CREATIVE ACCOUNTING

A HISTORY OF
THE DEPARTMENT OF COMMERCE
THE UNIVERSITY OF QUEENSLAND

Peter Yule
ECO
Dr Peter Yule is a freelance historian who has written exclusively on Australian and British history. He has published widely, particularly in the fields of military history, medical history and Victorian local history. His recent books include *The Forgotten Giant of Australian Aviation: A History of Australian National Airways* and *The Royal Children’s Hospital: A History of Faith, Science and Love*. The latter won the award for best print publication in the 1999–2000 Victorian Community History Awards. He is currently writing a history of the Victorian Auditor-General’s Office and editing a history of the Melbourne suburb of Carlton.
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PETER YULE

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Acknowledgments

During the late 1970s the Business Studies Faculty at the Warrnambool Institute of Advanced Education was a surprisingly fertile source of academic talent, attracting many bright young academics and a large number of enthusiastic students. The golden era of the department was brief, with many people moving on even before the faculty was gutted after the merger of the Warrnambool Institute with Deakin University. Two of the leading lights in the faculty were Ian Zimmer and Colin Ferguson, who both moved on to the University of Queensland. I had a brief connection with Warrnambool Institute, un成功fully attempting to convince the economics lecturer that a knowledge of economic history is essential to the proper understanding of their discipline. During this period, Colin Ferguson and I worked together to produce a well-received history of Warrnambool and this proved to be the genesis of the process which led to the writing of this history.

I am grateful to Colin Ferguson for suggesting that the history of the Department of Commerce should be written by an outsider and for putting my name forward as a suitable historian. I hope this work justifies the confidence he placed in me.

From the outset, present and past members of the department gave me every support and encouragement in my research. My thanks are due to Frank Finn, Ron Weber, Don Anderson, Ian Zimmer, Merle Gynther, David Watson, Julie Walker, Brian Grace, Brenda Marshall, Fiona Rohde, Bruce Grundy, Geoff Meredith and
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Coral Cochrane, Tania Smith, Robyn Schwarz, Karen Morgan and Maureen Piggott gave me every assistance and did much to make the production of this history possible. The faculty librarian, Tanya Ziebell, helped me with the research for the book and guided me to many unsuspected sources. My thanks to them all.

The main factor prompting the writing of this history was the failing health of Reg Gynther, the founder of the department. I was fortunate to have several lengthy conversations with Professor Gynther before his death in November 1999 and these were vital to an understanding of the early years of the department. In spite of his ill-health, his pride in the achievements of the department he created was very clear. It is only appropriate that this volume should be dedicated to the memory of Reg Gynther.
Preface

The beginnings of the present School of Commerce can be traced to the appointment of Reg Gynther as the first full-time lecturer in accounting at the University of Queensland in 1959. This was followed by the appointments in 1960 of two stalwarts of accounting education in Queensland, Geoff Beck and Lindsay Sanderson. The Department of Accountancy (as it was then called) was formed in 1961 with Reg Gynther as its first head. Reg was appointed as the first Professor of Accounting at the university in 1967, and he served as Head of the Department until he left to accept a position with the then Coopers and Lybrand in 1977.

Ray Ball was appointed from the University of Chicago to fill the second chair in the department in 1972. At the time he took up his appointment, Ray Ball was aged 27, the youngest person to ever gain a full professorship in any discipline at the University of Queensland. In the four decades since 1961, the School of Commerce has expanded from 3 full-time lecturers to its current complement of 44 lecturers and above, supported by 16 associate lecturers, 17 equivalent full-time tutors and 10 administrative staff.

A highlight in the school's history was its ranking as the number one accounting department in Australia in a study undertaken through the Institute of Applied Economic and Social Research at the University of Melbourne and published in the *Australian Economic Review* in 1993. As well as the best accounting department overall, the school was also ranked number one for its honours
program and postgraduate research programs. The honours program has become the school’s flagship in the international arena and Reg Gynther’s most influential legacy left to the school. Graduates from the honours and PhD programs have become leaders in commerce and the financial services professions, and leading academics in accounting, finance, and information systems in universities in Australia, South-East Asia and the United States.

Why compile a history of a school which has been in existence for just four decades? Two related events became the impetus to the commissioning of this history. Professor Stephen Zeff of Rice University, a leading international accounting academic and a former editor of the premier journal Accounting Review, visited the school in 1998. After reviewing the school’s Honour Board, he made the suggestion (or was it a command?) that the school’s history should be recorded. Also at that time, Reg Gynther, who was a close friend of Steve Zeff, was in failing health. We adopted the project of recording the school’s history in memory of Reg Gynther, the school’s founder.

Colin Ferguson vigorously pursued the project and at his urging we asked Dr Peter Yule, an eminent economic historian, to compile the history of the School of Commerce. In the book which follows, Peter has recorded in a particularly insightful and readable way the major events and achievements, and many of the minor events, in the development and growth of the school leading into the twenty-first century.

Frank Finn
Commonwealth Bank Professor of Banking and Finance
Head, School of Commerce
September 2001
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What was an AAUQ? The early history of accounting at The University of Queensland

Walter Savage was born at Beenleigh in Queensland in 1880. He left school at the age of 13 and began work in the office of a Brisbane public accountant, Henry Oxley. After a year as a messenger boy, he progressed to basic bookkeeping, adding columns in pounds, shillings and pence without the aid of a computer, calculator or even adding machine, and with any ink blots incurring the wrath of his superiors. Accounting education at the time was entirely in the hands of the profession, with a lengthy apprenticeship culminating in exams run by the professional bodies. Walter Savage gained high marks in all his exams and in 1903 he qualified as a member of the Federal Institute of Accountants. In 1911 he became a partner in the Brisbane firm of Inglis, Lavery and Savage and five years later he set up a sole practice in Queen Street. The practice expanded rapidly and throughout the interwar years Savage's practice was one of the largest and most highly regarded in Brisbane. In 1948, Savage's firm joined with Smith and Goyder of Perth and Allard, Way and Hardie of Sydney to form the original Coopers and Lybrand partnership in Australia.\(^1\)

The education of Walter Savage was typical of the training received by almost all Australian accountants until the 1950s. Boys (and accountancy was among the most male dominated of all the
professions until the 1970s) joined accounting firms direct from school and studied for their professional exams while working. Although the age of entry into accounting firms slowly rose, as late as 1964 less than 17 per cent of practising accountants in Queensland had completed secondary school and less than 8 per cent had a university degree of any sort.\(^2\)

While Australia had taken its apprenticeship system of training accountants from the British model, a totally different model had evolved in the United States. The leaders of the American profession believed that the apprenticeship system meant that knowledge was gained only by many years of attention to practice, and did not give accountants a sound base in theory, principles and concepts. They argued that only university-based accounting schools could ‘serve as the educational foundation to provide this profession with the theoretical underpinnings and respectability that are the hallmarks of the medical and legal professions’.\(^3\) The first accounting course at an American university began as early as 1883 and by the 1930s most accounting education was university-based and accounting was accepted as an academic discipline.

The story of accounting education in Australia in the 20th century can be summarised as the transition from the British apprenticeship system to American-style university based education. With hindsight, this development appears logical and inevitable, but there was strong resistance to it from both the profession and the universities. This resistance was stronger in Queensland than elsewhere in Australia and much of the history of the Department of Commerce until the 1970s revolved around the lengthy fight to overcome this and establish accounting as a university discipline.

Queensland was slow to establish a university. The relatively small proportion of the population that lived in Brisbane and the fact that the economy was based on primary industries meant that demand for tertiary education developed slowly. Reinforced by strong anti-intellectual prejudice at all levels of Queensland society, this led to the foundation of a university being delayed into the early 20th
century. When the university was eventually established in 1909, the founders emphasised that they did not want to create an ‘Oxbridge’ type of university based on arts and the classics, but a university based on the model of some of the mid-western states of America, which concentrated on practical training for commerce and industry.\(^4\)

However, after its eventual establishment in 1909, the trend in the university was away from practical training and towards the arts and natural sciences. The university quickly turned from the ideals of a ‘practical and progressive’ university which had been behind its establishment and attempted to ape the older universities of the southern states and the United Kingdom. This appears to have sprung from the belief of the leaders of the university that they had to prove that they were running a ‘real university’ and not just a sort of technical school. Consequently the university rapidly became one of the most conservative in Australia, as shown by the setting of entry requirements that included Latin or Greek for arts students and a modern language for all other students.

The initial chairs at the university were in classics, mathematics, chemistry and engineering and, over the next fifteen years, chairs were established in physics, English, history, philosophy, biology, geology and law. There was considerable debate within the university as to the most appropriate areas for expansion, with arts, science, law and medicine being the most favoured disciplines. In 1911 the Senate called on the Premier, Mr D. F. Denham, to establish chairs in agriculture and commerce, but he refused, arguing that it was ‘the duty of those who derived immense wealth from commerce to devote some portion of it to such purposes’.\(^5\) Three years later a leading member of the Senate returned from America and suggested that the University of Queensland should give priority to chairs in music, law, astrophysics, sociology and Eastern languages. Interestingly, he did mention, as the very last item on his list, the possibility of setting up a Department of Accountancy, which would have been the first at any Australian university, but this suggestion was not implemented for nearly half a century.\(^6\)
Naturally the university saw itself as having responsibility for education for the professions in Queensland, with engineering being a foundation faculty and law, medicine and dentistry following by the 1930s. The university felt no such commitment to accountancy because, even in the 1920s and 1930s, the position of accountancy as a recognised profession was far from secure. As Rob Linn shows in his history of the accounting profession in Australia, the interwar years were the critical period in which accountants fought for their professional acceptance. Accounting literature in the period ‘was full of articles intent on building the self-esteem of the profession’, pointing out the importance of the economic role of accountants and their right to be treated as professionals. While this campaign for recognition was ultimately successful, it was not until after the Second World War that the responsibility for accounting education was accepted by Australian universities.

Accounting gained its first toe-hold within the University of Queensland through its natural alliance with economics. During the 19th century economics had successfully created a body of theory esoteric enough to gain acceptance as an academic subject at even the most conservative universities. This was reflected at the University of Queensland, where economics was taught from the earliest days, initially as part of the Department of Philosophy before moving to the History Department in 1915, where it stayed until 1947.

In 1911 the Senate had resolved to establish a Faculty of Commerce granting the degrees of Bachelor and Master of Commerce and a Diploma of Commerce as soon as funds became available. As funds were not available, in 1915 the university appointed a committee to consider ways and means of providing for commercial education. Following a minimalist approach, the committee recommended ‘a modification of the degree course in Arts so as to include certain subjects which would fit men to some extent for the higher work in commercial houses’. The first step in this direction came with the appointment in 1921 of a Board of Studies to conduct
commerce courses, and in 1923 the board was given the status of a faculty, but it was in the strange situation of being a faculty without departments. The Professor of History, Henry Alcock, was the first faculty dean and effective control of commercial studies remained within the Faculty of Arts for many years. Nonetheless, a commercial certificate was introduced in 1922, a diploma in commerce in 1923, and degree courses in 1926 with bachelors and masters degrees available.

In spite of the title, these commerce courses were essentially arts degrees with a major in economics. The university did not offer any subjects in accounting, finance, business administration or business law and its commerce graduates were educated primarily in classical economics and the liberal arts. For example, candidates for the diploma in commerce were required to pass Economics I and II, Modern History, English I, French and Pure Mathematics. The commercial content of all courses offered by the Faculty of Commercial Studies was not provided by the university but by the professional bodies. Candidates for the diploma in commerce or the commercial certificate had to complete the prescribed university subjects and be admitted to one or more of the five recognised institutes of accountants and/or secretaries, while the first regulations for the Bachelor of Commerce did not require membership of the professional bodies, although candidates had to pass the professional exams in Accounting I and II, a law subject and Auditing.  

Although the only practical training for business in the university’s economics-based commerce courses came from the accounting institutes, the accounting profession felt itself threatened by their development. One leader of the profession argued that ‘Universities [were] white-anting the accountancy profession through the various economics courses’. He feared that university economics courses would be seen as better training for business careers than accountancy studies and believed that the value of the professional bodies’ examinations was under threat.
In the early 1920s the accounting profession in Queensland campaigned successfully for legislation requiring government registration of accountants, with the aim of protecting the profession and the public. The legislation required accountants to pass exams for a certificate in accountancy, which was also accepted as equivalent to membership of the professional bodies for the purposes of the university's commerce course. Initially these exams were conducted by the Department of Public Instruction, but in 1934 the university took over responsibility and holders of the certificate became 'Associates in Accountancy of the University of Queensland' (AAUQ). The reasoning behind the university's decision was explained by Professor Alcock:

If we wish to make headway we must control examinations and courses in all business subjects as well as the purely academic. Otherwise we cannot be said to be entitled to judge the standards of other examining bodies for the purposes of exemptions. Our standards must be truly our own. We must provide for the actual teaching of our business subjects.\(^{11}\)

While showing a certain distaste for the need to teach what he saw as non-academic subjects, Professor Alcock believed that the university could not rely on outside bodies to maintain its standards. Although the move to establish the AAUQ for the first time made the university directly responsible for teaching accounting subjects, it was clear that accounting was not accepted as a university discipline. Lectures were not given by university staff, but by part-time staff employed by the Department of Public Instruction's State Commercial High School and College. Further, the AAUQ was not a genuine tertiary course. All teaching was in the evening and, while classes included university commerce degree candidates, most students were certificate candidates who had not completed secondary school.

We know nothing about the early teachers of accounting in the subjects for the AAUQ certificate. Presumably they were junior accountants prepared to teach part-time in evening courses. In that
What was an AAUQ?

sense they were very similar to their students, who took up their studies in the evening after a full day's work. Accounting education in Brisbane operated in a strange twilight world, with students and their lecturers hurrying out of their city offices and making their way down to the Commercial High School in George Street, to study late into the night before making their weary way home by public transport (cars were hard to afford on the 15 shillings a week starting wage for accountants).

