

7-1927

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Recommended Citation

Lormer, George (1927) "Accountancy in Australia," *Journal of Accountancy*. Vol. 44 : Iss. 1 , Article 3.
Available at: <https://egrove.olemiss.edu/jofa/vol44/iss1/3>

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Accountancy in Australia

BY GEORGE LORMER

In reviewing the development of accountancy in the commonwealth of Australia, regard must be had to several influences which have had an important bearing on the profession, viz.:

- (1) The conduct of professional accountancy in England.
- (2) The companies acts of the six Australian states, which have been based to a large extent on the British companies act.
- (3) The income-tax legislation, both state and federal.

In all the states of Australia, societies or institutes of accountants were formed many years ago, for purposes such as the elevation of the profession of accountancy, the dissemination of professional knowledge, the inculcation of sound practice, the increase of the confidence of the community in the employment of accountants and auditors, and generally the promotion of the interests of the profession.

The years in which the early state institutes were formed were as follows:

<i>Name of institute</i>	<i>Year</i>
The Adelaide Society of Accountants (later changed to the Institute of Accountants in South Australia)	1885
The Incorporated Institute of Accountants of Victoria (later extended to other states and changed to Commonwealth Institute of Accountants)	1886
The Queensland Institute of Accountants	1891
The Institute of Incorporated Accountants of New South Wales	1908
The Tasmanian Institute of Accountants	1897
The Institute of Accountants and Auditors of Western Australia	1900

Other smaller institutes have been formed in some of the states from time to time and in 1894 the Federal Institute of Accountants was formed and now has branches in all states.

The Incorporated Institute of Accountants of Victoria established branches in other states and later the name was changed to the Commonwealth Institute of Accountants, as indicated above. This institute has also absorbed the Institute of Accountants and Auditors of Western Australia and the Queensland Institute of Accountants and a small institute in South Australia.

Accountancy in Australia

AUSTRALASIAN CORPORATION OF PUBLIC ACCOUNTANTS

The membership of the institutes previously mentioned has always included a number who were not actually carrying on public accountancy work, and the desire on the part of practising accountants to have an institute comprised entirely of those actively engaged in professional accountancy led to the formation, in the year 1907, of the Australasian Corporation of Public Accountants. Only those who are doing public accountancy work are allowed to sit for the examinations of this corporation and full membership is granted only to those carrying on practice as principals, either on their own account or in partnership. This fact, together with a high standard of examinations, has had the effect of limiting the number of members compared with the commonwealth and federal institutes.

The Australasian Corporation of Public Accountants has now practically absorbed the Institute of Accountants in South Australia, as it is agreed that no further members will be admitted to the latter after October 31, 1926, so that it will gradually become inactive.

ADMISSION TO INSTITUTES

In order to obtain admission as an associate of the more important institutes, it is necessary to have had several years' experience in public accountancy work and to pass the examinations, the actual terms being set out precisely in the regulations of the respective institutes. It is usually provided that the degree of fellow is granted to associates who have been in practice as principals for a certain number of years.

There were, in several instances, reciprocal arrangements between institutes for the uniform setting and marking of examination papers. These arrangements have, in some cases, been superseded by the amalgamations referred to above.

The numerical strength of the three largest institutes is as follows:

<i>Commonwealth Institute of Accountants.</i> (At December 31, 1925)	
Fellows	309
Associates	1,113
Licentiates (experience in public accountancy work not required)	1,526
Honorary members, life members and corresponding members	12
	<hr/>
	2,960

The Commonwealth Institute has a number of women members.

The Journal of Accountancy

<i>Australasian Corporation of Public Accountants.</i> (At June 30, 1925)	
Fellows	326
Associates	117
Associates not in practice (clerks to public accountants who have passed the examinations)	95
Separate list (those who have accepted salaried appointments outside the profession)	50
Honorary and retired members	20
	<hr/>
	608
<i>Federal Institute of Accountants.</i> (At December 31, 1925)	
Fellows	218
Associates	1,786
Honorary members	2
	<hr/>
	2,006

There are some accountants who hold membership in more than one institute, but such cases are probably not very numerous.

