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Some Professionalisation Strategies Of Australian Accountancy

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SOME PROFESSIONALISATION STRATEGIES OF AUSTRALIAN ACCOUNTANCY

by

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Abstract

It is one thing for an occupational group to designate itself a profession but quite another to attain public recognition of this status. Accomplishing publicly recognised professional status was a prime task of Australian accountancy during the course of this century.

This task was, perhaps, more difficult for Australian accountancy than, for example, their United Kingdom counterparts. One factor contributing to the difficulty of the task was that many of the unexpected corporate failures in the wake of the Victorian land boom of the late eighteenth century cast many members of the early Australian accountancy associations in the role of charlatan or rogue. This occurred because subsequent investigation revealed that the accounts of many of these companies were grossly misleading even though they had been prepared and audited by so-called "qualified" accountants. Despite this ignominious start, two Australian accountancy associations, the Institute of Chartered Accountants in Australia and the Australian Society of Certified Practising Accountants (formerly the Australian Society of Accountants), have achieved a dominant position in the regulation of external financial reporting through control of the setting of legally backed accounting standards.

In this paper, a translation model of power will be used to explain some of the professionalisation activities of Australian accountancy associations. In particular, it will demonstrate that the accountancy associations used traditional professionalisation activities such as education, examination and training requirements to exclude the "unqualified" from membership. However, non-traditional strategies were also employed when necessary.

Non-traditional professionalisation strategies included the formation of alliances and agency relationships with others interested in the activities of accounting associations, for example, the financial press, business interests, Federal and State governments and the United Kingdom government and chartered accountants. Dissidence within Australian accountancy also had to be overcome by alliance strategies.

The translation model of power shows that achieving a dominant position, or for Australian accountancy, the transition from charlatan to doyen, was not so much a matter of proving claims to specialised knowledge and skill used in the public interest but an ability to form alliances and create agency relationships. In other words, an ability to win friends and influence people.
This paper will demonstrate some of the strategies used by the Australian accountancy profession to seize a position of both prestige and dominance within the regulation of corporate financial reporting. It will show that at the turn of this century, those who sought to achieve professional status for Australian accountants did not enjoy the esteem of either the public or the state. Even one of their own role models, the Institute of Chartered Accountants in England and Wales (ICAEW), expressed doubt as to the quality of Australian accountants. However, through what could be described as a consistent and determined public relations campaign, Australian accountants, in particular, the Institute of Chartered Accountants in Australia (ICAA) and the Australian Society of Certified Practising Accountants (ASCPA), have achieved professional status within the regulatory framework.

The processes used to attain this status will be explained within the context of a translation model of power. In a translation model of power, power is not something that is possessed. In addition, power is an outcome rather than a cause. In other words, power is not the means used to achieve a particular outcome but the outcome itself. Resources, including knowledge and skill, are the means by which power is achieved. These resources are used to create an environment conducive to domination of a given field by a group or organisation. For example, a group or organisation seeking domination of a particular field may use a claim to specialised knowledge or skill to form alliances and agency relationships with other interest groups. Alliances and agency relationships are
used, in turn, as resources to enable that group or organisation to achieve hegemonic domination of that field. Hegemonic domination facilitates the exercise of power.

This paper argues that the Australian accountancy profession used its claim to specialised knowledge and skill to form an agency relationship between itself and the general public. This relationship was predicated on the assertion that accounting was a means by which management would be accountable for the resources entrusted to it and that only the members of specified accountancy associations had the requisite knowledge and skill to ensure that financial statements, duly audited, fulfilled this function. Support for acceptance of this assertion required the formation of alliances with legislators, the press and the business community, in particular, those most likely to avail themselves of accounting services.

The format of the paper: evidence of the changing perception of accounting; outline of the moments of translation; historical evidence of the strategies; concluding comments.

**Changing Perceptions of Accountants**

The economic collapse in the wake of the Victorian land boom gave rise to a number of scandals involving accountants, including members of the early accountancy associations, when it was revealed that accounting had been used to conceal impending failure. Cannon's (1972) study of the land boom, the major companies involved and the impact of the collapse of the boom on the population provides evidence of this:
The falsifying of balance sheets, the payment of dividends from non-existent profits were among the shocking features of the crash . . . At the annual meeting of the Real Estate Bank on 7 August 1891, James Munro said: “The properties of the bank are in splendid order”. Four months later it collapsed. At the meeting of the Land Credit Bank on 31 October 1891, a 10 per cent dividend was declared, although by that date the bank had lost all its capital and reserves. On the same day, Sir Matthew Davies’s Freehold Investment Co. Ltd. declared an 8 per cent dividend and went into liquidation exactly three months later (p28).

Public resentment was evident in subsequent parliamentary debates and also the press. For example, in the course of debates dealing with the 1896 Victorian Companies Act, it is clear that some members of the legislature did not consider membership of the Incorporated Institute of Accountants or The Federal Institute of Accountants to be any guarantee of an ability to undertake an audit (Victoria, 1896, pp3606-3608). The arguments in support of this view included the claim that some of the auditors whose work had been called into question at the time of the collapse of the boom were members of “one or other of these institutes” (p3608).

Further examples of an adverse public perception of accountants and members of early accountancy associations are available from the Australasian Insurance and Banking Record (AIBR). In 1893, it was stated

... a proportion of the public accountants practising in the colonial centres are such, not because they are the most fit but because other employments have failed them (1893, p668).

Furthermore
... when it is reflected that, ... most of the balance sheets of the bogus and mushroom companies of Melbourne, the administration of which has frequently been marked by the utmost unscrupulousness, have been signed from time to time by Fs.I.A.V., the pretension of the institutes to a monopoly of accountancy work ought not to be encouraged (1896, p717).

However, some fifteen years later, the AIBR apparently was prepared to modify its perception of at least one accountancy association. The September 1911 Editorial of The Public Accountant carried the following quote from the AIBR:

... The Australasian Corporation of Public Accountants is the one that is most professional and therefore merits the confidence of the financial and mercantile world ... Our long experience in examining accounts and balance-sheets convinces us that the more the services of the responsible professionals, highly qualified by actual experience, are retained, the better. The Australasian Corporation of Public Accountants is gradually raising the status and utility of the profession (Editorial, 1911a, p199).

Similar sentiments were expressed by the editor of The Register at the 1911 Annual Dinner of the Australasian Corporation of Public Accountants (ACPA):

... it should be an absolutely requisite requirement that no accounts of any public body which handles public money should be audited except by a thoroughly qualified man; and to the extent to which your association raises, and keeps raised, the standard of accountancy and insists upon the greatest care in the management generally, to that extent the public is undoubtedly its debtor (ACPA, 1911b, p229).