Geoff Orr was one of the early AAUQ students in the late 1930s. His father died in the early years of the depression, forcing Orr to leave school and look for a job. He was rejected by the Commonwealth Bank because his father had died of tuberculosis, but he was accepted by the accounting firm of Kennedy, Bowly and Mason. He joined as an office boy and recalled that he 'started half an hour before everybody else in the office so that all the tables could be tidy and the inkwells cleaned' and went out in the middle of the day to buy lunches for the staff. After about six months he began to write up the cash books and post the ledgers by hand and also began his studies, attending the Commercial High School two or three nights a week. This evening study routine continued for several years before Orr received his AAUQ — the prelude to a highly successful career culminating in the presidency of the ASA in 1968.12

Although a majority of the students in the AAUQ course worked with accounting firms, a sizeable minority were public servants. Born in 1914, Roy Fields completed his junior education at Brisbane State High School and his senior education at the Teachers' Training College. When he was 17 he secured one of the few appointments to the state public service made in the depression year of 1931, becoming a clerk in the Bureau of Economics and Statistics. The following year he began part-time evening study at the University of Queensland, enrolling in the Bachelor of Commerce and AAUQ courses. After five years of late nights at the Commercial High School he completed his studies in 1937. He progressed rapidly through the ranks of the public service, becoming an
acknowledged expert on Commonwealth/State financial relations, and at the time of his retirement in 1977 he was the Chairman of the Queensland Public Service Board.\textsuperscript{13}

The image of accounting students and lecturers hurrying through the dusk to their classes is symbolic of the twilight limbo in which accounting education remained in Queensland for a quarter of a century after the establishment of the AAUQ in 1934. It was unclear whether the AAUQ was a tertiary or a secondary qualification and the students ranged from those who had minimal secondary education to those who were pursuing honours degrees at university. The part-time staff were keen and dedicated but they were not university staff and most were not university educated, so they could not be expected to bring an academic approach to their teaching, to be innovative in developing the curriculum or to keep up with the advances in accounting teaching and research coming from the United States. The qualification was not recognised by the professional bodies, so students had to sit duplicate exams in many subjects. Finally, the division of responsibilities between the university, the Department of Public Instruction and the professional bodies was never clear and led to constant problems. Many of these problems were appreciated within the Faculty of Commercial Studies and the profession, but inertia, the Second World War, and reluctance by many in the university to accept accounting as an academic discipline prevented progress for many years.
The decade from 1945 to 1955 has been described as the ‘florescent
decade’ in the development of accounting education in Australia.¹
At the start of the decade, no Australian university had any full-time
staff teaching accounting; by the end of the decade, several universi-
ties had functioning accounting departments and the University
of Melbourne had made Australia’s first professorial appointment in
accountancy, followed within months by the creation of a chair at
the New South Wales University of Technology.

There were several reasons for the growth in university-based
accounting education in this decade. The 1920s and 1930s saw the
rapid development of tertiary accounting courses in American
universities and the Second World War had greatly increased contact
between Australia and America at all levels of society, leading to an
increased acceptance of American ideas and methods. Several uni-
versities had already begun to expand their commitment to ac-
counting education in the interwar years, but this had been limited
by the financial constraints of the depression and the war.² The
Commonwealth Reconstruction Training Scheme offered tertiary
education to thousands of returned servicemen and many of these
were looking for more practical training than had been wanted by
the tiny elite able to attend university during the depression years.
This resulted in an explosion in enrolments in commerce courses and a demand for accounting to be given a more central place in these courses.3

On a broader level, the progress in university-based accounting education was the result of a debate within the profession on the proper training required for accountancy. During this period there were myriad articles, papers, seminars and conferences on accounting education. The dominant argument was put forward by Ken Keown, then a lecturer in accountancy at the Melbourne Technical College, writing in the journal of the Commonwealth Institute of Accountants:

In my opinion our present educational policies are not adequately equipping our profession and the time has come when we, as an Institute, should take steps to revise thoroughly the whole of our educational system and bring it in line with the present-day needs of the profession.4

Keown argued for higher entrance standards for accounting courses, a restructuring of courses to give students a theoretical base to their practical knowledge, and postgraduate training for professional advancement. This view was supported by Professor E. B. Smyth who asserted that 'Only through university education will the profession obtain its share of the best brains of each generation, without which it cannot hope to survive as a profession worthy of the name.'5

The University of Melbourne was the early leader in the development of university accounting education. A major in accountancy, together with economics and related legal subjects, was available to students from the introduction of the Bachelor of Commerce and Diploma of Commerce courses in 1925. Although the accountancy teaching staff were part-timers, two of the leading figures in Australian accountancy, E. V. (later Sir Edwin) Nixon and A. A. (later Sir Alexander) Fitzgerald, took responsibility for course content and much of the teaching, and this gave accountancy at the University
of Melbourne great respect. Melbourne teaching staff were largely responsible for a widely used and admired series of retraining booklets prepared as part of the Commonwealth Reconstruction Training Scheme and, in late 1945, the university appointed Louis Goldberg as the first full-time lecturer in accounting at any Australian university. Ten years later, following an appeal for funds to business and the profession, the University of Melbourne appointed Alexander Fitzgerald as the first professor of accounting in Australia.

The University of Sydney was behind Melbourne in the acceptance of commerce and accountancy. Some accountancy subjects were available as part of the Bachelor of Economics, but the basic structure of the course remained unchanged from 1913 to 1945. In that year a faculty committee on the development of accounting education argued that ‘the course should be directed to giving the student a thorough understanding of the principles of accountancy with the ultimate object of carrying the studies to a point at which research is possible’. This is notable as being one of the earliest comments in Australia that it was possible and desirable to undertake research in accounting. In 1952 R. J. Chambers became the first full-time lecturer in accounting at the University of Sydney, an appointment which has influenced the approach to the discipline at that university ever since. Chambers began an honours school in accounting in 1957 and in 1960 he was appointed to the University of Sydney’s first chair in accounting.

The New South Wales University of Technology (later the University of New South Wales) was established in 1949 as the first of the ‘new’ universities which multiplied rapidly in the 1960s and 1970s. As a new university it did not have the ingrained institutional prejudice against accounting as an academic discipline which was a strong feature of the older universities. But it was not until 1956 that the Department of Technical Education relinquished its role in accounting education and allowed the university to set up a degree in commerce with majors in economics or accounting and to establish chairs in both disciplines.
Of the other universities in Australia, Adelaide had been the first to make provision for teaching commercial studies in 1902, but accounting education then stagnated for many years until a Bachelor of Commerce degree was set up in 1952. In that year Russell Mathews was appointed Reader in Commercial Studies, being promoted to Professor in 1957. In Tasmania, the first full-time lecturer in accounting, A. R. Hewer, was appointed in 1955 (after he had been teaching on a part-time basis for 30 years!).

One of the major issues for the new departments of accounting being established in most Australian universities in the decade 1945 to 1955 was the relationship between them and the professional accounting bodies. The universities were naturally eager for the professional bodies to accept university examinations as meeting requirements for membership of the bodies. At the same time they tried to resist the pressure to grant exemptions for university subjects for passing the professional bodies’ exams for the equivalent subjects. This was a symptom of a broader split between the profession and the small but growing number of academic accountants over the purpose of accounting education — was it just a practical technique to be learned in pursuit of a career, or an academic discipline with a genuine theoretical base? For the academics this was a vital issue, as their credibility within their universities was at stake. This fight inevitably led to some friction between the universities and the profession, but the overall result was that there was an increasing acceptance within the profession of the value of a university education and a parallel increase in the acceptance of university examinations by the professional bodies.8

In his account of the ‘florescent decade’, Louis Goldberg concluded his survey of the rapid growth in the university teaching of accountancy in the years 1945 to 1955 by noting, ‘Little progress was made in the University of Queensland and the University of Western Australia during this decade.’9 In the case of the University of Queensland it would be more accurate to say that no progress was made. The only change in the prewar arrangements was the
establishment of the Public Accountants Registration Board (PARB) in 1946. The board appointed the university as the examining body, but with the provision that the examinations were to be identical with those of the old Certificate in Accountancy. As the PARB examinees did not attend university lectures and were completely unknown to the university until they walked into the examination room, this was not a progressive step in the development of accounting education.

There is little evidence to explain why there was no development in accounting education at the University of Queensland in the decade when there was rapid development at almost every other university. In earlier factual accounts of the development of the Department of Commerce, this decade is notable only for the fact that it is not mentioned at all. Yet this was far from being a stagnant decade in the university as a whole or even within the Faculty of Commercial Studies. The late 1940s and early 1950s saw the rapid development of the St Lucia campus, a proliferation of new faculties and departments, and a tripling in the number of academic staff. Within the faculty, this decade saw the establishment of a separate Department of Economics, the appointment of the first professor of economics and the introduction of graduate and postgraduate degrees in economics. But nothing happened in accounting.

A vivid illustration of the backward state of accounting education in Queensland came during the visit to Australia of Dr Mary E. Murphy, a leading American accounting academic, who was the first recipient of a Fulbright Scholarship in the accounting field in Australia. By what Louis Goldberg describes as ‘an odd quirk of irony’, but could more realistically be described as a stuff-up, Dr Murphy was initially assigned to the University of Queensland. As the university had no accounting department and no accounting staff, and a Fulbright scholar could hardly be assigned to the State Department of Public Instruction which was responsible for accounting education, Dr Murphy’s time in Australia was eventually
spent as an itinerant lecturer, working with the more active accounting schools in the southern states.¹¹

The lack of progress in accounting education in Queensland was not due to lack of student interest. Enrolments in the Bachelor of Commerce and the AAUQ rose sharply in the postwar years and, after a slight dip in the early 1950s, continued to rise steadily thereafter. The explanation appears to come back to a combination of inertia and opposition within the university.

The opposition to any expansion of accounting came from the heights of the administration. Many senior figures in the university were dedicated to a vision of an 'Oxbridge' type of institution in which the natural sciences and the humanities predominated and in which most students were full-time. This was made explicit in a minute by the Vice-Chancellor, J. D. Story, in March 1956: ‘The core of a Teaching University should be its corps of full-time day students; the core of the Cultural side (pure) of a Teaching University should be a substantial enrolment of full-time day students in The Humanities; the core of The Humanities (cultural as distinct from vocational) should be the Faculty of Arts.’¹² Accounting, with its lack of historical credentials as an academic discipline and its large numbers of part-time and external students, had no place in such a vision of a university.¹³ From the 1950s until about 1970, accounting and commerce encountered continual obstruction and opposition from within the university power structure.

In the first decade after the Second World War accountancy at the University of Queensland lacked a champion to counter this opposition. As there were no accounting lecturers on the university staff, support for the development of accountancy would most likely come from economics. However, in this period economics was fully involved in fighting successfully for its own advancement, with the establishment of the Department of Economics, the first chair, and graduate and postgraduate degrees in economics coming within a few years. It was not until these battles were won that Professor J. K. Gifford, the distinguished economist who had succeeded
Professor Alcock as faculty dean in 1949, turned his attention to the problems of accounting education in the university.

In early 1955 the Faculty of Commerce and Economics passed a motion calling for the appointment of a full-time senior lecturer in accountancy. The motion was passed to the Standing Committee of the Professorial Board and ignored. Several months later Professor Gifford wrote to the Standing Committee, and his letter deserves reproduction as one of the earliest statements made of the case for accounting education within the University of Queensland:

I should like to ask you to take up again with the Standing Committee the Faculty of Commerce and Economics' request for a Senior Lecturer in Accountancy for 1956. Perhaps you could put these points before the members.

It would strengthen any appeal to the business community for funds if the University had shown sympathy with these ideas of the business community to the extent of appointing one permanent member of the staff to look after commercial studies in this University.

It would help to gain business support for the aims of the University Appointments Board.

A further postponement of this first appointment will make the business members of the Faculty of Commerce and Economics very disappointed with the University and even more discontented than they are now. They have frequently expressed their discontent with the University for not making this appointment, which was requested by the Faculty years ago, and with the Dean and the non-business members of the Faculty for not securing success in the appeal.

There is no need to consider that any other appointment in accountancy is as urgent as this one. Any appointment in External Studies in Accountancy can wait until funds are available for further University expansion.

The Economics Department is anxious to help the establishment of commercial studies in the University, partly to help the business community, from which it has to learn about business organisation, and partly to get advanced accountancy taught in the University in a suitable way for economists; the Department is willing to squeeze up to make accommodation available for the Senior Lecturer in Accountancy and is willing until suitable extra funds are available, to provide secretarial
help for the Senior Lecturer …

There is no need for me to state the general academic case for teaching accounting and commercial studies in the University; that was done in my earlier submissions.\(^{14}\) I should like to state, however, that, since my earlier submissions, the University of Adelaide has appointed a Reader in Commercial Studies and the University of Melbourne, a Professor of Accountancy and a Professor of Commercial Law. The Sydney University of Technology is establishing a chair in accountancy.

There is in the University staff considerable indifference towards University teaching of accounting and even some hostility. It would be very unfortunate if the business community became aware of this state of affairs. Such an unfavourable development could be prevented by the appointment of a Senior Lecturer in Accountancy who could not merely organise the teaching of accounting on a higher level in the University but also act as a University ambassador in the business community.

I would also like to point out that the Public Accountants' Registration Board recently made a gift of £600 to the University for the purpose of establishing an Accountancy Library within the University. In making this gift the Board was influenced by the fact that the approved plan for expansion provided for the appointment of a Senior Lecturer in Accountancy.\(^{15}\)

The Standing Committee resolved 'That this matter be deferred', and Professor Gifford was asked to come to the next meeting to explain his plans for accountancy.

The minutes of the next meeting recorded that:

Professor Gifford informed the Committee that if [a senior lecturer in accountancy] were appointed he would wish that the appointee be placed in complete charge of the department and not under his control. He said that the man appointed would lecture to day students in Accounting I and II at first.

The Committee noted that the Degree and Diploma students are attending evening classes in Accountancy at the State Commercial High School and College and that this was not satisfactory for day students because the classes were too large for individual tutorial work.