The various committees of the institutes are active in the interests of the profession. The parliamentary and law committees give consideration to any proposed legal enactments or amendments which may affect the profession, and if necessary make representations to the government. On some occasions the institutes have been requested by the government to make suggestions relative to proposed legislation.

Several of the institutes have active student societies which hold meetings and lectures and provide other facilities for assisting students. Most of the institutes have good libraries to which the students have access.

AUDITING

Accountants in Australia are engaged largely in conducting progressive audits, in accordance with the English practice. A few of the very large companies have their own internal auditors and employ public accountants only for annual balance-sheet audits, but most companies and firms find it is more satisfactory to engage outside public accountants to conduct progressive audit of their cash transactions and their accounts in general. Even where the size of a business might justify the employment of an internal auditor, it is usually found that expert accountants can effect a more efficient audit and the cost thereof is more than justified by the protection against fraud and the advice and assistance which experienced public accountants can render, not

only as to accounts, but also as to organization, finance and income taxation. It sometimes happens that the auditor of a company resigns his position in order to accept a seat on a board of directors, as in most cases the articles of association prohibit a director from acting as auditor, and as shown below, a director or his partner is prohibited by the Victorian companies act from being appointed auditor.

The majority of the companies registered under the companies acts are required by their regulations (termed articles of association) to employ auditors who are elected annually by the shareholders at the annual meeting. The companies acts of the various states, following the example of the English companies act, prescribe a schedule of regulations for the management of companies, known as table A. This schedule of regulations need not be adopted, but unless a company adopts other regulations and specifically substitutes them for part or all of table A, the latter applies. It is usual now for companies when formed to have regulations specially drawn up, but these very often contain provisions relating to accounts and audit similar to those of table A, as the absence of such regulations would be prejudicial when obtaining capital for an enterprise.

The sections of table A of the companies act of the state of New South Wales relating to accounts and audit are as follows (those of the other states are almost identical): .

Accounts:

78. The directors shall cause true accounts to be kept—

Of the stock in trade of the company;

Of the sums of money received and expenses by the company, and the matter in respect of which such receipt and expenditure takes place; and

Of credits and liabilities of the company.

The books of account shall be kept at the registered office of the company, and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the company in general meeting, shall be open to the inspection of the members during the hours of business.

79. Once at the least in every year, the directors shall lay before the company in general meeting a statement of the income and expenditure for the past year, made up to a date not more than three months before such meeting.

80. The statement so made shall show arranged under the most convenient heads the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of the gross expenditure, distinguishing the expense of the establishment, salaries, and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting; and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such

item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

81. A balance-sheet shall be made out in every year and laid before the company in general meeting, and such balance-sheet shall contain a summary of the property and liabilities of the company, arranged under the heads appearing in the form annexed to this table, or as near thereto as circumstances admit.

82. A printed copy of such balance-sheet shall, seven days previously to such meeting, be served on every member in the manner in which notices are hereinafter directed to be served.

Audii:

83. Once at the least in every year the accounts of the company shall be examined and the correctness of the balance-sheet ascertained by one or more auditors.

84. The first auditors shall be appointed by the directors; subsequent auditors shall be appointed by the company in general meeting.

85. If one auditor only is appointed, all the provisions herein contained relating to auditors shall apply to him.

86. The auditors may be members of the company, but no person is eligible as an auditor who is interested otherwise than as a member in any transaction of the company, and no director or other officer of the company is eligible during his continuance in office.

87. The election of auditors shall be made by the company at their ordinary meeting in each year.

88. The remuneration of the first auditors shall be fixed by the directors; that of subsequent auditors shall be fixed by the company in general meeting.

89. Any auditor shall be re-eligible on his quitting office.

90. If any casual vacancy occurs in the office of any auditor appointed by the company, the directors shall forthwith call an extraordinary general meeting for the purpose of filling the vacancy.

91. If no election of auditors is made in manner aforesaid, the registrar may, on the application of not less than five members of the company, appoint an auditor for the current year, and fix the remuneration to be paid to him by the company for his services.

92. Every auditor shall be supplied with a copy of the balance-sheet, and it shall be his duty to examine it with the accounts and vouchers relating thereto.

93. Every auditor shall have a list delivered to him of all books kept by the company, and shall, at all reasonable times, have access to the books and accounts of the company. He may, at the expense of the company, employ accountants or other persons to assist him in investigating such accounts, and he may, in relation to such accounts, examine the directors or any other officer of the company.