There is also evidence that members of Parliament were also changing their perception of accountants. For example, at the Second Annual Dinner of the ACPA, a member of Parliament stated: "We look upon accountants as ... closely identified with the progress
of the country” (ACPA, 1910b, p170). In addition, members of the accountancy associations were beginning to be approached to give advice on matters of public interest. For, example, members of the ACPA were appointed to investigate the costing methods of Victoria’s suburban railways. The Victorian branch of the ACPA’s Parliamentary and Laws Committee was invited to make recommendations on the draft of proposed Victorian companies legislation (ACPA, 1911a, p217).

In more recent times, a majority of the South Australian Government Committee to Inquire into the Registration and Conduct of Accountants considered membership of either the ICAA or the ASCPA to be the necessary qualification for registration. The reason for this being that the ICAA and the ASCPA constituted the accountancy profession (South Australia, 1979, p26).

The Committee of Inquiry into the Australian Financial System (the Campbell Committee) also indicated a perception that the ICAA and the ASCPA were the leading exponents of accounting practice in Australia. For example, the Committee considered that accounting standards should not be designed or developed by a government body because

... it is questionable whether the standards would be soundly based or as closely attuned to the needs of users of accounts as standards developed by those actively involved in accounting practice (Australia, 1981, 21.55, p372).

Therefore, the Committee recommended that the ICAA and the ASCPA continue to take responsibility for the design and development of accounting standards (21.57, p372).
However, the Committee also recommended the establishment of an Accounting Standards Review Board (ASRB) to be vested with responsibility for the adoption of standards which were to have legislative support (21.57, p372). Legislative backing was deemed necessary to facilitate enforcement of the standards. While these recommendations suggested government sanction of the autonomy of accountants and, thereby, indicated that accountancy had ‘arrived’ at true professional status, recognition of the expertise and status of members of the accountancy bodies to determine appropriate accounting standards was not unequivocal. The Committee considered that accounting standards potentially affect the economy through investment behaviour and, therefore, should not be solely determined by the accountancy profession (21.46, p370). In the Committee’s opinion, there should be a balancing of interests (21.56, p372).

The establishment of an independent ASRB was also suggested by the New South Wales Attorney-General, Frank Walker (1981a, b) and the National Companies and Securities Commission (NCSC, 1982, p21). Understandably, the accountancy bodies maintained that they alone should be responsible for the setting of accounting standards including those with legislative backing (Australian Accountancy Profession Joint Submission, 1982). However, in spite of extensive opposition from the two accountancy bodies, the ASRB became a reality in January 1984. It appeared that what the State gave to the ICAA and the ASCPA with one hand, it took away with the other. However, while the accountancy bodies did not achieve absolute autonomy or monopoly over the setting of accountancy standards with legal backing (approved accounting standards), they
maintained control over the setting of Australian accounting standards which were binding on members of the two accountancy bodies. In addition, they achieved a dominant position in the setting of statutory backed approved accounting standards in that the profession sponsored Australian Accounting Research Foundation (AARF) was to provide technical support for the newly created ASRB.

The dominance of the AARF in the standard setting process is a historical fact. The ASRB was empowered to consider for approval standards emanating from the AARF and other interested parties. However, Release 200 paragraphs 3 and 4 states that the Ministerial Council endorsed the view that proposed approved accounting standards (that is, those that were to have legal backing) would normally originate from the AARF. Proposed standards submitted by other interested parties were to be referred to the AARF for comment. Of three standards submitted to the ASRB from sources other than the AARF, only one ever attained approved accounting standard status and it has since been withdrawn.

The dominance of the accountancy bodies is also evident in a review of the composition of the ASRB. Most of its members had accounting backgrounds and some had been senior office bearers of either the ICAA, the ASCPA or other accountancy associations. For example, the affiliations and designations of some of the members of the ASRB in its first four years of operations included past presidents and vice-presidents of the Australasian Institute of Cost Accountants, the ASCPA, the ICAA and the International
Congress of Accountants 1972; a past chairman and members of the International Committee of the Accountancy Profession; International Federation of Accountants and the AARF (ASRB, 1987, pp6-7; ASRB, 1987-88, pp5-7).

In 1988, the profession secured even tighter control of the standard setting process. In its 1987-88 Annual Report, the ASRB announced that a call had been made during the year by the Joint Accounting Bodies for a merger of the ASRB and the Accounting Standards Board of the AARF (1987-1988, p1). The Annual Report further stated that the ASRB and the Joint Accounting Bodies had worked together to formulate agreed terms of the merger for approval by the Ministerial Council (p1). The merger was approved at the fortieth meeting of the Ministerial Council (NCSC, 1988-89, p65). The newly reconstituted standards board was given responsibility for the development and promulgation of both approved accounting standards and Australian accounting standards. As a result of the merger, the ASRB was to set all accounting standards for the private sector (p66). The membership of the ASRB was increased from 7 to 9. Four members of the ASRB were to be nominated by the accountancy associations. Technical support in the standard setting process was still to be provided by the AARF which continued to be funded by the accounting bodies (p66).

In 1991, the ASRB was replaced with the Australian Accounting Standards Board (AASB). Unlike the ASRB which was created by a memorandum of the Ministerial Council, the AASB was established by an Act of Parliament. Arguably, this gives even
greater recognition to the two accountancy bodies in that even though the membership of
the Board was increased to eleven members, its functions, composition and research base
remained essentially the same. The Board itself has statutory recognition whereas before,
only approved accounting standards had this status.

While it cannot be said that the peak accountancy associations or their members, are seen
universally as the purveyors of outstanding accounting and accounting-related services,
they do hold a dominant position within the field. As indicated earlier, the achievement of
this position was not achieved over night and not without substantial effort on the part of
the current accountancy associations and their predecessors. The balance of the paper will
provide an explanation of the processes which facilitated the transition of accountancy
from infamy to legitimate professional practitioners.

The Translation Model of Power

In a translation model, power may be an outcome but it is not a cause and it cannot be
possessed. Outcomes are shaped and usually changed or modified, that is transformed, by
all those who have an interest in them and are prepared to act on that interest. Power, as
an outcome, facilitates the domination of a given field, for example, accountancy. Latour
describes the processes of achieving and maintaining domination as links in a chain
whereby each link injects its own energy, shaping claims and instituting change over time
(1986, pp267-268). A more specific explanation and one consistent with the domination
of the standard setting process by the ICAA and the ASCPA is offered by Callon
To translate is to displace... allies... to express in one's own language what others say and want, why they act in the way they do and how they associate with each other: it is to establish oneself as a spokesman (1986, p223).