Following Professor Gifford's presentation, the committee re-
solved 'that the position of Senior Lecturer in Accountancy be added to the list of appointments recommended under the Five Year Plan as from 1st January, 1956'. The following week this recommendation was confirmed by the Professorial Board.

However, in spite of the appearance of success, the case for accounting was far from won. The opponents of the discipline within the administration had access to many forms of obstructionism. A year after the recommendation for the appointment of a senior lecturer in accounting, the Standing Committee of the Professorial Board 'noted that no action had been taken with regard to the appointment of the Senior Lecturer in Accountancy which had been placed in Group B of the appointments recommended by the Committee for 1956'. The following month the Professorial Board confirmed a lengthy list of new positions, after which 'Professor Gifford spoke in respect of the appointment of a Senior Lecturer in Accountancy which was previously recommended but not implemented'. The Professors discussed the issue sympathetically, but did nothing to implement their resolution of the previous year.

By the following year the Faculty of Commerce and Economics was becoming restless and sent this memorandum to the Professorial Board:

There was an urgent need for the ... Faculty ... to promote and extend teaching and research in accounting, commercial law, business administration and allied subjects. It was recalled that the Board of the Faculty had already recommended the appointment of a full time lecturer in Accounting as a nucleus of such a department. The Committee considered that the establishment of a Department of Commerce could have specific appeal to the larger business and commercial undertakings in this State as there was a growing awareness among business men and larger semi-government authorities of the need for sound costing, competent financial planning and skilled top management.

However, it was clearly premature for the faculty to be looking toward the establishment of a department of commerce, when it was
still unable to force the university administration to appoint even one full-time lecturer.

On 23 October 1957 the Professorial Board noted that a senior lecturer in accountancy was still on the schedule for 1958, but the administration made no steps to fill the position. Five months later the position had still not been advertised. It was not until late 1958 that the opposition finally weakened and the wheels of academic selection were set in motion. Finally, on 1 January 1959, Reginald Sydney Gynther was appointed Senior Lecturer in Accountancy in the Department of Economics.
Reg Gynther's father, Sydney, was a carpenter and master-builder. The family was living in Nundah in a house his father had built when Reg Gynther was born in September 1921. Educated at Nundah State School and the State Commercial High School, he left school aged 16 to start work as a clerk in the Department of Primary Industries. Reg recalled that his boss insisted that all the new staff should study. His boss was a big man and Reg was terrified of him. 'You're going to study, son. If you pass, I'll refund your fees. If you fail, I'll kick you up the arse.' So Reg was sent to study accountancy to qualify for the AAUQ. The teaching was good, with Cyril Connell (later university registrar) being one of the best teachers and becoming something of a mentor for Reg. The other teachers were all good honest lecturers. At that time the AAUQ exams were accepted by all the professional bodies, but, as discussed in Chapter 1, it was not a degree course.1

Gynther's studies were interrupted by the war, during which he served in the Militia before joining the AIF. Due to his accountancy training he was directed to the Army Accountancy Corps, where he rose to the rank of lieutenant by the end of the war. After he left the army in 1946 he continued his studies at the Sydney Technical College while holding accounting positions in industry. It was
during his time in Sydney that he had his introduction to teaching when he was asked to do some part-time lecturing. He also reached the high-point in his cricketing career when he opened the batting for the North Sydney club with the legendary test batsman, Sid Barnes.

Gynther returned to Brisbane in 1951 where he became secretary and assistant manager of Claude Neon Pty Ltd and a part-time lecturer in accounting in the AAUQ course. His lectures were all to evening classes in the old university buildings in George Street and he mainly taught Accounting III. He also studied part-time at the university towards a Bachelor of Commerce and became involved in professional organisations, notably the Australasian Institute of Cost Accountants. During the early 1950s a small group from the Cost Institute met regularly at Mac Offner's offices in Eagle Street. Gynther recalled debating all aspects of cost work with the likes of Offner, Geoff Orr, Austin Donnelly, Monty Harrison and Alan Lavis. He was aware that this group shared that postwar enthusiasm to push the profession forward: 'that group certainly introduced subjects and topics that I hadn't really [considered] much and caused me, and a lot of people, to do quite a lot of thinking ... [It] was pretty progressive.'

When the University of Queensland finally decided to appoint a full-time senior lecturer in accountancy, Gynther always had the inside running to gain the appointment, even though he had not completed his degree. He had established a solid reputation in his years of part-time teaching and he also had the support of his former teacher, Cyril Connell, who, as registrar, was a powerful figure in the university.

The initial appointment of a senior lecturer in accountancy was in the Department of Economics and Gynther shared a room with two economics lecturers on the first floor of the main university building. In 1959 he lectured in three full-year subjects, taking both day and evening classes. Keith Alfredson began his commerce course in that year and he remembers Gynther's introduction to the first
Establishment of the Department of Accountancy

Gynther approached the task of creating an accounting school at the University of Queensland with enormous energy and vigour. Between his arrival at St Lucia in 1959 and his appointment as professor in 1967, as well as carrying a large teaching load, he finished his undergraduate degree, a masters and a doctorate, wrote two highly regarded books and many journal articles, headed a new and rapidly growing department (in a highly centralist fashion) and became the strong voice of the accounting discipline both in the university and in the business community.

Gynther was aged 38 when he became a full-time academic and he took on his new role with a clear vision for the development of accounting education at the University of Queensland. He saw that there was a need to convince both the university authorities and the profession that accountancy was a legitimate tertiary discipline. The university regarded accounting with its large number of students as a cash cow but had no respect for it, keeping its resources at a bare minimum and treating its staff with contempt. At the same time many in the profession still regarded the old apprenticeship system as adequate training for accountants and were reluctant to employ graduates.

Gynther believed that his first task was to build up the academic base of accounting to gain respect for it as an academic discipline. To do this he had to establish a department of accountancy separate from economics, obtain university approval for more staff, attract good staff and make them believe they were part of the community of scholars, develop a research program, discontinue certificate and diploma courses and, perhaps most importantly, develop an honours school and a postgraduate program.

After the initial breakthrough of gaining a full-time lecturer, the expansion of accounting staff in the university proceeded rapidly. Following the 1957 Murray Report, tertiary education in Australia
entered a period of rapid growth and, at the University of Queensland, both student and staff numbers doubled between 1957 and 1963. Partly as a result of this, Gynther was able to build up the number of accounting teaching staff with less opposition than his own appointment had encountered. In July 1959 the Standing Committee of the Professorial Board recommended a lecturer and a junior lecturer for accounting and the following year it recommended another lecturer and two tutors (although only one tutor seems to have been actually appointed).

The new appointments for 1960 were Geoff Beck and Lindsay Sanderson, joined in 1961 by Merle Gynther and Geoff Meredith. Considering the rapid staff turnover in the department throughout its history, it is significant that Lindsay Sanderson and Merle Gynther both stayed with the department until retirement, while Geoff Beck and Geoff Meredith gave sterling service before moving on.

Born in Townsville in 1932, Geoff Beck spent his early years on a sugar-cane farm at Proserpine. His family moved to Brisbane early in the Second World War and he attended Brisbane State High School, matriculating in 1949. He joined the Commonwealth Bank straight from school and enrolled for a Bachelor of Commerce as a part-time student. After performing well in his first year of enrolment, the bank gave him a bursary, but it made no allowance for finishing work even a few minutes early so he had to race out of work to catch the bus to classes. Beck disliked the bank work and resigned after three years, by which time he had saved enough to study full-time for one year to finish his degree. At the end of the year he had £2.10.0 left and he also had to repay the amount he had received for his bursary to the bank. He took a position for a year as a commercial accountant for a small clothing firm and then joined Flack and Flack, the firm which was the Brisbane agent for Price Waterhouse and later became the Brisbane branch of the Australian Price Waterhouse partnership.

While he was with Flack and Flack, Beck developed an interest in research and carried out a study into the use of statistical sampling
for auditing and investigational work. He was responsible for devising and installing modified sampling procedures for inventory control purposes by several large companies at a time when statistical techniques were rarely used by practising accountants. Beck also studied the patterns and function of internal auditing, a research interest which continued after he joined the university staff.

During his time with Price Waterhouse, Beck passed the exams for the Chartered Institute of Company Secretaries and the Institute of Chartered Accountants. He topped Australia in the finals of auditing, a fact which impressed Reg Gynther, as it was hard to assess the value of a degree before honours courses. He qualified at the end of 1957 with the aim of following a career in public accounting.

In the late 1950s Flack and Flack had about 50 staff and Beck soon became one of the four supervisors of the 12–14 man teams. He was paid about £950 a year at the time that his wife was earning £1150 as a secondary school history teacher. In 1959 the other supervisors delegated Beck to go to the senior managers to ask for a pay rise, but he was fobbed off with promises of more money down the track sometime in the future. While he was still angry with this knock-back, the university advertised for a lecturer in accountancy, and he applied for the position and got it. He had always planned a career in public accounting but the refusal of the managers at Flack and Flack to be realistic about a pay rise changed his career.

Beck had not known Reg Gynther before the university position was advertised. When Gynther got the application he phoned Beck and told him, 'You sound like the type of guy we're looking for,' so they met in a pub downtown and had a few drinks. At the beginning of 1960 Geoff Beck began his lengthy career teaching financial accounting, auditing and taxation at the University of Queensland.

After war service in the south-west Pacific, Lindsay Sanderson joined the state public service where he studied part-time for his accountancy qualifications. When he was appointed to the university staff he had no private practice experience, so Reg Gynther organised for him to work two days a week in a private practice to
find out about the real world of accounting. At that time the Commerce and Economics Faculty was so short of space that Sanderson was given Professor Gifford's change room as an office, across the corridor from the small room shared by Reg Gynther, Geoff Beck and an economics lecturer.

Sanderson never had any aspirations to be an academic accountant, but he was very competent at teaching junior classes and made a useful contribution to the early honours program with his government accounting course. He always took the big first-year class and he always began by telling the students: 'Look at the student on your left. Look at the student on your right. Take a good look at them — only one of you will pass at the end of the year.'

Reg Gynther's sister, Merle Gynther, was educated at Brisbane Girls' Grammar School before leaving school at the age of fifteen to work for Charles Viertel, an entrepreneurial accountant with a very diverse practice. Mr Viertel had been an early graduate in Commerce from the University of Queensland and was for many years the representative of the Australasian Institute of Cost Accountants on the board of the Faculty of Commerce. He was a consulting cost and managerial accountant as well as having a public accounting practice and managing a stationery manufacturing factory. As a result of Charles Viertel's many business interests, Merle Gynther received experience in a wide range of accounting and business activities. She recalls that, 'Not only was it unusual for a woman to become an accountant at that time, but it was also unusual for any accountant to be exposed to so many facets of accounting', and she remembers one of Charles Viertel's contemporaries telling her, 'What marvellous experience — but how did you put up with him for eight years?'

While working for Charles Viertel, Merle Gynther studied part-time for her accounting qualifications. She completed the examination requirements of the Commonwealth Institute in 1952, placing first or second in Australia in some subjects. In that year she had to sit all her exams twice to satisfy the requirements for the
AAUQ. Following the procedures of the time, she then enrolled for a Diploma of Commerce, and followed this was a Bachelor of Commerce. She became an associate member of the Australian Society of Accountants when she turned 21.

In the postwar years when Merle Gynther trained, less than 2 per cent of accountants in Queensland were women. There were no formal barriers to entry, but pay for women was only about two-thirds of the level for men. After finishing work with Charles Viertel, she worked as an accountant with a manufacturer in London for twelve months and then worked for two months in Montreal. She then worked as assistant secretary with a Brisbane manufacturing firm before she became frustrated with the firm’s negative attitude to female accountants and successfully applied for a tutorship in accountancy at the university in 1961.

Of the two tutorships advertised for 1961, one was in the Department of External Studies and Merle Gynther applied for this position to reduce any impressions of nepotism on the part of her brother, but she was soon transferred to the new Department of Accountancy. Thanks to her broad experience in practice, she was able to teach a wide variety of subjects, including management accounting, cost accounting and auditing. She recalls that there was no formal teacher training in the university in the early 1960s, and her only training was advice from her colleagues. Looking back she says that the advice was totally opposed to the style of teaching required at the end of her career — in the early days students sought only information, today they want to be entertained. Merle Gynther remained with the department until her retirement in 1991 and is still one of only three women ever to have had tenure.

Geoff Meredith’s family moved to Brisbane from northern New South Wales after the Second World War and he completed his secondary education at Brisbane State High School in 1948. His family were all associated with teaching in one form or another and Meredith followed the pattern by gaining a scholarship to the Senior Teachers College. He planned to complete a science degree and
while at college he passed mathematics subjects at the university, but this career option was closed when he was posted to country schools, ending up at Gatton College teaching in the high school section and lecturing to diploma candidates in ‘farm business management’. He then switched degree programs to Commerce and found that the regulations allowed him to complete a double degree (BCom/BEcon) by selecting specific subjects including a major in accounting and economics.

With these qualifications, an AAUQ and a (provisional) Associateship of the Australian Society of Accountants, Meredith was seen as an ‘expert’ in business management by the Department of Public Instruction, but he felt he needed more practical experience. He worked with local accountants in the Gatton area, but this was no more than taxation preparation, which was not what he was looking for, so he asked the department for two years leave without pay to get management experience in Brisbane and complete a masters degree in economics (as there were no postgraduate courses available in commerce at that time). He began studying for his masters preliminary by travelling once a week from Gatton to Brisbane, but found the travel a problem.

Meredith’s plans changed after he was called into the Brisbane office of the Director of Secondary Education in Queen Street (the present casino building!) and was told that his BCom/BEcon was more than was necessary as academic qualifications; he did not need a masters degree for teaching, or if he wished to go this way, he should enrol in a MEd, and, finally, the department felt that if it approved his leave he would probably not return. Not overly impressed with this logic, Meredith started to apply for jobs in Brisbane and was invited to an interview by a city firm of chartered accountants. He remembers the office as something ‘straight out of Dickens’, with high stools, red tape around files stacked to the ceiling, ink and pens, plus eyeshades! That was not what he had in mind as ‘management experience’. A further application to APM (now Amcor) for a position in their finance department proved
successful and he gained experience in cost accounting as well as financial work with a subsidiary company, while keeping up his teaching experience by presenting evening sessions in accounting at the college in George Street. The crunch came when APM wanted Meredith to transfer on promotion to the head office in Melbourne. However, he wished to stay in Brisbane and was fortunate that the manager of the APM mill at Petrie, Colonel Gus Gehrmann, was a member of the University Senate and sympathetic to Meredith’s decision to apply for a junior lecturership (apparently a short-lived name for senior tutor) at the university.

