Australian Accounting Education & Research: Challenges and Possibilities

UNISA CAGS Research Seminar 31 January 2013

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Development path of this research paper

1) Thought leadership series 2010-2013
2) Plenary panel on the Sustainability of Accounting Academia held at the 2011 Annual Congress of the European Accounting Association (Rome).
3) CPA special issue announced
4) CPA special issue editors Submitted paper
5) Rewritten and to be sent to CPA (your copy)
6) Reviewers 8 pages of detailed comments

“Dear James,
Please find attached an editorial letter plus the review comments for the jointly authored paper, with Elaine and Roger, that you recently submitted to the special issue of CPA on the sustainability of accounting academia.

The reviewers have concluded that the paper is still in the relatively early stages of preparation/development but have made a number of detailed and helpful suggestions as to ways to advance the paper. We have summarised their views in the accompanying note and suggested how the paper can maximise its contribution to the special issue.”

7) Revised version today’s presentation.
Australian Accounting Education and Research: Challenges and Possibilities

**Structure**

1. Introduction
2. Background to the Australian higher education system
3. A brief literature review
4. Research approach
5. Challenges for Australian Accounting academics
   5.1 financial position faced by university accounting schools
   5.2 Accounting scholars position within universities.
   5.3 Research and interaction with the practice and profession
6. The story begins: Marys’ story of her personal experiences and feelings
7. Possibilities to safeguard sustainability
8. Summary and conclusion
Overview

This paper examines present challenges and future possibilities for accounting education and accounting academics from an Australian perspective.

The aim of the paper is to address the serious concerns about the sustainability of quality accounting education and research in academia, in an Australian context.

In part the paper tells the story of Associate Professor Mary, a hypothetical Australian accounting academic whose story is the combination of our own experience, research and the thought leadership activities.
This is a period of major change as the AHS embraces the globalisation of the higher education system.

This will be interpreted through her personal experiences and feelings in her role as an Australian accounting academic.

Then we provide evidence of transformation of AAS using three themes:

1) The changing financial position of business schools and in particular, accounting departments during the period.
2) Accounting scholars’ position within Australian universities.
3) Accounting research and interaction with the practice and profession.
Findings

1) Understanding the impact of institutional change on accounting academic identity,

2) Presents part of the research findings in “a story” that allows the interpretation to connect reader and subject on a personal level; and

3) Establishes several contemporary challenges that hopefully will set the scene for determining future directions and prospects.
2. Australian HES

International accounting student origin

Top 10

<table>
<thead>
<tr>
<th>Origin</th>
<th>Enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. China</td>
<td>15,911</td>
</tr>
<tr>
<td>2. Nepal</td>
<td>3,645</td>
</tr>
<tr>
<td>3. India</td>
<td>2,384</td>
</tr>
<tr>
<td>4. Viet Nam</td>
<td>1,159</td>
</tr>
<tr>
<td>5. Indonesia</td>
<td>907</td>
</tr>
<tr>
<td>6. Pakistan</td>
<td>887</td>
</tr>
<tr>
<td>7. Bangladesh</td>
<td>879</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td></td>
</tr>
<tr>
<td>8. (South)</td>
<td>833</td>
</tr>
<tr>
<td>9. Malaysia</td>
<td>571</td>
</tr>
<tr>
<td>10. Sri Lanka</td>
<td>563</td>
</tr>
</tbody>
</table>

Source: Austrade

Australia’s top 5 exports 2011-12

1. Iron ore & concentrates $62.7
2. Coal $47.9
3. Gold $15.8
4. International education $15.3
5. Personal travel (excl education) services $12.0

Source: ABS 2012

The value of Australian education exports was:
- 14.8b in 2011-12
- 15.5b in 2010-11
- 17.4b in 2009-10 (peak)
- 16.0b in 2008-09
- 13.5b in 2007-08
2. International education and the higher education sector

Top higher education international student destinations

1. United States 19%
2. United Kingdom 11%
3. Australia 8%
4. France 7%
5. Germany 6%
6. Japan 4%

Source: UNESCO Institute for Statistics

Revenue contribution of overseas student fees to HEPs
LH axis: $million, RH axis: share of total revenue

Source: DIISRTE

Key messages:
Accounting students contribute significantly to the number and growth of international students. International education is important to the higher education sector, supporting enrolments and funding for all fields.
2. The AHES: The facts

In 2012, Australian Business faculties deliver the majority of the extra university students (about 40% of all local and international) and accounting units deliver the most students within business faculties (about 50%).

For instance, Monash University in Victoria has the largest business school in Australia with 17,500 effective full time students, which translates to about 25,000 students studying for a business degree in 2012.
Accounting Schools

Contemporary research (AFAANZ, 2010; Guthrie et al., 2010) have highlighted the sorry state of accounting departments in Australia.

Departments can be characterized by:
- very high student/staff ratios (up to 70/1) (Capelletto 2010),
- very large class sizes (1,900 in first year, 1,300 in second year),
- heavy teaching loads,
- heavy preparation and marking loads,
- limited time and support for research, and finally,
- a casualized career structure.
3. A brief literature review

- Globalisation and commercialisation of higher education.
- Control of destiny
- Accounting as a professional social grouping
4. Research approach

Sources of evidence

1) Official enquiries into the state of accounting education (e.g. Matthews, 1992; AFAANZ, 2010) and the reflection from the three forums (Guthrie et al, 2010).

2) Our combined experiences of over seventy years as accounting academics.

3) Informal interviews with a number of senior scholars and emerging scholars.

4) Previous academic and other literature concerning the transformation in the Higher Education Sector within Australia.
5. Challenges for Australian Accounting academics

5.1 Financial position faced by university accounting schools

5.2 Accounting scholars position within universities.

5.3 Research and interaction with the practice and profession
6. The story begins: Marys’ story of her personal experiences and feelings

Associate Professor Mary, represents the experience of the average academic from 2002 – 2012. Mary is given a female gender in this paper as women represent a majority of accounting academic staff in Australia.

The story opens in 2003.................
As we enter 2013: Early retirement

- We are puzzled as to what has happened to her. Was she grieving for a glorified past or was she passively accepting the transformations that have taken place?

- Has she changed her fundamental values or simply reorientated her behaviour to fit the changing environment she now finds herself in?

- Are her current emotions and regret about the changes to her SOA or a symptom of resistance or of resignation to the changes?
7. Possibilities to safeguard sustainability

- 7.1 possibility–engaging with industry and the profession

- 7.2 possibility–aligning research agendas
8. Summary and conclusion

This paper outlines challenges for the sustainability of the Australian Accounting Academy, in relation to accounting education and accounting research.
What are the issues that need to be addressed to sustain the Academic Accounting Profession?