The process of translation is complex and comprises four moments or stages of translation, problematisation, interessement, enrolment and mobilisation. There is a fifth phase, dissidence, which may limit the achievements of each other stage.

(I) Problematisation

The process of problematisation involves attempts by one group or organisation to convince another group or organisation that the latter has a problem and that the solution to that problem can be provided only by the former group or organisation. In Callon's terms, problematisation involves a group or organisation making itself indispensable in the network of relationships it is seeking to create (1986, p204). The purpose of this process is facilitation of a strategic agency relationship. To achieve this, the would-be agent must establish and control a "necessary nodal point" (p205) between itself and the other group. Clegg refers to a "necessary nodal point" as "... a channel through which traffic between them occurs on terms which privilege the putative strategic agent" (1989, p199). Callon further elaborates on the meaning of problematisation which "... describes a system of alliances, or associations, between entities, thereby defining the identity and what they 'want'" (1986, p206).
As part of the professionalisation process, would be professional groups often use their claim to expert knowledge and skill as a strategy to establish themselves as an obligatory passage point between themselves, their clients and the general public. Lubell, drawing on the works of Montagna, Barber and Greenwood, describes the process as follows:

Because professional services are built upon esoteric knowledge, the public tends to regard members of a profession with a certain degree of mystique. It is felt that the professional practitioner is better prepared than the client . . . to determine the client’s needs and the nature of services appropriate for a given situation. The client does not tell the professional what services are required. Rather, the professional tells the client what services are necessary (1978, pp62-63).

This paper will demonstrate that Australian accountancy associations used this strategy in their bid to achieve domination of the regulation of external financial reporting through control of the standard setting process in this country.

(ii) Interessement

In the next stage in the translation process, interessement, a group or organisation seeks to cement its position by “interesting”, “enrolling” or “attracting” another group or organisation to its own by coming between that group or organisation and another (Clegg, 1989, p205). Callon explains interessement as “[t]o be interested is to be in between (inter-esse), to be interposed” (1986, p208). The purpose of interessement is to establish membership and meaning of certain categorisation devices (Clegg, 1989, p205). This paper adopts the view that categorisation devices include professionalisation processes
such as the formation of professional associations with entry requirements including specified training and education. In this way, the profession determines its membership and establishes a distinction between non-professional accountants and professional accountants, public accountants as opposed to those working in industry. Groups or organisations seeking professional status often argue that the distinction is necessary in order to protect the public interest. That is, the public will be best served if only those with the requisite skill, knowledge and training, as recognised by specified professional associations, undertake work or provide services in a particular field. This is consistent with Callon's view whereby interessement is aimed at achieving a balance of power favourable to the enrolling agency by reducing competition within a particular field (1986, p211).

Interessement can be seen as a consolidation of the problematisation process. Those seeking to achieve a dominant position in a given field attempt to strengthen their position or claim by forming agency relationships with other parties who could also be expected to have an interest in that field. Callon describes interessement as "how the allies are locked into place" (1986, p206). According to Callon, this is necessary because the entities and relationships identified during the problematisation process must be tested to determine the strength of problematisation:

Each entity enlisted by the problematization can submit to being integrated into the initial plan, or inversely, refuse the transaction by defining its identity, its goals, projects, orientations, motivations, or interests in another manner (p207).
As the extracts cited from the _AIBR_ and parliamentary debates late last century suggest, the aspirations of some Australian accountancy associations to seize for themselves a dominant position in the regulation of external financial reporting were initially rejected. It will be shown later in the paper, that these associations had to demonstrate their claim rather than have their claims to be serving the public interest accepted on faith. The process of interressement can take many forms depending on the nature of the problem identified and those to be enrolled and what they want (p211). One of the major strategies adopted by Australian accountancy associations was education.

(iii) *Enrolment*

The third phase in the translation process is enrolment (Clegg, 1989, p205) or definition and co-ordination of roles (Callon, 1986, p211). In this phase of the process, agencies attempt to form “alliances and coalitions between memberships and meaning which they have sought to fix” (Clegg, 1989, p205). While this phase appears similar to the interressement phase, there is a difference. Alliances and coalitions are not the same as an agency relationship and could be seen as a means of avoiding resistance from other groups that may wish to encroach on another’s hold over a particular field of endeavour. Interessement attempts to form alliances but may not be successful. Enrolment is the achievement of alliances (Callon, 1986, p211). Callon describes enrolment as “... the group of multilateral negotiations, trials of strength and tricks that accompany the interressements and enable them to succeed” (p211).
The process of enrolment was evident in the bid by Australian public accountants to acquire a Royal Charter because their claim to specialised knowledge and skill was not sufficient. In the political climate of the time, it was necessary for them to negotiate not only with the United Kingdom Parliament but also Australian State and Federal Governments and other accountancy associations.

(iv) Mobilisation

The final phase of the translation process, mobilisation, is the means by which the enrolling agent ensures that it is not betrayed by the enrolled agencies, that is, the representations of interest remain fixed (Clegg, 1989, p205). This final phase can be seen as the most critical in the process as it is effectively the culmination of the previous phases. Will the enrolling agency be accepted as the representative of the enrolled and will the enrolled follow their representative? In other words, what the enrolling agency is seeking is a transition from enrolment to active support (Callon, 1986, p218). Formation of associations and statutory endorsement of domination of a particular area could be seen as forms of mobilisation. For example, membership of the ICAA and ASCPA carried an obligation to comply with the standards promulgated by those bodies. Legislative backing for approved accounting standards extended this obligation to companies coming within the bounds of the Corporations Law. The creation of the AASB by an Act of Parliament and the subsequent negotiations giving the ICAA and the ASCPA effective domination of the standard setting are evidence of the active support of those bodies by the State.
(v) Dissidence

Even if the process of translation is successful, it does not mean a dominant position will be maintained. Dissidence arising from various sources, including those sought to become a party to an agency reglationship, may result in the translation process becoming treason. Callon explains this stage as follows:

Dissidence . . . brings into question some of the gains of the previous stages. The displacements and the spokesmen are challenged or refused . . . New displacements take the place of the previous ones but these divert the actors from the obligatory passage points that had been imposed upon them. New spokesmen are heard that deny the representativity of the previous ones. Translation continues but the equilibrium has been modified (1986, pp218-219).