When Meredith began at the start of the 1961, the department’s staff consisted solely of Reg Gynther, Geoff Beck and Lindsay Sanderson, with Merle Gynther teaching in the Department of External Studies. The small staff meant that everyone had to teach several courses, including at least one undergraduate course and one honours course. Meredith taught in the fields of management accounting, finance and investment. The department was dominated by evening and external students, so everyone had to teach many evening classes, mark masses of external assignments and travel to regional centres to take seminars for the external students. There were very few full-time day students and the only graduate students in the department were members of staff. Keith Alfredson recalls that Meredith taught him management accounting and he was a very enthusiastic tutor, very much in Reg Gynther’s mould.

In the early 1960s not one member of the staff of the Department of Accountancy had a postgraduate degree and Geoff Meredith recalls that Reg Gynther always emphasised the need to change this as soon as possible in order to establish accounting as a university discipline. This inspired Meredith to pursue his postgraduate qualifications with great energy and he completed a Masters of Commerce in 1964 and in 1969 became the department’s first PhD graduate. However, Meredith and other lecturers were angered by the fact that they were forced to complete a masters qualifying exam before being accepted into the masters program. It seemed to
Meredith that anyone who was seen as sufficiently qualified to be appointed as a lecturer should be qualified to enter a research masters program. The impact of this requirement was that at least two years were added to the course and staff (other than Reg Gynther) were delayed in graduating with a masters degree. Meredith recalls that most members of staff resented the way in which Reg Gynther was able to make an arrangement with the University of Adelaide for his book manuscript on current cost accounting to be accepted as a masters thesis.

As a result of his research and qualifications, Meredith’s promotion was rapid: junior lecturer in 1961, temporary lecturer in 1962, lecturer with tenure in 1963 and senior lecturer in 1965. Inevitably, given the continual shortage of accounting academics, he was offered jobs elsewhere and eventually accepted a senior lectureship at the University of New England in 1968. He recalls that there were three main reasons for accepting this position, and they reveal something of the difficulties facing the Department of Accountancy in the 1960s. First, at Queensland teaching was almost entirely at the undergraduate level and Geoff was attracted by the flourishing graduate school at New England. Second, he wanted to work in a positive research environment where staff were assisted in getting research grants. Third, he sought a work environment where accounting and financial management were accepted as university disciplines. In all these areas, he felt that New England was ahead of Queensland.

Geoff Meredith became foundation Professor of Accounting and Financial Management at New England in 1970 and built up a successful, research-oriented department, which became a leader in the field of small enterprise policy and management. When the federal government of the day linked colleges of advanced education to universities, the New England Vice Chancellor asked Meredith to transfer to the Lismore Campus (later to become Southern Cross University) to plan and develop graduate programs and research. He remained at Southern Cross University until his retirement in 1999,
being admitted as a Member of the Order of Australia (AM) in 1997 for his contribution to small business and education in Australia and the Asia–Pacific region.

Reg Gynther always fought hard for the interests of the accounting staff, believing that their morale and self-respect were important for developing the strength of the discipline in the university. A good example of this came in 1959. At that time Reg Gynther was still the only full-time accountancy lecturer, with the remaining staff being part-timers, most of whom had been teaching at the State Commercial High School. Professor Gifford reported to the Standing Committee of the Professorial Board:

The part-time lecturers in Commercial Law and Accountancy subjects were handpicked. We obtained the very best of those who lectured at George St in 1958. These men really are good and are extremely keen. Those lecturers who remain at the State Commercial High School are paid more for their services on a yearly basis than those whose services we have obtained ... Besides receiving less money overall, our lecturers are now travelling to and from St Lucia at night. George St was a more central location for them. Most of these lecturers know of the difference in the hourly rates and some unfortunately are not happy.9

Further, the part-time lecturers in accountancy were paid less than the standard university rate. Reg Gynther, supported by Professor Gifford, kept badgering the university administration until this situation was rectified and accountancy staff were given equality with other staff.

Reg Gynther also worked to establish links between accounting staff at the University of Queensland and those in the older accounting departments in other universities. Soon after he took on his full-time position, he joined what was then the Australian Association of University Teachers of Accounting (now the Accounting Association of Australia and New Zealand) and he encouraged all staff to become involved so that they would feel part of the wider community of academic accounting.10
Reg Gynther faced a harder task in beginning research in accounting. There was no tradition or experience of accounting research, no funds or facilities, and he and the other accounting lecturers were still finding their feet and under pressure to further their own qualifications. Reg Gynther and Geoff Beck agreed that, until it became possible to publish papers arising from research, they should take every opportunity to publish in the professional journals to show the profession that the department was up and running. In the early 1960s a large proportion of the department’s publications were in *The Australian Accountant, Rydges* and similar journals.\(^{11}\)

However, the staff of the embryonic department soon began serious accounting research. Writing in 1962, Reg Gynther described some of the early research work:

The general theme of one section of research in progress at the present time is ‘The Economics of Capital Investment Decisions’, and it is expected that such an extensive topic will require research over a number of years. During 1962 attention has been concentrated on the Control of Capital Expenditure, and in an attempt to gauge the measure of control applied by Australian companies, two surveys are in progress. One, nearing completion, has been carried out by personal interview, covering some fifty of the largest companies operating in Queensland. The aim has been to learn as much as possible of the administrative procedures used by these companies to control their capital investment program. The companies selected were those which were expected to have a reasonable degree of control in this field, so that it is not intended to come to any general conclusions about the control exercised by Australian companies. However, this survey has served a very useful purpose in that information received is of great academic interest and far exceeds that which could be obtained from a mail survey.\(^{12}\)

Geoff Meredith and Reg Gynther carried out much of this research, which led to several publications in the early and mid-1960s.\(^{13}\)

Geoff Beck’s first major research projects were on profit determination in long-term contracting enterprises and in primary
industry, the work on primary industry being carried out with a grant from the Commonwealth Development Bank. These projects led to several major publications between 1965 and 1971, notably 'The Theory of Profit Determination on Long-Term Contracts and an Appraisal of Australian Practice' and 'The Accounting Valuation of Beef Cattle and Sheep for Queensland Primary Production Businesses'.

An important early aim of Reg Gynther and the Department of Accountancy was to bring the courses available in accountancy at the University of Queensland in line with traditional academic disciplines and away from the vocational certificates and diplomas previously available. Consequently, both the old AAUQ and the even older diplomas of commerce and accounting were discontinued in the 1960s. This was one area in which the aspirations of Gynther and his colleagues matched the desires of the university and the move received strong support from the administration.

The university was less enthusiastic about the reciprocal side of the abandonment of certificate and diploma courses, namely the establishment of an honours school. Many academics believed that there was neither the demand for an honours degree in accountancy nor the intellectual content to justify an honours year. However, with the support of the faculty, Reg Gynther set up an honours degree even before the formal establishment of the department of accountancy. There is unanimous agreement that this was the most important single innovation in the history of accountancy at the University of Queensland and is largely responsible for the Department of Commerce's leading role today.

Reg Gynther recalled that the introduction of the honours program owed much to Ron Lane, an economics lecturer and Dean of the Faculty in 1960, who initiated a program to revamp the archaic honours rules for the faculty. The old honours rules had many anomalies, the most curious being that the only way to gain an honours degree in commerce was through the Department of Psychology. Lane and Gynther saw that it was important for
accounting to develop its honours school at the same time as the rest of the faculty, as it would never get through by itself against the opposition of the university administration. The main practical problem was the extra burden an honours course would place on the staff, as they would need to offer at least two or three honours subjects. However, the immediate problems were overcome with some 'juggling' of resources and the staff soon found the excitement and stimulation of teaching the honours students made the extra load worthwhile.17

The alterations to the rules were completed in time for the first small group of four honours students (one full-time and three part-time) to start in 1961. The honours program was the first in Australia to concentrate completely on honours level studies in accounting-related subjects. Initially students were invited to enter the honours school at the end of second year, taking Accounting IIIH in third year and then pure honours subjects in fourth year.

Keith Alfredson was the first full-time honours student. He remembers that the small group of honours students and some of the staff who were doing their masters met in a little room in the biological sciences building where accountancy was located at that time. It was a very small group and they were feeling their way, but the teaching was inspirational and there were some very strong debates. He recalls that there were no accounting standards in those days, so they were taught generic accounting and ideas that were evolving at the time. His generation got a very different base in accounting than today's students receive. Reg Gynther and his colleagues tried to teach a foundation in accounting and open their students' minds to new ways and new ideas. It was far more than just bookkeeping, especially in the honours course. Gynther and his colleagues were deeply involved at a time of vital change for accounting education.18

By 1961 there were six lecturers in accountancy and commercial law subjects. The total degree course enrolments (day, evening and external) in accountancy and commercial law subjects exceeded
1000 and progress had been made in developing postgraduate and research work. Despite this, accountancy was still part of the Department of Economics, even though many much smaller disciplines in the university had had departmental status for years.

The Department of Economics had supported the establishment of a separate Department of Accountancy from the mid-1950s, but it was not until 3 August 1961 that the Professorial Board recommended that accounting should be separated from economics. The board nominated Reg Gynther as head of department, but said that there was no justification for the creation of a chair in accounting. Despite the expected disparagement of the discipline from the administration, and the fact that the initial name was the Department of Accountancy, this decision by the Professorial Board marks the formal beginning of the Department of Commerce of the University of Queensland.
In November 1964 the Department of Accountancy made an ambitious (and unsuccessful) application to host a Fulbright Scholar in 1966. The statement in support of the application gives an interesting picture of how the department saw itself in the mid-1960s:

Although the Department of Accountancy at the University of Queensland is the youngest of all such Australian Departments, it is already the largest Accountancy Honours and Post-Graduate School in Australia, and ranks 3rd after the Universities of New South Wales and Melbourne in undergraduate enrolments.

This growth, combined with a serious shortage of suitable potential lecturing staff in Australia (and elsewhere), has resulted in a large amount of unavoidable inbreeding. As most members of staff have yet to obtain the benefits of overseas experience, the presence of a senior Fulbright scholar in our ranks during 1966 would be a stimulating experience to our younger staff members and could only result in the broadening of outlooks. All of this could be obtained by regular staff seminars, by attendance at regular lectures, and by discussions ‘on and off the job’.

The ‘Specialties’ of ‘Managerial Accounting or Business Finance’ [for a Fulbright scholar] have been listed because it is in these areas that there have been such great advances and developments in thought,
theory, techniques and practice in recent years. Although we have developed tremendously our pass degree, honours degree and postgraduate work in these fields in recent years, it is clear that the reputable Business Schools in the U.S.A. Universities have done more. This is understandable when one takes stock of the facilities at their disposal.

A new course, Business Finance, is to be given as soon as finances permit the appointment of additional staff. It seems that this will not be possible until 1966 when the advice and presence of a Fulbright scholar would be extremely beneficial.

The years 1961 to 1967 saw the most rapid growth in the department’s history. From the single full-time lecturer appointed in 1959 and the four staff at the time of the formation of the department in 1961, by 1967 the department had grown to eleven full-time staff of lecturer level or above, together with eight part-time tutors. In the same period Bachelor of Commerce enrolments grew from 632 to 1058 and the number of subjects taught almost doubled.

There were several reasons for this growth. Some were general and applied to all disciplines and all universities across Australia. Following the Murray Report of 1957, the federal government began to finance tertiary education, initiating the era of expansion which lasted until the late 1970s. As Malcolm Thomis observed, ‘This was the golden age of jobs for aspiring academics and it would never be so easy again for people to come into university teaching.’ The Murray Report also gave increased legitimacy to the accounting discipline in Australian universities by accepting that the discipline had a proper place in the tertiary education system. Within the accounting profession, the trend toward employing graduates was gaining momentum, leading to increased enrolments in accounting departments in the universities. This tendency was stronger in Queensland than in other states, partly as a result of the pent-up demand from the late introduction of tertiary accounting education and partly due to the excellent reputation built up by the new department.
The greatest continuing problem facing the Department of Accountancy since its formation has been the recruitment and retention of good staff. The main reason for this is the disparity in the financial rewards available to outstanding graduates in private enterprise as against academia. Whereas in many disciplines an academic career represents the high point of achievement, in commerce there are many options available. In the 1960s the problem of recruitment was possibly even greater than in subsequent decades, as few graduates had even considered the possibility of an academic career in accountancy and the idea had to be sold to them.

The main source of new staff, in the 1960s and subsequently, has been graduates of the department who have stayed on as tutors and lecturers. Reg Gynther worked very hard to convince bright students of the merits of the honours course and began the practice of using tutorships as scholarships for honours students. This offered these students a clear career path and helped launch many outstanding academic careers. Among the honours graduates of the 1960s who tutored in the department and then went on to academic careers either in the department or elsewhere were Frank Finn, Errol Iselin, David Watson, Ron Peterson, Barry Spicer, Richard Leftwich, Allen Crasswell, Colin Burrows and many others.

However, the department has always looked to recruit new blood from outside the department, and during the 1960s some of the most memorable lecturers were newcomers to Queensland. During this period the department recruited an unlikely assortment of lecturers from unusual backgrounds, each of whom brought something special to the department. Notable among them were Emil Hajek, Basil Shtein and Herb Qualls.