94. The auditors shall make a report to the members upon the balance-sheet and accounts, and in every such report they shall state whether, in their opinion, the balance-sheet is a full and fair balance-sheet containing the particulars required by these regulations, and properly drawn up so as to exhibit a true and correct view of the state of the company's affairs, and in case they have called for explanations or information from the directors, whether such explanations or information have been given by the directors, and whether they have been satisfactory, and such report shall be read together with the report of the directors at the ordinary meeting.

In the state of Victoria the companies act goes further and all limited companies, with the exception of proprietary companies,

(which are in effect private companies) are governed by the following sections of the act in relation to accounts and audit:

Books, balance-sheets, statements and accounts:

115 (1) This section shall not apply to the life assurance business of any company which is subject to part III of this act or to any proprietary company.

(2) Every company and the directors and managers thereof—

- (a) Shall cause to be kept proper books of account in which shall be kept full true and complete accounts of the affairs and transactions of the company; and
- (b) shall once at least in each year and at intervals of not more than fifteen months cause the accounts of the company to be balanced and a balance-sheet to be prepared, which balance-sheet after being duly audited shall be laid before the members of the company in general meeting; and
- (c) shall cause a copy of such balance-sheet so audited to be sent to the registered address of every member of the company at least seven days before the meeting at which it is to be laid before the members of the company and a copy to be deposited at the registered office of the company for the inspection of the members and creditors of the company during a period of at least seven days before that meeting; and
- (d) shall forthwith cause to be filed with the registrar-general a copy of such balance-sheet and of any auditor's report attached thereto, or therein referred to; and
- (e) shall cause to be forthwith posted up and until the posting up of the next following balance-sheet kept posted up a printed copy of the same in a conspicuous place in the registered office of the company and in every branch office where the business of the company is carried on, and every creditor of or shareholder in the company or any person acting in his behalf shall be entitled to a copy thereof on payment of sixpence.

(3) The balance-sheet shall be audited by the company's auditors as hereinafter provided and shall contain a summary of the share capital of the company, its liabilities and its assets, giving such particulars as will disclose the general nature of those liabilities and assets, and the balance-sheet shall include a statement of profit and loss.

The balance-sheet may in the case of a banking company and shall in the case of any other company be in one of the forms in the third schedule or to the like effect and comply with the directions (if any) at the foot of the form.

(4) No balance-sheet summary, advertisement statement of assets and liabilities or other document whatsoever published, issued or circulated by or on behalf of a company shall contain any direct or indirect representation that the company has any reserve fund unless:

- (a) such reserve fund is actually existing; and
- (b) the said representation is accomplished by a statement showing whether or not such reserve fund is used in the business, and if any portion thereof is otherwise invested showing the manner in which and the securities upon which the same is invested.

(5) Any director or manager, who alone or in conjunction with any other person wilfully signs, publishes, issues or circulates or causes to be signed, published, issued or circulated any balance-sheet summary, advertisement statement of assets and liabilities or other document in contravention of sub-section (4) of this section, shall be guilty of a misdemeanor and in addition to any civil responsibility shall on conviction be liable to imprisonment with or without hard labor for a term of not more than two years;

and any director or manager who through culpable negligence alone or in conjunction with any other person signs, publishes, issues or circulates or causes to be signed, published, issued or circulated any balance-sheet summary, advertisement statement of assets and liabilities or other document in contravention of the sub-section, shall in addition to any civil responsibility be liable to a penalty of not more than two hundred and fifty pounds.

(6) The manager of every company shall by a statutory declaration verify to the best of his knowledge and belief the correctness of every balance-sheet.

120 (1) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(2) If an appointment of auditors is not made at an annual general meeting, the governor in council may on the application of any member of the company appoint an auditor of the company for the current year and fix the remuneration to be paid to him by the company for his services.

(3) A director or a partner of a director or an officer or employee of the company shall not be capable of being appointed auditor of the company.

(4) No person shall be competent to be appointed or act as auditor who is or becomes indebted to the company. If any person after being appointed an auditor becomes indebted to the company his office shall thereupon become vacant.