Power and dissidence or resistance are inextricably linked (refer for example, Clegg, 1989; Barbalet, 1985) because power may be limited by dissidence or resistance. The primary example of dissidence or resistance and its impact on the search for domination that will be offered in this paper will be the opposition of some of the Victorian accountancy associations to the second and third applications for a Royal Charter by other practising public accountants in Australia.

The next section will provide evidence of some of the strategies used by selected accountancy associations to navigate their way through the translation process and achieve
a position of status and prestige within the community and eventually, a dominant position in the standard setting process.

**Professionalisation - The Path to Domination**

The major processes used by Australian accountancy to achieve a dominant position in the determination of appropriate accounting practices and standards included the formal organisation of accountancy associations; education, examinations and training; and the establishment of research and accounting standard setting bodies. Formal organisation and the demonstration of technical ability were the starting point and are consistent with the concepts of problematisation and interessemment. Subsequent activities, including the acquisition of a Royal Charter, were consolidation strategies incorporating interessemment, enrolment and mobilisation. Developing binding accounting standards further contributed to the mobilisation process. This section will consider these activities in turn.

*(I) Formal Organisation*

It appears the impetus to form professional accountancy associations in Australia was two-fold. First, the “boom” of the 1880’s had witnessed a rapid expansion in joint stock companies to take advantage of the growth of a wide range of industries including building and manufacturing. This economic boom and its concomitant increase in capital expenditure led, in turn, to a need for more sophisticated forms of bookkeeping (Graham, 1978, p1; Marshall, 1978, pp10-11). A new area of knowledge was beginning to take on
an important role in the country and the accountants of the time seized the opportunity of laying claim to it:

... if those who were holding themselves out as public practitioners were to gain the confidence and support of the public, there must be a standard fixed which would connote the possession of the necessary qualifications for this special work (Brentnall, 1938, p64).

Second, there was an apparent desire to attain for Australian accountants the perceived status and prestige of their United Kingdom counterparts (p64), in particular, those who had been granted Royal Charters. Apart from the perceived status of a Royal Charter, it was considered this would preclude the unqualified from undertaking accountancy work (ACPA, 1910a, pp133-134).

In a bid to preclude the "unqualified" from work of an accounting nature, the accountancy associations invariably adopted a "problematisation" strategy. The "problem" identified was that any person who wished, could designate themselves an accountant. This "problem" was not unique to Australia. In England, for example, not only could lawyers do work of an accounting nature but also "charlatans and rogues" and others without the appropriate training. It was argued that this was detrimental to society (Howitt, 1966, p4). The "solution" was the formal establishment of professional associations, membership of which would be limited to those with the requisite training and experience. For example, the objects of the first Australian accountancy association, the Adelaide Society of Accountants, included
(iv) to foster in commercial circles a higher sense of the importance of systematic and correct book-keeping, and to encourage a greater degree of efficiency in those engaged in accountancy and auditing (Adelaide Society of Accountants List of Members, Constitution and Rules (Adelaide Society of Accountants, 1886, clause 2).

This is also an example of interessement. By forming accountancy associations with a view to improving accounting and audit practice, the founders of these groups were, firstly, trying to make a clear distinction between those with the appropriate skills and those without them. In other words, they sought to categorise those performing accounting and audit duties into the qualified and unqualified. By so doing, they also attempted to come between the unqualified and those who used and relied upon accounting and audit services. They were effectively attempting to establish an agency relationship with users of accounting and audit services as the principal and members of the accounting association as the agent.

However, declaring that members of the accountancy associations possessed specialised knowledge and skill was not sufficient. It had to be demonstrated. According to Marshall, the reason for the introduction of a system of entrance examinations was the "... urgent need to regulate and raise the standards of public accountants" (1978, p11). This appears to have been particularly necessary following the land boom and economic collapse of the late 1880s and early 1890s. As indicated earlier in the paper, a number of scandals involving accountants, including members of the early accountancy associations,
came to light in the wake of the economic collapse. These revelations were exacerbated by the knowledge that foundation members of most of these associations had been admitted to membership without examination to attest to their abilities (Victoria, 1896, p3607). However, new members were traditionally required to sit for examination.

(ii) Education, Examinations and Training

Initially, examinations included bookkeeping, commercial, mercantile and company law, bankruptcy, receivership, partnership, executorship contracts and auditing (Marshall, 1978, p11; Brentnall, 1938, p65). It was later considered that accountants required a broad based education including English, foreign languages, for example, French and German, and commercial geography (Royal Commission of the University of Melbourne, 1904, p70).

While the various professional associations required new members to take examinations, no educational facilities were provided for would-be examination candidates. The Society of Accountants appears to be an exception in that classes were conducted in accountancy, auditing and law (p319). For other associations, private coaches provided what teaching was available (p315; Nixon, 1936, p270). This situation was remedied to a certain extent by the formation of students' societies. In 1898, a students' society was established in Victoria by the Victorian Institute (Brentnall, 1938, p67). Students' societies were later established in Sydney in 1910 and in Adelaide and Hobart in 1911 (Australian Society of Accountants, undated, p30). In September, 1902, The Corporation of Accountants'
Students’ Association held its first meeting (Brierley, 1902, p21). The Federal Institute of Accountants formed a students’ society in conjunction with the ACPA in 1913 (p53). In addition to passing the necessary examinations, some accountancy associations, for example, the ACPA, required aspiring members to undergo a minimum training period (ACPA, 1911b, p232).

The success of the profession’s education and training activities in raising the status of accountancy associations was evident from the early 1890s. For example, the AIBR while critical of the accountancy associations in some respects, considered their education and examination activities to be a step in the direction of overcoming some of the deficiencies of then practising accountants (1893, p668; 1896, p718). By 1903, the AIBR, was quite glowing in its comments regarding the Incorporated Institute of Accountants, Victoria:

They have taken a much wider view in making the Institute a great training body . . . That so many have passed the examinations of the Institute is highly gratifying. The qualifications of accountants and book-keepers in private offices have certainly been raised by the Institute system of examinations (1903, p475).

The problematisation process helped create a boundary around accountancy in that it provided a means of identifying qualified accounting practitioners from the unqualified through membership of accountancy associations. Membership of accountancy associations gave members the right to use designated appellations, for example, “FASA” (being a Fellow of the Adelaide Society of Accountants) and “FIAV” of “AIAV” (being a
Fellow or Associate of the Incorporated Institute of Accountants, Victoria). However, the formation of accountancy associations and the introduction of education, examination and training requirements were not sufficient to give these groups domination of accountancy. Anyone who wished, could designate themselves “accountant” and no one accountancy association could lay claim to being a “nodal or obligatory passage point” in the determination of accounting practice. To achieve this, the problematisation process had to be tested through the formation of alliances and agency relationships between accountancy associations and other interested parties.