Emil Hajek's father emigrated to Australia from the Austro-Hungarian Empire in the early 1900s and became an Australian citizen. In the First World War he enlisted in the AIF and fought in France before deciding to stay in the new nation of Czechoslovakia after the war. As a result, Hajek grew up in Czechoslovakia with dual Czech/Australian citizenship. He gained a doctorate in law at
Prague University, giving him an unusual background in Roman law (which was the basis of Czech law) and a better command of Latin than is common in the department today. After the Second World War he emigrated to Australia, surprising immigration officials by having Australian citizenship on his arrival. While working at BHP in Newcastle, he did some part-time teaching in law before coming to the Department of Accountancy in 1962 as the first full-time lecturer in law subjects in the department. Initially he taught all the law subjects in the commerce degree, but later he specialised in bankruptcy and taxation law.

By 1964 growth in enrolments led Hajek to ask for a junior lecturer to assist with the law subjects. But, far from a junior, he got Basil Shtein QC, a distinguished and highly experienced barrister. Shtein came from a Jewish South African family which had prospered in the gold and diamond mines of the Rand. After flying with the South African Air Force during the Second World War, he studied law and went to the bar. He used to say that his greatest moment in the law was when a black client who had killed a white farmer in self defence was acquitted. On appeal, his client was found guilty but even then he received imprisonment rather than the death penalty. As the apartheid regime made ethical legal practice increasingly difficult in South Africa, Shtein moved to Rhodesia, where he built up a lucrative practice at the Salisbury bar. When Rhodesia appeared to be following the same path as South Africa, he went to England to be admitted to the Middle Temple so that his qualifications would be recognised in Australia. He then applied successfully for the position with the University of Queensland.

Shtein had a very plummy English accent, which some students found hard to take, and a disconcerting habit of cross-examining his colleagues at morning tea, but he made a valuable contribution to the department. His greatest achievement was the successful introduction of Australia's first combined law-commerce degrees in 1967. After he and Geoff Beck made the initial suggestion that the Faculty of Economics and Commerce should approach the Faculty
of Law to set up a combined degree, Shtein carried out much of
the negotiating over the details of the arrangement and was largely
responsible for the satisfactory structure of the combined degree.4

Geoff Beck was a close friend of Basil Shtein and remembers that
he was a good lawyer but not very attuned to the demands of
academic life. He would come in to Beck’s room and stay for hours,
discussing cases at great length or else suggest going to lunch at
11.30. Shtein was a dreadful driver, but he always paid for lunch.
Another staff member recalls that Shtein was ‘a hell of a nice guy’
who got on well with everyone in the department. In 1969 Shtein
moved to Macquarie University, primarily because his wife was
unhappy in Brisbane.5

The first lecturer in business finance was one of the great
characters in the department.6 Herb Qualls was born and raised in
Tennessee, but his tertiary education took him all over the United
States, receiving a BA in business administration from Vanderbilt, an
LLB from New Mexico and an LLM from New York University.
He then worked as a corporation lawyer and stockbroker before
turning to university teaching. In the early 1960s he taught at
Oregon State University but he wanted to travel so he wrote to
many universities in Australia and South Africa asking about the
possibilities of work. He received an offer from the University of
Queensland, accepted it and arrived in Brisbane in late 1965.

Herb Qualls came at a time when Geoff Beck was acting head
of the department. Beck recalls that he was expecting Qualls, but
was not sure exactly when he would arrive. One day Beck killed a
big snake near his house and took it in to the university to check
its identity with the Zoology Department. He then took it down
to his office and had just laid it out to show one of the staff when
Qualls arrived, who was rather startled to find that the acting head
of the department appeared to be more like Crocodile Dundee than
an accountant.

Herb Qualls brought a very different style to the department. Up
until that time all lecturers in the department had worn coats and
ties to lectures and students would never have thought of addressing them by their first name. In total contrast, Qualls would walk into lectures casually dressed, smoking a cigar or eating a hamburger, and he was always just ‘Herb’ with the students.

Business finance soon became a very popular subject, partly because of Qualls’ personality, but also because he taught a very practical style of security analysis. Some other lecturers felt that the subject lacked theoretical depth and mathematical analysis — the picture they had of him was that he wore parachute boots and a beret to lectures, lay on the podium smoking a cigar and talked about making money on the stock exchange — but this view was based on a lack of understanding of his ideas. In the mid-1960s business finance scarcely existed as an academic subject in Australia, and Qualls was a pioneer in the discipline. Possibly his theories were too straightforward to win academic approval, as his aim was to teach a practical and useful form of finance rather than to develop esoteric theories remote from the real world. However, Quall’s students found his teaching stimulating and of great practical benefit. In particular, many of the older part-time students told him that his ideas were immediately applicable in their work. Even Reg Gynther, who could never accept Qualls’ style, acknowledged that ‘he greatly raised the interest in his subject’. He was one of the first financial academics to introduce behavioural theories to the teaching of finance, believing that psychological factors such as fear and greed clearly have an impact on financial markets. Qualls believes that recent happenings on world stockmarkets and the theories of Professor Bob Shiller and others vindicate much of his teaching, in particular his criticism of efficient market theory.

Herb Qualls stayed with the department for five years, which he remembers as among the happiest period in his life. He left when he received an offer too good to refuse from the Graduate School of Business at the University of Witwatersrand in South Africa. However, his stay in South Africa was brief, as he became involved with anti-apartheid demonstrations and, like Basil Shtein before
him, he felt it was wise to leave quickly. He returned to James Cook University, teaching there until his retirement. He has remained in Townsville, where he still lectures on finance and the stockmarket in the University of the Third Age.

After a few years of relative stability in the mid-1960s, the final years of the decade saw a rapid turnover of staff, together with a substantial increase in the total number of staff. Emil Hajek, Basil Shtein, Herb Qualls, Colin Burrows, Basil Branford and Richard Leftwich all departed within a short time of each other, while Harvey Mason, Frank Finn, Errol Iselin, Allen Crasswell, Ross Barber, Philip Burgess, Graham Grundy and Kenneth Leo either moved up from the honours school or were recruited from outside.

Harvey Mason, who stepped into the gap in the law subjects left by the departure of Emul Hajek and Basil Shtein, came from one of Australia's most distinguished legal families, being the cousin of Sir Anthony Mason, Chief Justice of the High Court, and the son of a leading barrister. Although he was very competent, he was a troubled man and suffered greatly from depression. Ray Ball remembers Harvey Mason as 'a lovely, intelligent, well-read, thoughtful man with a genuine intellect and a dry sense of humour'. He was intellectually independent and made an important contribution during the 1970s until his tragic death in 1981.

Reg Gynther was head of the department throughout the 1960s, holding the position until his resignation in 1977. He was a totally dedicated, straight-down-the-line leader, with a limitless capacity for hard work — Herb Qualls regarded him as 'the time and motion man' because he hated to waste a minute. In March 1977, when Reg Gynther had just started at Coopers and Lybrand, Kevin Stevenson, a senior researcher from the Accounting Research Foundation, went to Queensland to work with Gynther on development of the Current Cost Accounting working guide. Gynther's energy and work habits astonished the visitor, who recalled:
By the time Reg arrived at work at about 7.30 am, he had played tennis at St Lucia. When I arrived each morning, on my desk were Reg's comments on the previous day's work. There was also notepaper filled with almost indecipherable scrawl. Reg kept a notepad by his bed. If he woke during the night with ideas for the project, he sat up and wrote them down in the dark.\footnote{11}

Reg Gynther had a highly centralist style, seeing consultation as a waste of time and consensus as automatic as everyone would agree with him. Having a total commitment to the department and the advancement of academic accounting, Gynther was prepared to take on anyone who threatened the department or queried the position of accounting as an academic discipline. Although he had very conservative attitudes, he was tolerant of personal eccentricities, provided that people pulled their weight in teaching and research.

Reg Gynther led by example. He saw that for academic accounting to gain credibility in the university, his staff had to gain postgraduate qualifications, carry out research and publish. While carrying a full teaching and administrative load, he initiated research in the department, successfully completed his masters and PhD degrees and published work of such merit that the 1990 Mathews Report noted that he was one of those 'who established Australian academic accounting's international reputation in the 1960s'.\footnote{12}

After completing his BCom, Reg Gynther immediately enrolled in a masters course at the University of Adelaide (choosing Adelaide as it would allow him to study and be examined in absentia in the era before distance education became common). As soon as he had gained his Masters of Economics degree, he began work on a PhD. Gynther felt that he needed a doctorate to promote the department and demonstrate its academic \textit{bona fides}. At that time nobody at any Australian university had a PhD in accounting, meaning, of course, that there was nobody in Australia who could supervise him. Consequently he enrolled in absentia at the University of Washington in Seattle for a doctorate in business administration (hence the strange letters DBA after his name, alongside the equally strange
Reg wrote his thesis before he went to America when his study leave became due in September 1965, arriving with a draft of 500 pages. During his year in Seattle he took six or seven subjects each semester towards the course work component of the degree, finding it difficult at first as it was the first time he had been a full-time student since leaving secondary school in the 1930s. As he had written his thesis in advance, he had to take all the oral exams for the course work and the thesis on the one day.

Reg Gynther's masters and doctoral theses were both published as monographs, standing out in a decade when few books on accounting subjects were published apart from textbooks. Their subject matter and approach are fascinating in light of the direction research has followed in the department in subsequent decades. Published in Britain in 1966 by Pergamon Press (a company owned by the subsequently notorious Robert Maxwell), *Accounting for Price-Level Changes — Theory and Procedures* was an openly and avowedly normative book. As Gynther said in his preface:

> This book has been written to demonstrate that something *should* be done to incorporate the effects of changing prices into the accounting systems of each firm as a normal part of the regular routine, that correct profit *cannot result* unless this is done, that the matter is not just one of reporting to shareholders, [and] that it *is* physically possible for the effects of changing prices to be injected into the day-to-day recording and reporting procedures.

> No 'explaining and predicting' accounting behaviour here — Reg Gynther was telling accountants what they should do.

The debate over inflation accounting was one of the most divisive issues in academic accounting in the last decade of the 'normative era' of accounting theory, although, like many of the other issues of that decade, it was never resolved, being left in the 'too hard' basket as positive accounting theory took over during the 1970s. In their history of the world-wide response to the issue, David Tweedie and
Geoffrey Whittington identified Reg Gynther as one of three Australians respected internationally for their contributions.\(^{13}\)

Reg Gynther did not attempt to assert that there was one perfect solution to the problem of accounting for changing price levels, but argued that:

- It is the duty of each firm, and hence its accountants, to treat the matter of changing price levels in what is considered to be the most accurate fashion after considering its own environment, its existing facilities, the price-level changes of those things which affect it, and the latest thought of the day in relevant accounting theories and methods.\(^{14}\)

He favoured a system in which prices were accounted for by use of specific indices reflecting price movements in the goods and services in which a particular firm was interested, rather than the use of a general index such as the consumer price index. The reason for this was that Gynther saw himself as an ‘entity theorist’ as a result of his background as a company accountant, secretary and manager, and he believed that ‘the purpose of accounting is to account for the entity primarily, as in our society activities are carried on by entities (firms, corporations, government authorities’). The greater part of Gynther’s book was devoted to a detailed, practical demonstration of his preferred method of accounting for inflation, based largely on the system developed by Philips Electrical Industries.

For his doctoral thesis, Reg Gynther undertook a totally different line of research, conducting the first detailed survey of the practising section of the accounting profession in Australia. Published in 1967 as *Practising Accountants in Australia*, this work had far-reaching aims:

- The purpose of the study was to discover the exact roles that the Australian practitioner and the practising section of the accounting profession in Australia are playing in society, to analyze these roles, to examine the roles that should be played in the future and to recommend actions that should be taken by the practitioner and the profession in order to carry out these future roles.\(^{15}\)
Described in Rob Linn’s history of the accounting profession as a ‘pathfinding survey’,\textsuperscript{16} this work again was in the normative tradition, being both descriptive and prescriptive. Gynther again used his research to make recommendations on how accountants should act. However, the use of computer analysis of the data he collected in his extensive survey foreshadowed the empirical research of the 1970s and later.\textsuperscript{17}

One of the more interesting of Gynther’s recommendations in *Practising Accountants* was that ‘women can and should be playing a much larger role in Australia’s accounting profession, and that married women should be making a significant contribution to this larger total female role’.\textsuperscript{18} While this seems commonsense today, it was a revolutionary idea in the 1960s. As Gynther’s survey showed, in 1964 women made up only 2.8 per cent of all practising accountants in Australia and only 6.7 per cent of these women had a university degree. He argued that the continuing shortage of accountants in the Australian workforce could be at least partially overcome by educating and employing more women.

One reason why Gynther had pushed himself so hard to gain his doctorate was to encourage other members of the department to follow his example. He further encouraged them (spoilt them, he thought in retrospect) by lightening the teaching loads of those doing research. In fairness to the other members of the department, it should be noted that they have no recollection of their teaching loads being lightened.

During the 1960s Geoff Meredith was, after Reg Gynther, the most productive researcher in the department. In 1963 he completed his MCom thesis on ‘An Evaluation of Procedures for Optimum Capital Expenditure Control and a Study of Practice by Australian Firms’. He then became the first PhD student in the department, completing his thesis on ‘The Accountant and Capital Investment Analysis in 1968’. In his thesis he looked at investment decisions under risk and uncertainty, based on eight case studies of big Australian companies. He used computer simulation studies and
recalls that he had to take his programs in to the university computer on a Friday and they would take all weekend to run. This was not only the first PhD in the Department of Accountancy but also one of the first accounting PhDs at any Australian university.

While completing his postgraduate degrees, Geoff Meredith also led the department in the volume of published research. He recalls that he was fortunate that his research attracted support from the Reserve Bank which enabled him to get part-time secretarial assistance. This was like 'striking gold' as there was only one secretary in the department at that time and she worked almost exclusively for Reg Gynther. Among his publications during the 1960s were short monographs on Administrative Control of Capital Expenditure (1964), Capital Rationing (1965) and Capital Investment Decisions (1966).

Geoff Beck completed his MCom thesis in 1965, the topic being ‘The Valuation of Trading Stock for the Purposes of Profit Determination’. Like other members of the department, he had several long papers published in the University of Queensland Papers series, one of the main outlets for research in the era when the limited number of Australian journals and isolation from international research made journal publication a rarely achieved aspiration. Among Beck’s contributions to this series were The Theory of Profit Determination on Long Term Contracts (1965) and The Accounting Valuation of Beef Cattle and Sheep for Queensland Primary Production Businesses (1970).