(5) A person other than a retiring auditor shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a shareholder to the company not less than fourteen days before the annual general meeting, and the company shall send a copy of any such notice to the retiring auditor and shall give notice thereof to the shareholders either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting.

Provided that if after notice of the intention to nominate an auditor has been so given an annual general meeting is called for a date fourteen days or less after the notice has been given, the notice though not given within the time required by this provision shall be deemed to have been properly given for the purposes thereof, and the notice to be sent or given by the company may instead of being sent or given within the time required by this provision be sent or given at the same time as the notice of the annual general meeting.

(6) The first auditors of the company may be appointed by the directors before the statutory meeting and if so appointed shall hold office until the first annual general meeting unless previously removed by a resolution of the shareholders in general meeting in which case the shareholders at that meeting may appoint auditors.

(7) The directors may fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act.

(8) The remuneration of the auditors of a company shall be fixed by the company in general meeting except that the remuneration of any auditors appointed before the statutory meeting or to fill any casual vacancy may be fixed by the directors.

121. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) Every auditor of a company shall use reasonable diligence with the view of ascertaining that the books of the company have been properly kept and record correctly the affairs and transactions of the company.

Accountancy in Australia

(3) The auditors shall make a report to the shareholders on the accounts examined by them and on every balance-sheet laid before the company in general meeting during their tenure of office, and the report shall state:—

- (a) whether or not they have obtained all the information and explanations they have required; and
- (b) whether in their opinion the balance-sheet referred to in the report is properly drawn up and exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company.

(4) The balance-sheet shall be accompanied by a certificate signed on behalf of the board by two of the directors of the company or if there is only one director resident in Victoria by that director stating that in their or his opinion the balance-sheet is drawn up so as to exhibit a true and correct view of the state of the company's affairs and the auditors' report shall be attached to the balance-sheet or there shall be inserted at the foot of the balance-sheet a reference to the report and the report shall, if any member present so desires, be read before the company in general meeting and shall be open to inspection by any shareholder.

(5) Any shareholder shall be entitled to be furnished with a copy of the auditors' report at a charge not exceeding sixpence for every hundred words.

(6) If any copy of a balance-sheet which has not been certified and signed as required by this section is issued, circulated or published, or if any copy of a balance-sheet is issued, circulated or published without either having a copy of the auditors' report attached thereto or containing such reference to that report as required by this section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a penalty of not more than fifty pounds.

(7) The auditors of every company before making a report pursuant to this section shall require, and the directors and manager of the company shall without unnecessary delay supply to the auditors, a balance-sheet (in this part referred to as the private balance-sheet) giving the details on which the shareholders' balance-sheet is founded and showing amongst other things the amount of deduction (if any) for debts considered to be bad or doubtful.

(8) The private balance-sheet must be signed by the manager and by each of the directors of the company when there are less than three directors and by two at least when there are more than two directors or if there is only one director resident in Victoria by that director.

(9) The auditors may require the directors and manager of the company to supply in writing signed as hereinbefore provided any further details or information affecting the balance-sheet or any particular item comprised therein, and shall sign a certificate at the foot of the private balance-sheet stating whether or not all their requisitions as auditors have been complied with.

(10) The private balance-sheet shall not be issued to the members of the company, but shall together with all such further details and information as aforesaid be kept by the directors as part of the records of the company.

(11) A duplicate of such private balance-sheet and of all such further details and information, which duplicates shall also be signed and certified as in this section provided, shall within seven days from the first general meeting of the company after the private balance-sheet is supplied as aforesaid be by the auditors or one of them deposited with the registrar-general in a sealed envelope.

(12) On the outside of such sealed envelope there shall be legibly written by the auditors the name of the company and a certificate signed by the auditors stating the contents of the envelope and that the requirements of this section have been complied with in respect of such contents.

(13) Such sealed envelope shall not be opened except by order of the court on the application of the attorney-general or any liquidator of the company, and then only under such conditions as may be ordered by the court. If any person wilfully contravenes the provisions of this subsection he shall be guilty of an offence and shall be liable to a penalty of not more than one hundred pounds or to imprisonment with or without hard labor for a term of not more than six months.

122. Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance-sheets of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

123. (1) The governor in council may appoint a board of three persons one at least of whom shall be a public accountant who has been practising as such for the five years immediately preceding his appointment. Such board shall be called the companies auditors' board and hereinafter in this section is referred to as "the board." The persons at the commencement of this act holding office as members of the companies auditors' board shall without further or other authority than this act be members of the board as if they had been appointed by the governor in council hereunder.

(2) After the commencement of this act no person shall be appointed or act as an auditor for any company unless he holds from the companies auditors' board appointed under the companies act 1896 or from the companies auditors' board constituted under the companies act 1910 or from the board a license authorizing such person to act as an auditor for companies.

(3) After the commencement of this act no person shall be qualified to receive a license to act as auditor under this part unless upon examination he satisfies the board that he has a thorough knowledge of accounts and auditing and also of the provisions of this part and such other subjects as may be prescribed and unless the board is satisfied with his general conduct and character.

(4) For every such license and examination there shall be paid such fees as may be prescribed.

(5) The board after giving notice to the holder of a license whether issued before or after the commencement of this act and giving him an opportunity of being heard shall at any time have power to inquire into the conduct and character as well as the abilities of such holder and to cancel such license.

(6) Any person aggrieved by any decision of the board as to his conduct and character may within three months from the date of his receiving notice thereof apply to a judge of a county court to reverse such decision and thereupon the said judge may if he think fit reverse the same, and if the said person aggrieved be otherwise qualified may direct the board to issue or re-issue to such person a license or to refrain from cancelling his license as the case may require.

(7) Any two members of the board shall have and may exercise all or any of the powers or authorities of the board.

(8) The governor in council may at any time remove any member of the board.

(9) This section and the six last preceding sections shall not apply to the life assurance business of any company which is subject to part III of this act.

In the state of Tasmania the legal requirements with regard to auditing are similar to those quoted above for Victoria. It is required that the accounts of every company be audited annually by an auditor holding a license for that purpose. Licenses are issued only to persons who have passed the prescribed examina-

tion or are members of a recognized institute of accountants or are otherwise qualified.

There is also a law to this effect in the dominion of New Zealand.

As a result of the application of companies acts and the nature of the regulations usually adopted by companies, together with the custom of employing public accountants for detailed audits, there is a large body of accountants in Australia engaged in auditing work.

INCOME TAX

For many years the state governments have levied income taxes and in 1915 the federal government passed its first income-tax act. The requirements of the various acts and the court decisions relating thereto make it necessary for business men to obtain the assistance of those who are well versed not only in income-tax procedure but also in the accountancy requirements involved, and public accountants are usually called upon for such services. This has resulted in a greater appreciation of the work of the public accountant. A few former employees of the income-tax departments are practising as taxation experts.

The income-tax act of the state of Queensland provides that no person shall charge or receive any fee for the preparation of income-tax returns unless he is registered as a tax agent by the income-tax commissioner. Candidates for registration must satisfy a board, consisting of the auditor-general, the under-secretary to the treasury and a public accountant appointed by the governor, as to their qualification and fitness to be registered.

FLOTATIONS

Public accountants are called upon frequently to make investigations relative to flotation of public companies. Most of the companies acts have strict provisions with regard to prospectuses or notices inviting subscriptions for shares in any joint-stock company. It is necessary to give therein particulars of property acquired and consideration therefor and of any contract entered into on behalf of the company and other material facts including particulars as to commissions payable for the issue of shares. It is usual to include, in addition of these statutory requirements, full particulars of the proposed company, together with an accountant's certificate as to the profits of the business.

LIQUIDATIONS, ETC.

In many cases public accountants are appointed liquidators of companies and receivers on behalf of debenture holders.

Other branches of work which are undertaken largely by those who are qualified as accountants include appointments as trustees in insolvency and assignees in arrangements between debtors and their creditors, but such work is usually taken up as a special line and not in conjunction with a general auditing practice.

SECRETARYSHIPS

Sometimes a public accountant is appointed to act as secretary to a company. The reason for this is that public accountants usually have a thorough knowledge of the companies acts, the provisions of which are of great importance in such matters as the following:

Issuing and transferring of shares and writing up of register of shareholders.

Making of calls on shares.