(iii) Consolidation Activities

The accountancy associations used a number of methods to create an environment wherein they could achieve prestige and status both for the organisations and for their members. This included cultivating the goodwill of other interest groups. As Selander argues, occupational groups form alliances or co-operate with others in order to protect themselves and strengthen their own position (1990, p140). Once a social and occupational demarcation of a boundary has been achieved, a closure of the area or field of knowledge is effected. In other words, other groups or their views are called upon and taken into consideration in planning professional activities until such time as the group considers it is strong enough to stand alone. Selander considers that an occupational group which has organised itself around a body of knowledge, but is still in a middle or subordinate position, will adopt an associative strategy to assimilate and neutralise other organised interests (p142). Alternatively, even where an occupational group or profession

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has achieved closure but is weakened for some reason, as associative strategy may be used to reduce conflict and mobilise resources (p143). This is in keeping with Callon’s interpretation of interessement which is directed towards achieving a balance of power and curtailing competition within a given field (1986, p211).

One of the ways in which early accountancy associations forged alliances and created an environment conducive to domination of their field of endeavour was through social activities and their journals. For example, the ACPA used The Public Accountant to reproduce dinner speeches given not only by members of the accountancy associations but also by judges, members of Parliament, editors of journals and other public figures. These speeches invariably reflected a positive image of the ACPA and its members. Addresses to student societies and at annual general meetings were also published. Once again, these addresses appear to have been designed to convey an image of a highly professional organisation dedicated to providing the public with well-trained and knowledgeable accountants. Editorials were also used extensively to publicise the viewpoints of the would-be profession on a number of matters including the long battle for a Royal Charter by accountants in public practice in Australia. The purpose appears to have been to create an accountancy discourse in favour of the accountancy association and attaining hegemonic domination of accountancy practices in Australia.

The various Royal Charter bids provide clear evidence of the translation process. It was a battle that spanned almost a quarter of a century and raised issues of appropriate
education and training, the use of specified designations, accountancy association rivalries and the pride of a newly created nation. The battle also demonstrates that altruistic motives and even the demonstration of specialised knowledge and skill through education and training were not enough to overcome dissidence between the various accountancy associations or resistance from Commonwealth and State governments to proposals to seek incorporation of Australian accountancy associations from a foreign government. It proved to be more of a test of the aspiring chartered accountants' skills to strike bargains and compromise than any other issue. As Thomas Brentnall, one of the foundation members of Australian accountancy, noted "... before we finally got the Charter ... in 1928, we had to concede almost everything which had barred the way ..." (1938, p191).

a. The First Charter Bid

In 1905, a formal application for a Royal Charter was lodged by accountants in Victoria. While the petition was supported by the Victorian Government, it was doomed due to resistance from accountants both in other parts of Australia and in the United Kingdom (Graham, 1978, p7; Marshall, 1978, p12; Brentnall, 1938, p69). The basis of the opposition from other Australian accountants was that granting a charter to Victorian accountants would be detrimental to accountants in other states. In particular, members of the Victorian accountancy associations seeking the Charter would be entitled to use the designation, Chartered Accountant, a recognised and respected appellation, even if they practised in another state (Editorial, 1905a; 1905b; Corporation of Accountants of Australia, 1906). It was proposed in a counter-petition lodged by the Corporation of
Accountants of Australia and the New South Wales Committee of the Society of Accountants and Auditors, England (Proposed Victorian Charter, 1905, paragraph 12) that a federal association be formed for the purpose, inter alia, of seeking a charter.

The resistance to the Victorian Charter bid was not confined to Australia. In June 1906, *The Public Accountant* reproduced correspondence between the Secretary of State for the Colonies and the Under Secretary for Finance and Trade (The Treasury, New South Wales) regarding the use of the title “Chartered Accountant”. This correspondence, which included a letter to the Colonial Office from the Secretary of the Institute of Chartered Accountants, London, had been forwarded for comment to the Corporation of Accountants of Australia.

The view expressed by the Secretary of State for the Colonies did not bode well for the Victorian Charter application if its success meant members of the Australian chartered body were able to adopt the initials and titles used by the English Institute. It was considered such usage “... would lead to inconvenience and misunderstanding both here and in Australia, and would give the members of the English Institute serious ground for complaint” (Letter from Lord Elgin reproduced in Correspondence, 1906, p72). This inconvenience would arise from the “multiplication” of chartered accountants, a title respected in financial circles around the world (p73), particularly, when the chartered accountants of England had no knowledge of the adequacy of Australian accountancy examinations and standards.
It is possible, however, that there was another motive for the English opposition. This other motive being that British chartered accountants had an effective monopoly on auditing the books of UK companies operating in Australia. The English Institute not only opposed the charter but also colonial legislation which could confer the title “Chartered Accountant” on members of specified professional associations or provide for registration of Australian accountants. This had already occurred in Canada and South Africa (pp72-73). This issue was again raised when a private member’s bill calling for the registration of accountants was introduced into the New South Wales Parliament. Once again, the Secretary of the Institute protested via the Colonial Office arguing that the provisions of the bill could prevent members of the English Institute undertaking audits of New South Wales companies and from doing business for clients in that State (Correspondence, 1907, p147). This was claimed to disadvantage British investors who, having invested capital in the colonies, should be able to appoint the auditor of their choice (pp147-148). The English Institute was using its own particular problematisation strategy.

These fears provided the basis of an enrolment or alliance strategy undertaken by the Australian accountancy associations aimed at quashing the resistance of UK chartered accountants. For example, the letter referred to above was forwarded for comment to the Corporation of Accountants of Australia by the New South Wales Treasury Department. The response made it clear that the Corporation considered British chartered accountants should not be debarred from undertaking accountancy work in any Australian state. The
Corporation vowed to monitor all legislation affecting the accountancy profession and do their utmost to protect the interests of accountants throughout the British Empire (Correspondence, 1907, p149). Similar sentiments were expressed in the May and June 1907 Editorials of *The Public Accountant* (1907b, p140; 1907c, p157, respectively). Whilst some Australian accountants quite rightly took exception to perceived slurs on the abilities of members of the Australian professional associations (Editorial, 1907a), a conciliatory approach was necessary because the support of the UK Institutes was needed if a Royal Charter was to be secured.