In 1967 Merle Gynther became the first woman in the department to gain a higher degree when she received an MCom for her thesis on ‘Cash Flow and Funds Statements for Investors’. As the decade progressed masters degrees became more common among the staff, but home-grown PhDs remained rare until the 1980s. Similarly there was little research published in the 1960s apart from the contributions to the University of Queensland Papers series, to which most members of the Department of Accountancy made at least one contribution. The first publication from the department
to appear in a recognised international journal came in 1967 when Reg Gynther's paper 'Accounting concepts and behavioural hypotheses' was accepted by the Accounting Review.

The growing research profile of the department and the increasing number of staff with higher degrees helped the department to gain respect in the university and in the wider academic accounting community. Equally important for the long-term future of the department was its success in attracting more and better students. Throughout the 1960s the department worked hard to sell itself, with Reg Gynther and other staff visiting many schools to give career advice and inform students of the potential of the BCom degree.

Probably at least partly as a result of these proselytising efforts, through the 1960s the Department of Accountancy attracted an ever-increasing number of students and it also succeeded in obtaining its share of the brightest students. In fact, the honours classes of the 1960s were something of a hothouse for accountancy academics, with 12 students of that decade reaching professorial rank. Many others achieved high positions in the profession, industry and government.

John Staunton completed his degree before the honours school was established, topping the class of 1960. He then became a popular and competent tutor in the department before moving on to Sydney and then New England. He is remembered in the department for the conservatism of every aspect of his life with the exception of punting. On one occasion, so the legend goes, he and Herb Qualls drove to Sydney just to put money on a horse — fortunately the horse won. 19

Keith Alfredson was in the first group of honours students in third year in 1961. He topped every subject but one and graduated at the end of 1962 as the first student to receive first class honours in accounting, writing his honours thesis on accounting problems of the oil industry. To top off his success, he also became the first accounting graduate to be awarded a university medal. He recalls
that the university was very different in the early 1960s. It was a very small university, with few buildings except the sandstone main building. The union building had just opened and the refectory was in an old army hut. Exams were held in more army huts over the hill, which were often stiflingly hot in November. And he always seemed to have an exam on Melbourne Cup day.20

Reg Gynther asked Keith Alfredson to take first-year tutorials in his honours year. He tutored at night time, having one class a week from 6.00 pm to 8.00 pm with up to 30 part-time students in the group. They were all very good students who worked downtown and knew the real world. Alfredson was paid about $1.50 per hour until Reg Gynther told him to put down for three hours even though the tutorials were only two hours as the pay was so low. In those days tutors were paid only once a term after putting in a claim detailing all their hours. Alfredson resisted Gynther’s suggestions of an academic career, instead joining Arthur Andersen, with whom he stayed for 34 years. After a brief retirement, he recently returned to full-time work as head of the Australian Accounting Standards Board.

Frank Finn grew up in Townsville where his father was a District Court judge. Finn preferred football to study and left school to work for an insurance company and then the Commonwealth Bank. The bank encouraged him to study and he enrolled in accounting at the University of Queensland as an external student. He did well and in 1967 he was offered an external scholarship, which he accepted — more so that he could come to Brisbane to play football than to study. It was only when he was invited to do honours that he decided that his studies should take preference over football. After Finn completed his honours year, Reg Gynther offered him a job, and as there was not much on offer at the bank he took it, though he still did not have any plans for an academic career, planning to go into industry. The story of his conversion to academia belongs to a later chapter.

Another future professor in the department, David Watson, also
began his accounting career as an undergraduate in the early 1960s, beginning first-year in 1963. He recalls that Lindsay Sanderson's traditional greeting to first year students was already established by that time. Geoff Meredith was his tutor in first year, and John Staunton in second year. In those days there were relatively small classes and most students were part-timers. It was during his second year that John Staunton convinced Watson to do honours instead of the combined course he had planned. The honours group was very small, and this encouraged both camaraderie and a high level of academic achievement.

During his undergraduate career, David Watson appreciated that the course was a high-quality program, although it was very traditional in its approach — far more so than that run by Ray Chambers in Sydney at the same time. The Queensland course was straightforward and old-fashioned, ideal for public accountants but with little flexibility and few options for those looking for different career paths. Like many of the honours students, Watson did fourth year part-time while tutoring and he recalls that his teacher training consisted of a two-day training program.

Obviously a large majority of the graduates of the department went on to practise accounting in private practice, industry or government. Here too, many of the University of Queensland graduates of the 1960s have achieved great things, with virtually the entire leadership of the Queensland accounting profession over recent years being graduates of the department in the 1960s. Sir Leo Hielscher (BCom 1962) rose through the public service to be Chairman of the Queensland Treasury Corporation and chairman or director of many state corporations and public companies. Norbury Rogers left school in 1957 and commenced work with Grant Bullock and Company, a predecessor of Ernst and Young. He completed his AAUQ in 1962 and continued his education to obtain a BCom in 1964. Rogers remained with Ernst and Young for 38 years, rising to be managing partner for Queensland and Papua New Guinea before his retirement in 1993. At the same time
he was very active in the profession, at the University of Queensland and on the boards of several major companies. Jim Kropp, the 1995-96 National President of the Australian Society of CPAs, completed his BCom in 1966 and believed that ‘the analytical skills he acquired during his studies ... formed the bedrock upon which his successful career was built’.  

Many more examples could be given of the successful careers of graduates from the 1960s. However, the student that Geoff Beck and many other lecturers regarded as having the best academic brain of any student in that decade followed a very different path. Bob Morrish came to the university from a cattle property near Inglewood. Lindsay Sanderson taught him in first year and told Geoff Beck that he was going to get an outstanding student the following year. At that time Beck taught financial accounting in second year and began with an outline of the theoretical foundations. After the first lecture Bob Morrish asked Beck to look at some thoughts he had jotted down on the topic. Beck read the notes in astonishment, as they would have been excellent at final-year honours level and Morrish had only just finished first year. After completing a first-class honours degree in commerce with a major in psychology in 1968, Bob Morrish did a PhD in psychology before returning to the bush where he now runs a cattle property 110 kilometres west of Quilpie.

The university’s student body entered a period of rapid change in the 1960s. The changes encompassed numbers, enrolment types, gender composition and, most obviously, social and political attitudes. These changes were reflected in the students in the Department of Accountancy. Over the decade BCom enrolments grew from 632 in 1961 to 1083 in 1970 and there was a strong shift away from part-time evening students toward full-time day students. In the early years after the move of accounting to St Lucia in 1959, many students would rarely have seen the campus in daylight as most classes were held after 6.00 p.m. Merle Gynther recalls that this was very awkward for full-time students, while many of the part-time
students were so tired after working all day that they slept through most of the classes. However, as the proportion of full-time students increased, some classes were moved to 4.00 pm and eventually the department was able to adopt a more ‘normal’ timetable.

In the earliest years of the department, virtually all the students were men. At that time the University of Queensland had the second lowest level of female enrolment of any university in the world and the Department of Accountancy had a lower level than most other university departments. This situation changed only slowly, but by the end of the 1960s there had been a slight increase in female enrolments and this tendency accelerated through the 1970s and later. As noted above, Reg Gynther was very keen to encourage this.

Significant numbers of Asian students came to the university from 1952 under the Colombo Plan and various UNESCO schemes and Reg Gynther recalled that when he became full-time in 1959 there were Asian students in all accounting subjects. Many of them were sons (they were almost exclusively male) of wealthy families and some of the less able or enthusiastic were unable to complete their courses as the department raised its standards. This was the exception and there were several outstanding Asian students in this period. For example, Loh Hoon Sun (BCom Hons 1963) has been one of the most distinguished members of the Singapore financial community, becoming managing director of Phillip Securities in 1990 and being on the boards of many private and public companies. While the number of women rose during the 1960s, the number of Asian students fell towards the end of the decade as the Queensland Government moved to preserve university places for local students.

The 1960s saw a dramatic change in the social and political attitudes of university students throughout the western world, changes which were inevitably reflected on the St Lucia campus. The general attitude at the beginning of the decade is summarised in one photograph in Malcolm Thomis’s history of the university showing a group of students delivering a petition — they were all
A decade of growth, 1961–71

male, clean-cut, wearing suits and ties, looking for all the world like a group of Mormon missionaries or a phalanx of articled clerks at a major law firm. Keith Alfredson recalls that the only demonstration in his time at the university in the early 1960s was a protest against an increase in bus fares. A clear sign of changing attitudes came in July 1966 when female students were given permission to attend lectures in slacks, ‘providing the Head of Department does not disapprove’. This opened the floodgates and by the end of the decade the popular impression was that the campus was populated with hairy, scruffy, drug-crazed, political activists.

In general, the students of the Department of Accountancy watched these changes with an amused detachment. Dress became more casual and hair crept across some collars, but few commerce students participated in love-ins, sit-ins, demonstrations or riots. Reg Gynther occupied his office free from demands for student participation in decision-making, the abolition of exams or departmental endorsement of the Viet Cong. Some commerce students such as David Watson took part in student politics in the early and middle years of the decade, but as the Student Union became a battleground between anarchists, Maoists and Trotskyites in the late 1960s, there was no place for trainee capitalists.

Ron Weber’s attitude appears to have been fairly typical of the department’s students of the late 1960s. He came to the university in 1967 on a government scholarship, originally doing primarily economics, but he enjoyed his accounting subjects and moved in that direction. Ron felt isolated at university and, although he was aware of the activism on the campus, he never fully engaged with university life, and looked forward to getting out into the world (an attitude unknown among Arts students). He was invited to do full-time honours, but he had had enough of university so left to work for the Department of Main Roads, while doing honours part-time.

It was only during his honours years that Ron Weber began to think of the possibilities of an academic career. The teaching in the
undergraduate course had been fairly pedestrian, but it was very different in honours. Reg Gynther and Basil Branford were exceptional and gave him a taste for research, showing him that research in accounting is possible and intellectually challenging. He found that there was a level of rigour and challenge in the honours program which excited everyone.28

The decade after the appointment of Reg Gynther as the first full-time lecturer in accounting was an era of growth and achievement for the Department of Accountancy, highlighted by the success of the honours school. However, the department had to struggle hard to receive recognition for its efforts from the university administration and this struggle was a constant undercurrent through most of the 1960s.
In the mid-1960s Geoff Beck attended a teaching course with about five people from other faculties. He remembers that they treated him with contempt as they believed that accounting was not a proper academic discipline and it had no place in the university. It was only at the end of the course when they all had to give a five-minute talk and Beck outlined some of the difficulties and complexities of accounting theory that he felt a slight thawing in their attitude.1

This incident reflects the general attitude towards the Department of Accountancy among the traditional academic departments and the university administration. In practical terms it was reflected in the extreme difficulty facing accounting staff in gaining promotions, and the reluctance of the administration to give the department resources to match its enrolments, sufficient senior staff or adequate accommodation. Symbolic of all the slights and disparagement was the lengthy resistance by the Vice-Chancellor and the Professorial Board to the establishment of a chair in accountancy at the University of Queensland.

The issue of promotions has always been a problem for the Department of Commerce. The prerequisites for promotion have traditionally been based on the patterns developed for the old
university disciplines, particularly the arts and natural sciences, and bear little relation to the career structures of academics in the professional disciplines such as accounting. Academic qualifications and publications have always been the primary basis for promotions, while teaching, 'real-world' experience and involvement with professional organisations are ignored.

Over the years the Department of Commerce has sought to win acceptance by encouraging staff to conform to the traditional academic pattern, with an emphasis on formal qualifications and published research. However, in the 1960s many senior, experienced lecturers in the department were unable to achieve promotions. For example, in 1964 and 1965 Reg Gynther, Geoff Meredith, Emil Hajek, Geoff Beck and Basil Shtein all applied for promotion and all were rejected, in most cases without the promotions committee even calling for referees' reports.²

Throughout the 1960s the Department of Accountancy had one of the highest, and sometimes the highest, student/staff ratio in the university. Moreover the department had a far lower proportion of senior staff than most departments, with no staff higher than senior lecturer until Reg Gynther's eventual promotion to reader in October 1965. In June 1966 when Emil Hajek, the acting head of the department, pointed out the high student/staff ratio to the Standing Committee of the Professorial Board, the committee refused to grant more staff, but suggested that both lecturers and tutors in the department should do more work. The implication was clearly that teaching accounting was not as demanding as teaching real academic subjects.³

In the 1960s, as in subsequent decades, the Department of Accountancy had difficulty in attracting qualified and experienced staff, but attempts to remedy this were thwarted by the inflexibility of the university administration. For example, when Geoff Meredith resigned at the end of 1966, Reg Gynther wanted to advertise at senior lecturer level as he knew there would be no applicants at a lower level. But the university insisted that its policy was to advertise
at lecturer level first and would only give permission to advertise at
the higher level if there was not a suitable applicant. Again, when
Basil Branford came to the department from the South Australian
Institute of Technology, he was not given credit for accrued study
leave entitlements, as the Professorial Board insisted that this could
only be done for staff coming from universities and not other
tertiary institutions.

The administration’s attitude to commercial education at the
university was further illustrated by the completely inadequate
accommodation given to the Faculty of Commerce and Economics
during the 1960s. After moving from the main building (where
Lindsay Sanderson’s office had been in a professor’s changing room
and other staff had been crammed in three to an office), the faculty
was then sent to the biological sciences building. Over thirty years
later Reg Gynther said that he still had the smell of shark in his nose.

In 1964 the faculty moved to the newly constructed social sciences
building in another arrangement unsatisfactory to both parties, but
with the promise that a commerce building would be in the next
construction program. However, in 1968 the Senate unilaterally
decided not to proceed with the commerce building and, soon after,
the faculty shifted briefly to the J. D. Story building, before spending
several more years in the social sciences building. It was not until
1975 that the long-promised commerce building was finally com-
pleted and the Faculty of Commerce and Economics received
satisfactory accommodation.