Making reports to registrar-general when shares are allotted and annual reports as to total share capital issued, mortgages and debentures outstanding, etc. (Such reports are filed by the registrar-general and are open to inspection upon payment of a fee.)

Holding of shareholders' meetings, notification thereof and method of passing resolutions for certain purposes, etc.

Proceedings of directors' meetings.

Payment of dividends.

POWERS OF ATTORNEY

Firms and companies in England or America having branches in Australia sometimes execute a power of attorney in favor of a firm of public accountants in Australia, thus enabling them to attend to financial and other matters which it might not be desirable to place in the hands of branch managers. This is also of advantage should a change take place in the branch managership or in case of sudden emergency.

It is frequently arranged in a small branch having its head office in another state or overseas, that all cheques, in addition to being signed by the branch manager, must be signed by the public accountant who acts as auditor.

MUNICIPAL AUDITING

The local government act of the state of Victoria prescribes that the accounts of municipalities and local governing bodies are to be audited annually by auditors who must hold a certificate from the municipal auditors' board, such certificates being granted only after examination. There is a similar requirement in the state of Queensland, but a member of a recognized institute of accountants there is granted a certificate without examination. In the other states the qualifications for local government auditors are not laid down in such an exclusive manner, but in the case of the more important municipal audits, qualified public accountants are usually appointed.

AUDIT OF TRUST ACCOUNTS

The regulations under the trust accounts act of the state of Queensland require that within three months after the end of each year every person who was a trustee during the whole or any part of that year shall cause his trust accounts to be audited by a certified accountant, who shall forthwith send a report on such audit to the attorney-general. A certified accountant in these regulations means a member of one of the recognized institutes or a person holding a certificate from the local government auditors' board.

A bill with similar provisions is now before the parliament of the state of South Australia and it is expected that it will shortly be enacted into law. A demand is also being made for legislation in the states of Victoria and New South Wales to deal with the audit of trustees' accounts.

There are various other state acts and regulations which embody requirements with regard to accounts and audit, such as those relating to friendly societies, building societies, etc., but these do not usually prescribe any special qualifications on the part of the auditor.

REGISTRATION OF ACCOUNTANTS

A movement has been started on several occasions to secure an act of parliament providing for the registration of accountants, so that no unregistered person could practise as a public accountant, somewhat as is the case with the medical, dental and legal professions, but this has not been accomplished in Australia, although it is in force in the dominion of New Zealand. In that country it

was necessary to make the qualifications such that, upon the passing of the registration act, all those engaged in accountancy work could be granted the degree of registered public accountant, with the result that a very large percentage were not qualified by examination, but as the requirements for admission after the expiration of a certain period necessitated the passing of an examination, the percentage of those admitted without examination is decreasing year by year. The registration of public accountants will probably be brought about eventually so as to give uniformity, which at present is lacking, owing to the number of different institutes, and also because there is no restriction to prevent any person from carrying on as a public accountant even though he has no qualification whatever.

UNIVERSITY TRAINING IN COMMERCE AND ECONOMICS

The universities of Melbourne, Sydney, Perth and Hobart during the last few years have established courses in commerce and economics, which extend over three or four years, leading to a degree of bachelor or master of economics. These courses embrace such subjects as economics, accountancy, business principles and practice, commercial and industrial law, economic geography, economic history, public administration and history of economic thought. A number of those who intend to follow public accountancy work, are taking the university course in economics, but on account of the large number of subjects covered the accountancy section of the course does not go beyond the standard of the intermediate examinations of the institutes. This necessitates further study on the part of those who wish to take up professional accountancy.

COST ACCOUNTING

Many of the large manufacturing concerns in Australia have cost systems, but in a country with a population of 6,000,000 there is naturally not the same scope for developing cost accountancy methods as in America. However, the number of large manufacturing plants is constantly increasing and cost systems are being installed both by public accountants and by those employed in the plants. In the past factory managers generally did not demand costs and statistics to the same extent as in America, but greater interest is now developing and the number of both public and private accountants qualified is increasing. In some cases

Accountancy in Australia

this object has been furthered by visits paid to America and England by accountants and others to inquire into the latest methods in those countries.

There is an institute of cost accountants in Australia which, up to the present, has not been very influential, but steps are now being taken to organize it on sound and progressive lines.