However, the assurances from the Corporation were to no avail, and, even if they had persuaded the English Institute to withdraw its opposition, other sections of Australian accountancy continued to oppose the petition. The Royal Charter petition was officially refused on the basis that a charter should not be granted to individual associations but to one representative body (Marshall, 19798, p12; Corporation of Accountants of Australia, 1907, p96; ACPA, 1911a, p206). It was further suggested by the Colonial Office that the Australian accountants should be regulated by local legislation. In the absence of such legislation, any charter application should have the support of the Australian Federal Government (Poullaos, 1992, pp79-80; 83-84). The challenge was set and those who sought a charter were faced with forming alliances with other accountancy associations as well as state and federal governments.
b. The Second Charter Bid

The challenge was taken up in 1907 with the formation of the Australasian Corporation of Public Accountants (ACPA). As will be discussed later, the formation of the ACPA was not for the sole purpose of obtaining a Royal Charter. However, within two years of its creation, the ACPA lodged a petition for a Royal Charter through the Australian Federal Government (Graham, 1978, p7). Once again, there was dissidence and resistance to the charter application which proved insurmountable. Resistance came from three main sources: the Commonwealth and Victorian governments, the public accountants of England and the Victorian Institutes, particularly those responsible for the first unsuccessful charter bid.

The support of the Commonwealth Government had been specified by the Colonial Office as a pre-requisite to the granting of a charter when the Victorian charter application was refused (Poullaos, 1992, pp79-80; 83-84). However, it would appear that claims to specialised knowledge and skill in accounting matters were not enough. At this time, it was quite obvious that those who sought the charter had not considered the necessity of forming alliances or cultivating the goodwill of others in order to achieve their purpose. The prelude to the third charter bid suggests that the petitioners finally had acquired the essential skills of successful negotiators. During the second charter bid it would appear, however, that they indulged in a tactless, if not vitriolic, campaign against their adversaries. Poullaos, for example, argues that the support of the Commonwealth Government was not forthcoming during the second charter bid because the ACPA had
alienated it by its frequent references to the constitutional barriers to federal legislation (p84). A review of *The Public Accountant* provides ample evidence of what could be seen as a total lack of tact on the part of the ACPA with regard to this issue.

Given that the Commonwealth was still in its infancy, it is not unlikely that the Commonwealth and various State governments would take exception to the casting of aspersions on their abilities to come to agreement on Australian-wide legislation providing for the incorporation of an accountants’ association or the referral of such legislation to the Commonwealth. For example, Brentnall argued at the Second Annual Dinner of the ACPA that a Royal Charter, as a means of incorporation, was sought because the Commonwealth Constitution made it impossible to achieve incorporation which would be effective throughout all the States (ACPA, 1910b, p175). Similarly, Yarwood’s Presidential Address to the Fifth Annual Meeting of the ACPA made reference to State jealousies and expressed the view that “... in the present condition of Australian politics, there is [not] the slightest hope of anything being referred by all the States to the Federal Parliament” (ACPA, 1912c, p236). Worse still, it appears that even if such agreement could be reached, it was considered that local legislation would not give Australian chartered accountants the world-wide recognition and prestige that a Royal Charter would confer (ACPA, 1912c, p239; Editorial, *The Public Accountant*, 1913, p74).

In addition, the Victorian State Government took particular exception to the idea of a Royal Charter maintaining that the process was “archaic” and therefore, Australian
accountants should be regulated by local legislation rather than the “old country” (ACPA, 1910b, p176). It appears that the source of the Victorian Government’s opposition may have been based on dissidence within and between accountancy associations. In particular, some members of the ACPA considered that the Victorian Government’s resistance to the charter was founded on support of the Incorporated Institute of Accountants, Victoria:

The action of the Incorporated Institute was the dominant factor which led to our defeat, because through their political influence the Victorian Government were induced to withhold their consent... (ACPA, 1924a, p111).

The opposition of the Victorian Institute appears to have had two sources. The first being a retaliation for the opposition of other accountancy associations to their initial charter bid. The second was far more deep seated and thus harder to overcome particularly as it was closely connected with the most basic principle of the ACPA, the exclusion from membership of non-practising accountants (Graham, 1978, p5; ASA, undated, p27-28; Marshall, 1978, p13).

The various Institutes already in existence in Australia had members who were not practising public accountants even though they had actually passed the requisite examinations. The fact that even these individuals were not in public practice meant they were second-rate citizens in the eyes of practising public accountants and were often described as “commercial book-keepers” and “clerks” (Editorial, 1911b, p245; ACPA,
By denying membership to non-practising accountants, the founders of the ACPA adopted problematisation and interessement strategies and a means of mobilisation. The public interest was said to be served by excluding non-practising accountants from membership of the ACPA because only those with practical experience should undertake such work (ACPA, 1912c, p226; ACPA, 1913, p203; Editorial, 1914, p66). The "problem" identified was that the "general clerk" did not have the skills necessary to undertake the more complex tasks required in public practice (ACPA, 1910a, p133) and practitioners should not be given the opportunity to learn at the expense of their clients. Therefore, practice in the office of a public accountant was essential training for those aspiring to offer their services as qualified public accountants (ACPA, 1912c, p226; Editorial, 1914, p66). In addition, an essential ingredient in the formation of an agency relationship is effective organisation. Grouping all practising public accountants into one body was a means of organising or mobilising resources in order to achieve public recognition of their superior capabilities (ACPA, 1910b, pp174-175) and also a Royal Charter.

The exclusion of non-practising accountants was also an alliance or enrolment strategy aimed at overcoming resistance from the public accountants in the UK to granting Australian accountants a Royal Charter. For example, when the question of a further charter application was raised with members of the ICAEW, support was contingent on provision being made for a clear distinction between Australian chartered accountants and those in the UK. In addition, a minimum of three year's training in a public accountant's
office was to be mandatory (ACPA, 1911b, pp232-233). The ICAEW had implied this stipulation as early as 1906 in an Editorial from *The Accountant* (England) and reproduced in *The Public Accountant*:

... it would be desirable that throughout His Majesty's dominions the term "Chartered Accountant" should be recognised as being synonymous with "qualified accountant," but that its use should be limited to those who are really qualified to practice ... (*The Public Accountant*, 1906, p39).

The ACPA steadfastly adhered to this viewpoint insisting that a charter would not be granted to Australian accountants unless the application was lodged by an association consisting entirely of "bone fide" practising public accountants (ACPA, 1911b, pp232-233; 1912c, p237; Editorials, 1912, p251; 1913, p74). However, the ACPA also adopted a further enrolment strategy in that it did attempt to overcome the opposition to the charter of the Victorian Institutes (ACPA, 1912c, pp193-194) but it was apparently too late.