In May 1966, while Reg Gynther was studying in Seattle, his
friend Cyril Connell advised him that ‘The Department of Ac-
countancy seems a little restless at the present time’. This appears
to have been an understatement. The department was, in fact, a
seething hotbed of resentment. On 19 April all full-time members
of staff of the department of the rank of lecturer and above signed
a letter to the Vice-Chancellor, Sir Fred Schonell, setting out their
grievances, namely:
the continuing unsatisfactory staff establishment within the Department, and the apparent lack of recognition given by Senior University Administrators to the professional qualifications and status of members of this Department.

The letter set out a series of demands:

1. A Chair in Accountancy should be given high priority.
2. Additional senior staff appointments are required for the Department's growth, particularly in the post-graduate school.
3. Staff members in the Department of Accountancy should receive the same status as other professional groups such as engineers, architects, and lawyers. We wish to receive similar treatment to comparable Departments in this and other Universities.
4. Professional status should be given due weight when staff promotions are under review. It is our belief that two members of this Department were unjustly treated when 1966 promotions were considered by this University.
5. Consideration should be given to the professional status of applicants when additional staff appointments are made to the Department.

A deputation from the members of the department to Sir Fred Schonell proved fruitless. Soon after, the annual meeting of the Australian Association of University Teachers of Accounting (now the Accounting Association of Australia and New Zealand) was held in Brisbane, and the University of Queensland members moved a resolution:

In view of the unsatisfactory treatment of the Department of Accountancy at the University of Queensland since this Department was created in 1961, Queensland members are most anxious that no future departments be established in universities in this state unless the first appointment be a professorial head. The very unsatisfactory situation at the University of Queensland, including inadequate senior staff establishment and the inability of able and qualified staff to gain promotion, is considered to be in large measure due to the complete absence of representation on the Professorial Board.
While the resolution that association members should not apply for jobs at new Queensland accounting departments unless they had professorial heads was lost on a technicality, it is significant as it pinpointed the department's fundamental weakness in this period: 'the complete absence of representation on the Professorial Board'. The central issue of the department's campaign for recognition came down to the fight to establish a chair in accountancy.

The campaign for a chair in accountancy began in earnest early in 1964 when Reg Gynther orchestrated letters from leaders of the profession to senior university figures, resolutions by the Faculty of Commerce and Economics and the professional bodies, and many other activities designed to pressure the administration.

The initial response was not encouraging, with Sir Fred Schonell and other administrators curtly acknowledging receipt of the letters but offering not the slightest word of encouragement. In early July 1964 Sir Fred announced that seven new chairs would be created, including music, fine art, and anthropology. Accounting was conspicuous by its absence. This prompted Reg Gynther to call on Sir Fred, only to be told that most accounting enrolments were by diploma and certificate students, and that he did not regard accountancy as worthy of having a chair.

The following week Sir Fred announced the creation of a chair in Russian, justifying it on the grounds that there were 67 students of Russian and there was the possibility of starting an honours course. Reg Gynther was apoplectic, as the Department of Accountancy had over 900 enrolments in 1964, 90 per cent in degree courses, a flourishing honours school and growing postgraduate enrolments. After gathering further endorsement from the faculty and the profession, he wrote again to Sir Fred Schonell:

I would like you to know that this University is now the only one in Australasia which has not created a Chair to cater for the needs of Accountancy …

It is unfortunate that you might have some advisers who are completely unaware of the great developments that have taken place in
university teaching of accounting and finance over the last ten years (especially in this University) and who do not recognise the tremendous gulf that exists between the way accountancy is taught at universities on the one hand, and at technical institutions on the other. The difference is greater than that between chalk and cheese.

While technical institutions continue to produce the bookkeeper, the universities (again, especially this University) produce graduates who have been taught to think in the area of finance and to use financial data in decision making and in the optimising of efficiency in all types of organisations. They have been taught to integrate the knowledge of economics, economic statistics, accounting and finance that they have acquired. In fact, several people and outside bodies look upon some of our accounting courses as being courses in ‘managerial economics’ and ‘applied economics’.

The different product is recognised by large Australian employers who form queues to interview and hire at salaries averaging £1,500 p.a. our raw, inexperienced Commerce graduates who have majored in Accountancy. The same employers are not interested in the type of product of the technical institution.

Sir Fred’s reply was another exercise in evasion.

Reg Gynther continued his letter writing throughout early 1965, but when he left for his sabbatical leave in September there still appeared to be no prospect of the creation of a chair for many years. However, during his absence the pace of progress speeded up, partly as a result of Reg Gynther’s own efforts and partly through the work of Cyril Connell and Emil Hajek.

Emil Hajek was acting head of the department during much of 1966. Reg Gynther believed that Geoff Meredith would have been more suitable, but the Professorial Board thought that Hajek should be appointed on the basis of seniority. It is somewhat ironical that Hajek then devoted much of his time as acting head to campaigning for a chair for accountancy as Reg Gynther was always the most likely person to fill the chair. Hajek was particularly active in winning support from the professional bodies and the faculty and he also organised departmental petitions and deputations to the Vice-Chancellor. He gave many talks to the professional bodies and
other groups on the need for a chair in accountancy and his notes for these talks give an excellent outline of the department’s case.9

CHAIR IN ACCOUNTANCY
REASONS FOR ESTABLISHMENT AT THE UNIVERSITY OF QUEENSLAND

1. All Australian Universities except Queensland have a Chair in Accountancy or Commerce. This includes, for example, the University of Tasmania with enrolments of 141, the recently established University of Newcastle with enrolments of 297 and the Australian National University with enrolments of 104, yet there is no Chair in Accountancy at the University of Queensland which has the second largest Department of Accountancy in Australia with enrolments of 1,454. The largest Department of Accountancy is at the University of New South Wales with enrolments of 2,416. The University of New South Wales has two chairs in Accountancy and one Associate Professor. (Figures refer to total subject enrolments in 1966.)

2. Accountancy is a well recognised profession comparable to others such as Law, Medicine and Engineering, and this in itself should be a sufficient reason for giving the Department of Accountancy the same status as is enjoyed by other professional Departments in which Chairs (sometimes multiple Chairs) are established.

3. The entry into the Accountancy profession and the membership of professional institutes is predominantly via an appropriate University degree, and this is a further important consideration. The profession recognizes the relevance of University studies, and the University itself should recognize the relevance of one of its large Departments by establishing a Chair in Accountancy.

4. When the Head of Department is not a Professor (as is the case in the Department of Accountancy) this has adverse effects on: (i) the administration of the Department; (ii) the morale of the staff; (iii) the staffing.

(i) Important decisions and recognitions regarding the overall University policy and affecting individual Departments either directly or indirectly are made by the Professorial Board and its Committees. When the Head of the Department is not a Professor, then the interests of the Department cannot be
presented, and are therefore not taken into consideration, which, of course, happens quite unintentionally. Further, the Department and the Head of Department are quite unaware in many instances of the proposed University policy and actions. When appearing before the various Committees to present the case for his Department, the person representing the Department is handicapped by the fact that he is not a Professor and he cannot present the case as forcefully as might be desirable.

(ii) Academics do not work for money only, and the recognition of their work is highly valued by them. The staff of the Department of Accountancy at the University of Queensland feel that their work is not being accorded recognition they justly deserve. The Department of Accountancy has able and devoted staff who within 7 years built up out of nothing a highly regarded and large Department. Yet the University would not establish a Chair in Accountancy at the time when multiple Chairs are created in other Departments, new Departments are established with the first appointment at professorial level, and Chairs are established in smaller Departments. There is no wonder under such circumstances that the morale of the staff of the Department of Accountancy is declining.

(iii) When the top position in the Department is at sub-professorial level, the opportunities for promotions to senior grades are adversely affected. E.g. when the Head of Department is a Senior Lecturer promotions would not be readily available to that level, and naturally no promotions would be made above that grade. (This situation existed in the Department of Accountancy up to this year, but as from 1966 a Reader is Head of the Department.) This is not unknown in academic circles, and consequently academics from other Australian States do not apply for positions in the Department of Accountancy at this University — recently a vacancy for a Lecturer in Accountancy was advertised three times throughout Australia, yet no applications were received from other States. This situation will also affect the present staff who will eventually leave because of the lack of promotion opportunities.
The continual pressure from the department, the faculty and the profession finally forced the Standing Committee of the Professorial Board to place a chair in accountancy on the list of positions to be filled at some future date. This decision was endorsed by the Senate, but its implementation rested with the university administration, and the same tactics used to delay the appointment of a full-time lecturer during the 1950s again came into play.

The course of events is vividly chronicled in the correspondence between Cyril Connell and Reg Gynther during 1966.

Connell wrote to Gynther on 23 May 1966:

Members of the Committee of the Institute of Management are desirous of interviewing the Vice-Chancellor to put the case for a Chair in Business Administration and if that is undertaken, it may delay the appointment of a Professor of Accountancy. At all events, I hope you can finalise your Doctorate for which you are working so hard so that you will be in a much stronger position when we are seeking to fill the Chair.

This letter crossed with one from Reg Gynther advising Connell that he had been offered the directorship of the newly formed Australian Accounting Research Foundation (of which more later). Connell replied on 31 May:

There is still some doubt about the Chair of Accountancy. It is unlikely that this Chair will be established in 1967 although it has been approved. We have appointed so many additional Professors in the last year or so that it is unlikely that there will be further expansion next year ... Establishment in 1968 is possible but not certain. This will depend largely on funds available.

Reg Gynther’s reply on 4 June showed his growing frustration:

For years I have suspected (despite your several denials) that Sir Fred was just not interested in the discipline of Accounting ... The need for a Chair in our Department is so great that the failure to advertise the vacancy now that Senate has approved it, or even to be able to give it
priority for 1967, is significant. I do not believe that he would treat any other discipline in such a fashion.

... I still believe that Sir Fred confuses the discipline of Accounting with bookkeeping. In this regard he could be influenced by some of the senior accounting practitioners in Brisbane, who, today, would be unable to read and comprehend the contents of academic journals in Accounting ... the only comfort I get is to know that our graduates will rectify the situation in the future.

It seems that Sir Fred is not prepared to 'waste' any money on a Chair in Accountancy — and hence his insistence that the professional bodies provide it ... If chairs can be created at the University of Queensland on the basis of lobbying strengths, and not on existing needs, it is a sorry state of affairs.

Cyril Connell's reply attempted to defend Sir Fred Schonell: 'While there may be some truth in your statements concerning the Vice-Chancellor's attitude, you must remember that there are a large number of academic people who still do not regard Accountancy as a University subject.' As Reg Gynther's letter of 15 June shows, he was far from calmed by this:

To learn that the Vice Chancellor might not even advertise a chair for our Department by 1968 strikes me as sheer injustice. For me this is the last straw; and 'cognitive dissonance' has set in. I intend to stay at St Lucia no longer than I have to.

... It is significant that we have not had any applications from the other universities for the last two years, and I know that three professors, at least, have been advising people against applying for positions at the University of Queensland (in Accounting) in view of the way the discipline is looked upon at this university (only).

As I see the situation, Senate has sanctioned the Chair and there is really only one person preventing it from being advertised and filled ... Therefore the fact that there are 'a large number of academic people who still do not regard Accountancy as a University subject' does not really come into it (I believe), but, if it does, it is all the more reason why many of us have been, and are, wasting our time at St Lucia.

In all fairness, those on the staff who are interested in obtaining advancement should be advised of the real position so that they may
seek positions in all the other universities where the discipline of Accounting is appreciated and understood.

These threats from Reg Gynther to leave St Lucia himself and recommend to his colleagues that they should leave, leading to the virtual disbandment of the Department of Accountancy, had the desired effect. Cyril Connell wrote to Reg Gynther on 28 June 1966:

You will probably be surprised to learn that the Vice-Chancellor went to a meeting of the Standing Committee of the Professorial Board yesterday and supported strongly the establishment of a Chair in Accountancy next year ... It is certain that the Chair in Accountancy will be advertised towards the end of the year.

I hope that this will alter your attitude to the University of Queensland and that you will be an applicant for the Chair as I am sure that you would have stronger claims than any other person likely to apply.

This letter did apparently mollify Reg Gynther's attitude to the University of Queensland, but it was by no means certain that he would be an applicant for the chair when it was advertised. As he told Sir Fred Schonell in a letter dated 11 October 1966, 'Three attractive outside offers have been made to me since my return with the Doctorate in Business Administration.' The offer he considered most seriously was from the Australian Accounting Research Foundation to become the foundation's first director. In his history of the foundation, Geoff Burrows notes that Reg Gynther was interviewed on 31 January 1967 to discuss the general parameters of the position. Significantly, Reg Gynther saw the Foundation's most important task as 'developing a statement of accounting principles [because] only with agreed concepts would it be possible to solve particular problems facing the profession'. However, although the selection committee unanimously agreed to offer him the position on conditions equivalent to a professor, the lure of friends and family in Brisbane proved strong, and Reg Gynther chose to stay at St Lucia.

Probably because of the controversies and delays surrounding its
creation the advertisements for the inaugural chair in accountancy drew few serious applications. As is clear from his correspondence with Cyril Connell, Reg Gynther had the inside running for the position and he was duly appointed in April 1967.

Although there have, of course, been many matters of controversy between the Department of Commerce and the university administration, the fundamental point of the acceptance of accounting as an academic discipline was won in the debates of the 1960s. A lasting legacy of the fight for recognition during this decade has been a strong tendency for the Department of Commerce to go its own way. Fuelled by a belief in its academic credentials and the power which has flowed from having a strong student base, the department has been able to rise above many of the bureaucratic constraints that still dominate the functioning of the traditional academic departments in the university.
Reg Gynther and Geoff Beck both spent their first periods of sabbatical leave in the mid-1960s in the United States. Their differing experiences had long-term repercussions for the Department of Commerce — in brief because Reg Gynther returned an Ameri-phile and Geoff Beck an Ameri-phobe.

