Department in July as a lecturer in finance.

Staff PhDs

Congratulations to Kam Fong Chan and Ralph Kober on being awarded PhDs from the University of Queensland and University of Western Australia respectively.

Visitors

During the first semester the Department will be hosting Professors Philip Brown (University of Western Australia), Ron Masulis (Vanderbilt University) and Hendrik Bessembinder (University of Utah).

University of New South Wales

School of Accounting

2006 ISAR Conference – Sydney, June 22-23

The International Symposium on Audit Research (ISAR) is co-sponsored by the University of Southern California (USA), Universiteit Maastricht (Netherlands), Nanyang Technological University (Singapore), and UNSW, and hosted annually in turn by each of the universities.

The host of ISAR 2006 is the Centre for Accounting and Assurance Services Research at the UNSW School of Accounting.

The Symposium will be held on 22-23 June, 2006, at the Crowne Plaza Hotel, Coogee Beach, Sydney, Australia, before the AFAANZ Conference in Wellington New Zealand. We encourage all auditing academics to attend.

For further details on program, registration and accommodation, see www.isarhq.org.

Staff Appointments

The School of Accounting has appointed two new Associate Professors. UNSW congratulates Andrew Ferguson on his promotion to this position, and welcomes back Jane Baxter, rejoining UNSW in August from the University of Sydney.

Congratulations also to Habib Mahama on his promotion to Senior Lecturer, and Andrew Jackson on his promotion to Lecturer.

Visiting Academics

Professor Jean Bédard of Université Laval, Canada, is visiting UNSW from January - December. Jean's research interests are in auditing. He has presented a paper entitled *Reported Internal Control Deficiencies and Earnings Quality* in the School's research seminar series.

Linda Portnoff from Sweden's Stockholm School of Economics is visiting UNSW from February - June. Linda is writing her PhD on management control in the music industry.

Professor Steven Huddart from Penn State, USA, is visiting the School in May - June, presenting a research seminar series paper entitled *Managerial stock sales and earnings management during the 1990s stock market bubble*.

Professor Trevor Hopper from Manchester University, UK, visited UNSW in March and took part in a management accounting PhD colloquium.

ICAA research grant recipients

UNSW staff have been awarded two of the ten grants available from the Institute of Chartered Accountants in Australia Academic Research Grant Scheme. Congratulations to Paul Andon, Kar Ming Chong and Peter Roebuck for *Personality Types of accounting and non-accounting graduates: implications for the accounting profession*, and Peter Roebuck and Gary Pflugarth (with Professor Neil Fargher of Macquarie University), for *Auditors' perceptions of the link between business risk and extended testing*.



Proudly supported by AFAANZ

Pearson Education Australia would like to thank AFAANZ members for all Pearson Education Accounting/Finance Lecturer of the Year Award nominations received. Applications have now closed and we look forward to announcing the winner at the AFAANZ Conference in Wellington, New Zealand in July 2006.

The award, established in 2001, aims to encourage and recognise innovative teaching practices in Accounting or Finance at university level. Submissions are judged by the Education Directors of CPA Australia and the ICAA, who will look for outstanding contributions to teaching in terms of:

- ▶ Interest and enthusiasm for teaching and for promoting student learning.
- ▶ Ability to organise course material and to present it cogently and imaginatively.
- ▶ Command of subject matter, including the incorporation in teaching of recent developments in the field of study.

- ▶ Provision of appropriate student assessment, including the provision of worthwhile feedback to students on their learning.
- ▶ Professional and systematic approach to teaching development.
- ▶ Participation in professional activities and research relating to teaching.

For further information regarding this award, please contact:

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