The ACPA offered a number of compromises including providing for Commercial Examinations to be open to "commercial book-keepers" who, if they passed, would be eligible for membership if they entered public practice or became clerks in the office of a public accountant (Editorial, 1911b, p245; ACPA, 1912a, p157). Provision was also made for those who were members of "specified local" institutes to join the ACPA on commencing public practice (ACPA, 1912a, p157; ACPA, 1912c, p237-238). This
compromise was accepted by all the relevant institutes and societies except the Incorporated Institute of Accountants, Victoria (ACPA, 1912c, p238).

The failure of these compromises to quell resistance from the Victorian Institute and the ACPA's less than sensitive approach to Commonwealth and State government rivalries appear to have sealed the fate of the second charter bid. In April 1914, *The Public Accountant* stated "... the opposition has been politically too strong, and ... it is not likely the matter will be pursued further" (Editorial, 1914, p66). The outbreak of World War I and the necessary preoccupation of the British Government with it ensured the matter was dropped for some years (ACPA, 1915, p85).

c. The Third Charter Bid

In 1923, a third and final movement was begun in the quest for a Royal Charter (Brentnall, 1938, p69). This successful bid was characterised by a marked difference in the ACPA's approach to its traditional antagonists. One of the clearest indications of a change in the approach of the ACPA was the lack of mention of the third charter attempt in *The Public Accountant* and public addresses by senior members of the association. There also was not a return to the acerbity that had characterised reports on the previous attempt including reference to the "antagonistic spirit" and "dog-in-the-manger" tactics of the Victorian Institute being, as it was, a "less publicly important" organisation (Editorials: 1912, p250; 1914, p66). The few public references to the charter bid tended to have a conciliatory tone. For example, Brentnall referred to charter negotiations at the New
South Wales Branch Annual Dinner in 1924 but only to say that so far no progress had been made but there was still hope (ACPA, 1924b, p178). At the Seventeenth Ordinary Meeting of Members in October of that year, Brentnall had made more extensive comment regarding the charter application but made it clear that even though the Victorian opposition was painful "beyond words" he still had "nothing but the kindest feelings" for the Institute of which he had earlier held office as President and Vice-President (ACPA, 1924a, p112).

There was also a clear change in the approach to the ACPA of the Victorian Institute, which had amended its title in 1922 to the Commonwealth Institute of Accountants (Marshall, 1978, p13; Graham, 1978, p8). In 1924, the ACPA lodged a formal charter application with the Privy Council. Predictably, the Commonwealth Institute lodged a counter-petition (Marshall, 1978, p13; ASA, undated, p28; ACPA, 1925, p114). However, unlike the past, opposition was based on the granting of a charter to a specified accountancy association rather than the exclusion of non-practising accountants (Marshall, 1978, p14; ASA, undated, p28; ACPA, 1925, p114). It would appear that both organisations realised that compromise would be necessary if their members were to receive the recognition and prestige suggested by a Royal Charter of incorporation.

At the 1925 Annual General Meeting of the ACPA, Brentnall reproduced the Presidential Address of the latest Annual Meeting of the Commonwealth Institute (ACPA, 1925, pp114-115). The address suggested meetings of all practising accountants throughout the
country with a view to renewing the charter application on behalf of “every reputable and
genuine practising accountant throughout Australia” (p115). Brentnall expressed the view
there was “little or nothing to object” to in this proposal and informed the members that
meetings had already been held in Melbourne to “reconcile long-standing differences of
opinion” (p115).

Early in 1926, agreement was reached between the two bodies. The terms of the
resolution included that members of the Commonwealth Institute who had passed the full
examinations of that body prior to the date of the granting of the charter should be eligible
for membership of the chartered body on entering public practice. This was similar to the
provisions the ACPA had already included in its articles except that prospective members
previously had been required to sit for ACPA examinations. The deletion of this
requirement represented a clear compromise on the part of the ACPA. In addition, the
ACPA and the Commonwealth Institute were to have equal representation on the first
Council of the new chartered body. It was also agreed that all negotiations and
correspondence relative to this agreement be kept strictly confidential being disclosed only
to members of the General Councils of the two bodies until such time as the Victorian
Attorney-General withdrew that State’s objection to the charter application (Graham,
1978, pp8-9). This perhaps explains the lack of public reference to the charter bid and
also the scant, almost negligible, records of the negotiations (p8).
The other hurdle to be overcome in the quest for a charter was gaining the active support of the Commonwealth Government. This had been a stipulation imposed by the Colonial Office since the time of the first charter application. Up to this time, such support was not forthcoming. In 1923, however, Stanley Melbourne Bruce became Australia’s Prime Minister and lent active support to the charter bid (p11). Bruce apparently had a desire to cultivate a close relationship between Australia and Britain and, according to Graham, "... saw the Royal Charter as fitting evidence of the special nature of this relationship" (p11).

With all hurdles effectively removed, The Institute of Chartered Accountants in Australia came into existence with the granting of a Royal Charter on 19 June, 1928 to Thomas Brentnall, George Mason Allard and Henry Joshua Wise on behalf of the public accountants of Australia (Editorial, 1928, p3). The status and prestige of a Royal Charter were now available to all who qualified for membership of the ICAA. Incorporating the practising public accountants in Australia into one body politic was now possible.

d. The Advent of Accounting Standards

Commercial accountants, however, still tended to be a more disparate group with a large number of accountancy associations. In 1952, the Australian Society of Accountants (now the ACPA), was formed through the amalgamation of the Commonwealth Institute of Accountants, the Federal Institute of Accountants and the Association of Accountants of Australia (Zeef, 1973, p1; ASA, undated, pix; Fitzgerald, 1962, p290). Fitzgerald termed the formation of the ASA "... a marked return to sanity in the organisation of a
unified profession" (p290). This turn of events was, in retrospect, essential to the achievement of domination of the standard setting process by the ASCPA and the ICAA. Having two major accountancy associations representing two broad categories of qualified accountants ultimately facilitated the mobilisation of resources to establish standard setting and research bodies and, thereby, demonstrate an ability to determine appropriate accounting practices and standards.

Australian accounting standards are a fairly recent phenomenon arising, it would seem, not out of any pressing urgency on the part of the accountancy associations to protect the public interest but out of a desire to establish accountancy as a "major" profession such as medicine and law (ASA, 1966, p30) and also maintain autonomy. In other words, if the accountancy associations did not set them, someone else, possibly legislators, would (p29). While this fear was clearly evident in an ASA report dealing with corporate failures in the 1960s, it was not new. For example, while discussing a paper dealing with accounting standards presented at the Australian Congress on Accounting in Sydney in 1949, C W M Court, State Registrar of the Western Australian branch of the ICAA, stated that "[c]omplacency on the part of the profession will mean compulsion, regimentation and legislation" and, therefore, the profession should act and "... give the legislators no excuse to legislate for improvement of our standards" (Fitzgerald, 1949, p40). An alternative strategy of giving the appearance of being prepared and qualified to assume certain responsibilities had been suggested seventeen years earlier. In 1932, the then
president of the ICAEW, H L H Hill, stated that the accountancy associations should lead
the way in the formulation of corporate legislation:

There is always a lag, and legislation with which we are concerned is always
framed upon the best accountancy practice. We must, therefore, take the lead
so that, if and when fresh legislation is enacted, there may be by that time an
established practice in accountancy in advance of the requirements of present-
day legislation, and established practice that will assist and direct those who
frame the law to institute further safeguards for investors and the public (The
Accountant, 1932, p45).

Fitzgerald saw the lack of "authoritatively expressed accounting standards" as an
unsuspected weakness of the profession and highlighted the limitations of accounting
practice based on convention. Both this weakness and limitations were brought to light by
abuses of the corporate form (pp17-18). This is not to say that accountancy associations
were not at this time issuing practice guidelines to their members. The Commonwealth
Institute had established a Committee on Accounting Principles in 1938 (ASA, undated,
p47; Zeff, 1973, p29) which issued a pronouncement on cash discounts allowable and
receivable in 1940 (ASA, undated, p47; Zeff, 1973, pp29-30). An Accounting Research
Committee was established in 1948 (Zeff, 1973, p32). The ICAA had by this time also
issued seven Recommendations on Accounting Principles (p3). However, little progress
towards the setting of accounting standards was made during the 1950s and early 1960s.
The 1960s brought another series of spectacular corporate failures and, as with the failures
in the wake of the Victorian land boom, accountants were implicated in the
unexpectedness of these failures. According to Birkett and Walker:
Many of the failures followed hard on the heels of the publication of audited financial statements depicting a profitable past and an apparently sound present. The inspectors' reports later documented breakdowns in accountability. Many of the failed companies had been in a state of crisis for some considerable period prior to their ultimate collapse. Their financial statements had not only failed to inform investors - they had also been misleading. These financial statements had been prepared by accountants, signed by auditors. In the public's eye they were the responsibility of the accounting profession (1971, p131).

In 1964, the General Council of the ASA expressed its concern at the publicity which inspectors' reports into failed companies was generating in the press and instituted a study of some of these reports (ASA, 1966, p4; Zeff, 1973, p37). The results of the study were issued in 1966 under the title, *Accounting Principles and Practices Discussed in Reports on Company Failures* (ASA, 1966). The General Council conceded that there may be "deficiencies in the accountancy profession" (p5) but that the major problem was the lack of legally enforceable accounting methods (p7) and disciplinary procedures to ensure adherence to the accounting principles and standards of conduct developed and prescribed by the professional bodies (pp31-32).

Given that the ASA had not at this time issued any statements dealing with recommended practice, the Accounting Research Committee of General Council was instructed to undertake research with a view to the formulation, promulgation and review of accounting principles for the guidance of members (p28). However, apart from the issue of effective enforcement, there were two other problems with the proposal to issue statements of
recommended practice. First was the cost involved in developing and promulgating such statements. Second, activities of this nature would put the ASA in direct competition with the ICAA which had already issued Recommendations to its members (Zeff, 1973, p37). The alternative was to create a jointly sponsored standard setting body.

The first step in this direction had already been taken with the creation of a jointly sponsored research body, the Accountancy Research Foundation, in 1965 (p43). The aim of the Foundation was "... the consolidation and dissemination of extant accounting and auditing principles and unresolved problems of accounting and auditing..." (Boehme & Braddock, 1965, p318). However, both the ASA and the ICAA continued to formulate their own principle statements with a consequent duplication of effort (p44). The futility of this exercise was identified in 1971 and moves were made to bring the standard setting process under the umbrella of the Research Foundation (p21). In 1973, the separate standard setting activities of the ICAA and ASA were brought under the auspices of a restructured and renamed research foundation, the Australian Accounting Research Foundation (AARF). The following year, the Australian Accounting Standards Committee assumed, as part of the AARF, the responsibility for developing accounting standards (Balmford, 1977, p546).

While legal backing for accounting standards was still some ten years away, the two accountancy associations, or at least, the jointly sponsored research body, the AARF and its Accounting Standards Committee, had established the basis of their recognition as the
most suitable candidate to develop and design accounting standards because they had the "necessary expertise" (Australia, 1981, 21.55, p372).

Concluding Comments

This paper used a translation model of power to demonstrate some of the professionalisation activities or strategies of Australian accountancy associations. While the use of such strategies is not unique to Australian accountancy, it was indispensable for a number of reasons.

As the paper indicates, Australian accountants and some of their associations were called into disrepute at the turn of the century. This was due to revelations that the accounts of many of the large and spectacular corporate failures in the wake of the Victorian land boom were misleading even though they had been prepared and audited by individuals who styled themselves practising public accountants. In an effort to overcome negativity of this nature, many of the then existing accountancy associations and their successors introduced mandatory education and examination membership requirements. Some also required a minimum period of service in the office of a practising public accountant.

While this strategy appears to have been responsible for a change in the public perception of the capabilities of members of some Accountancy associations, it was not sufficient to give them the world-wide prestige and status desired for members of these associations. One of the perceived ways of achieving this prestige and status was to be granted a Royal
Charter. What appeared to be a simple matter of lodging a petition proved to be an exercise in politics and diplomacy spanning some twenty-five years and three separate charter applications. Superior knowledge and skill in the accounting arena had to be supplemented with the ability to form alliances and counter dissidence and resistance from accounting groups both in Australia and overseas and also from Commonwealth and State governments.

Further activities which helped to consolidate the position of accountants in Australia included the grouping together of several other accountancy associations to form the ASA. This meant there were now two major accountancy associations in Australia rather than a unified group of chartered accountants and disparate group of others who either chose not to become members of the ICAA or who were not in public practice. This, in turn, facilitated the creation of a joint research body which later assumed responsibility for the formulation and promulgation of accounting standards. When legal backing for approved accounting standards was initiated, the two associations and their research body, the AARF, were in an ideal position to accomplish domination of the standard setting process.

While members of accountancy associations had clearly seen themselves as professionals since before the formation of such associations, the victory in achieving statutory backing of approved accounting standards and effective domination of the process could well be
seen as long awaited affirmation of this status. After the best part of a century, qualified accountants completed the transition from charlatan to doyen.
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