Reg Gynther found the American academic accounting scene tremendously vibrant and exciting. He made many friends and developed important contacts with the academic community. More significantly he saw that academic accounting in America was entering a period of revolutionary change and, although these changes went against his training and experience, he saw that they represented the way of the future. The ultimate result was that Reg Gynther embraced the revolutionary thinking and launched the department in this new direction ahead of all other Australian accounting departments. This decision was central to the long-term success of the department, as it placed it at the forefront of accounting theory, gave the department credibility with the American academic accounting community and, after a brief period of dissen­sion, provided it with a strong unifying ideology.

The 1950s and 1960s had been a period of normative theorising in accounting research. Although the period had begun with the
aim of making gradual improvements in accounting practice, by the early 1960s many of the leading figures in normative research had developed grandiose plans for constructing all-embracing theories of accounting. In Australia Professor Ray Chambers at Sydney University was the most prominent of the normative theorists, spending much of his career attempting to develop a complete accounting theory (and attacking those who opposed him). Reg Gynther was also a leading normativist in the 1960s.

However, by the early 1970s some younger researchers became weary of the increasingly pointless debates between the proponents of the normative theories, criticising them as being incapable of resolution since they were based entirely on value judgements. Concluding that there were no ‘right’ answers to the problems the normative theorists had addressed, the positive theorists, as they became known, turned to ‘explaining and predicting’ accounting behaviour through scientific empirical research. The seminal paper in the development of positive accounting theory was written by two young Australians, Ray Ball and Philip Brown, who were both studying in Chicago. Published in 1968, ‘An Empirical Evaluation of Accounting Income Numbers’ is the most cited work in accounting literature and changed the direction of accounting research. Although it was rejected by The Accounting Review, at that time the leading accounting journal, on the grounds that it was not an accounting paper, when it was eventually published it changed the course of accounting research.

Although Reg Gynther responded enthusiastically to his American experience, Geoff Beck’s reaction to his period of research and teaching at the Universities of Alabama and Florida was very different. The University of Alabama had a highly ranked accounting school, but the lifestyle in the southern Bible belt had little appeal. Herb Qualls recalls Geoff Beck asking when he returned, ‘Why didn’t you tell me what it was like?’, and complaining that he had been stuck in a dry county, with no horse racing, and where the first thing anyone asked was what church you attended. But, more
seriously, Geoff Beck had serious doubts about the American system of accounting education, which he thought was very vigorous in mechanical terms but did not teach people how to think. He taught at both Alabama and Florida and looked carefully at subject contents and textbooks used at Duke University and the University of Texas. He found little difference in the content and approach to accounting education at these four universities and he became convinced that American academics claimed to deal with subject matter more rigorously than they actually did. He also considered that there was a great reluctance on the part of academic staff to fail students who clearly should have been failed.

Later, when Bob Officer and Ray Ball introduced the ideas of positive accounting theory at the University of Queensland, Geoff Beck was not overly impressed. Like many normative theorists, he had doubts about applying the pure competition theory of economics to accounting and considered that many of the assumptions of positive theory were questionable. If academic accountants will not try to lead the profession to better methods of practice, who will?³

The contrasting experiences of Reg Gynther and Geoff Beck in America had an impact on the development of the Department of Commerce for over a decade. Reg Gynther was determined to build his department along the model of the American schools he admired so greatly, while Geoff Beck was far from convinced that this was the way to go.

During the late 1960s and early 1970s the scope of the Department of Accountancy expanded significantly, with several major new areas of teaching being introduced. New disciplines such as information systems and organisational behaviour developed rapidly in the 1960s and Reg Gynther moved very quickly to include them within the ambit of the department. Bob Officer recalls that he felt that academic accountants in the 1960s and 1970s were always looking for new areas to teach to give more academic breadth to their courses and he remembers Reg Gynther’s arguments with himself and other economists over the scope of accounting. Bob
recalls holding his hands close together to illustrate his view of accounting's limits, while Reg would stretch his arms wide apart and say that was the limit. The reality was that during the 1960s accounting, like all newer academic disciplines, had to fight for space with other disciplines.

There are few professions in which the application of computers is more obvious than accounting, and from the early 1960s both practising and academic accountants began to study the potentialities. In 1962 the annual research lecture at the University of Melbourne was on the topic 'Influence of electronic data processing upon the accountant, accounting thought and practice', and from about 1965 Geoff Meredith included several lectures on electronic data processing in his managerial accounting course. In the late 1960s Ron Weber recalls that he had about three lectures on the use of computers in accounting during his undergraduate course.

Reg Gynther realised that a knowledge of information systems would become an essential part of accounting education and in 1969 he advertised for a senior lecturer to develop a Diploma of Information Processing and undergraduate computing subjects. Peter Richards, a young Englishman, was the successful applicant. Ron Weber recalls that he was a delightful fellow and a good teacher who laid a sound foundation for information systems in the department. Richards soon gained the nickname 'Staggers'. He was a mild socialist and when one of the junior staff used a market-economics-based argument to counter one of his statements, he would invariably reply along the lines, 'I am staggered that you could believe such a thing.'

Peter Richards taught a fourth year honours subject called Information Processing in 1971 and planned an undergraduate subject called Information Systems and Computers for 1972. The discussion of his submission at the Professorial Board gives an interesting insight into the problems of teaching information systems in the early 1970s:
Accounting has been the main information system of many organizations and the advent of the computer has enabled all information systems (including accounting) to be improved dramatically. Opportunity will be given in programming exercises, case studies and practical projects for students to make use of computer facilities wherever possible. The Education Committee had drawn attention to the fact that the cost for computing to the Department of Accountancy could rise significantly if a large number of students took the course. However, Professor Gynther advised members that because of a high enrolment it would not be possible to allow individual students to use the computer and that the work would have to be done by demonstration on a terminal. Student numbers would therefore not affect the cost to the Department for computing.

Another new area of study within the department in the early 1970s was organisational behaviour. This attempt to apply the ideas of psychology to business organisations developed in America during the 1960s and, as always, Reg Gynther was quick to follow suit and introduce the new study in Queensland. Paul Ryder was the first lecturer in organisational behaviour. A big man with a big beard, he was the first hippy in the department and his beard and sandals used to irritate Reg Gynther. However, it was typical of Gynther that he put his commitment to the future of the department above his personal prejudices and chose the best person for the job. Although the accountants in the department never really understood what he was doing, Paul Ryder brought a strong academic approach to the department and was always prepared to stand up and say what he thought.

By the late 1960s the expansion in the range of disciplines taught within the Department of Accountancy led to pressure to change the name of the department. The first mention of the possibility of renaming the department was made by Reg Gynther in handwritten notes made after a meeting with Sir Fred Schonell in 1964. Reg Gynther wondered whether Sir Fred's antagonistic view of the department might be mollified somewhat by a change of name, but he did not pursue this possibility at the time.
On 1 October 1970 a ‘full-attended monthly departmental meeting overwhelmingly agreed that the name “accountancy” should be changed as soon as possible’. In February 1971 this proposal was endorsed by the Executive Committee of the Faculty of Economics and Commerce. The committee suggested that the term ‘commerce’ best described the work of all areas of the department; it would also balance the name of the faculty — there was already a Department of Economics, so there should be a Department of Commerce.

These resolutions at departmental and faculty level led to no immediate action. The eventual impetus for a change of name appears to have come from a close study of the dictionary meanings of ‘accountancy’ and ‘accounting’. In November 1971 Reg Gynther asked the Standing Committee of the Professorial Board to consider his title of Professor of Accountancy. He argued that ‘as “Accounting” is a fundamental concept and “Accountancy” covers the practice of the profession, he should be “Professor of Accounting”’. The Committee believed that this would cause confusion unless the name of the department was also changed. Prompted by this, Gynther proposed changing the name to ‘Department of Commerce’. He stated that the department provided teaching and services in fields such as financial accounting, managerial accounting, business finance, information processing and various aspects of commercial law and that the name should reflect the broad scope of these activities. He also suggested that the current name of the department restricted the recruitment of non-accountants as they feared they would become ‘minority outcasts’ in the Department of Accountancy.

The Professorial Board initially rejected the proposed name change on the grounds that the department was highly regarded under its existing name and that the names of departments should reflect the name of a discipline (accountancy was a discipline but commerce was not). However, soon commonsense prevailed over pedantry and at the beginning of 1992 the name officially changed
from the Department of Accountancy to the Department of Commerce.

The perennial recruiting problems of the department became a subject for wider discussion in the early 1970s. In November 1971 Reg Gynther wrote to the Standing Committee of the Professorial Board:

It does not appear possible to attract suitable people at the Lecturer level ... The Department has in the past two years been forced to appoint too many young, inbred, relatively inexperienced people at the Lecturer level. The long-term implications of this could easily be injurious ... The staffing situation has never been good and has now been seriously worsened by the creation of the new Colleges of Advanced Education. People who were once Lecturers in universities are now being employed in more highly-paid positions in many of these new institutions. The effect of this in some universities has been to promote many 'unqualified’ persons in order to retain their services. Further, many good Honours graduates are now enrolling for PhD degrees on a full-time basis (mainly in overseas universities); once they might have sought lectureships.

Commenting on this letter, Professor Hughes (Professor of Government), said that he had sat on several accounting selection committees and he had felt ‘increasing concern at the calibre of candidates for positions in Accountancy. Mostly they were young men with a first degree and perhaps one year’s professional experience who would be expected to take classes of over a hundred students’. However, no action was taken on Reg Gynther’s suggestion that the university should consider offering inducements to Australian PhD graduates to return from the United States.

The following year the Standing Committee again addressed the issue. The committee expressed concern that some persons were being appointed at too high a level and also that some under-qualified persons were being appointed. It was felt that such appointments would eventually lead to promotions problems. The Standing Committee had considered that possible solutions to this
problem could be to make temporary appointments at high salary levels or to control the number of students in departments where it was difficult to obtain staff at the desired level …

Professor Gates, the Dean of the Faculty, defended the department:

Professor Gates said that Professor Gynther’s department had the finest honours school in Australia and that it produced a large number of teachers for other Australian universities. They were often appointed at levels which this university was not prepared to offer. There was also heavy competition from attractive positions in the Accountancy profession outside the University.

With regard to the possibility of a reduction in student numbers, Professor Gates felt that not only would the accountancy profession in Queensland and Australia suffer, but so would Accountancy departments in other Australian universities, since so many of their teachers were produced by the Queensland honours school. It was emphasised that if the Department of Accountancy were to maintain the proper number of students, the University of Queensland would have to be prepared to offer attractive appointments.

Professor Gates was strongly of the opinion that the University must adjust to the market in this field. If other universities in Australia were prepared to appoint a man with, for example, a first degree and one published article, then this University must be prepared to do the same.9

The committee decided to investigate the staffing of accounting departments in other Australian universities and the following month it resolved ‘that special consideration be given to the incremental level of appointments in the Department of Commerce by reason of the highly competitive recruiting situation in Australia at the present time’.10 The first test of this policy came soon after when the department requested that Errol Iselin should be promoted to senior lecturer as he had been offered a senior lectureship at the University of New England. Reg Gynther stated ‘that he would be loath to lose Mr Iselin whom he rated as a very good lecturer’. The Standing committee agreed to set up a selection committee to
consider an application for promotion, with the result that Errol Iselin received a promotion.

In 1971 the continuing staffing problems, combined with his determination to keep the department in the forefront of accounting education and his enthusiasm for American methods, led Reg Gynther to carry out the most audacious recruiting coup in the history of the Department of Commerce. In 1970 the university had created a second chair in the department and advertised worldwide. The response was disappointing, with no outstanding applications. In May 1971 Reg Gynther went to America, ostensibly to interview candidates for the chair, but his real purpose was to persuade Ray Ball (then aged 26) to apply for the position. He later recalled, 'The best day's work I ever did as an academic was at O'Hare Airport in Chicago when I got Ray Ball's signature on a letter of application for the second chair in the department.'

Ray Ball was born in Sydney in 1944. In 1962 he began a commerce course at the University of New South Wales on an industrial traineeship with Rheem. He graduated with first-class honours and, leaving the selling of hot water systems to others, began postgraduate work while tutoring at the University of New South Wales. In 1967 he was awarded a Fulbright Scholarship to the Graduate School of Business of the University of Chicago, where he completed an MBA in 1968 and a PhD in 1972, his dissertation being on 'Changes in Accounting Techniques and Stock Prices'. In 1968 and 1969 Ray Ball was an instructor in accounting at Loyola University of Chicago, before becoming an assistant professor in accounting and finance at the University of Chicago in 1969. As mentioned above, his famous paper with Philip Brown on 'An Empirical Evaluation of Accounting Income Numbers' was published in 1968 and by mid-1971 he had published seven articles in recognised journals.

In 1971 Ray Ball was looking to return to Australia, primarily because one of the conditions of the visa for his Fulbright Scholarship was that he go back to Australia for at least two years after
finishing his studies. In addition, his friend Bob Officer was keen to return to Australia, and when Reg Gynther came to Chicago he offered Officer a position in the newly created Department of Management.

Following the necessary formalities, the selection committee considered five applications for the new chair, and reduced this to a short-list of two (Ray Ball and Dr R. E. G. Nicol, a management consultant with a PhD from Berkeley). However, Reg Gynther was insistent that Ray Ball be appointed and, beyond a few raised eyebrows on account of Ball’s age, there was no serious opposition from the university administration. In a welcome contrast to the attitude of his predecessor, the new Vice Chancellor, Sir Zelman Cowen, gave Gynther firm support in his efforts to recruit outstanding staff. Ball recalls that in June 1971 he and his wife were in Canada and about to go to Europe for a holiday when they got a telegram from the University of Queensland saying they wanted him to come for an interview, so they went to Brisbane instead. Reg Gynther briefed him very well for the interview, where the two main issues were his youth and the type of work he was doing, which some people on the committee clearly did not understand.

In August 1971 Ray Ball was appointed Professor of Accounting and Finance, and became the youngest person to hold a full professorship in any department of the university. Gynther’s decision to recruit Ray Ball was an extraordinarily courageous action and a critical step in the development of the department. By bringing in one of the originators of positive accounting theory, it placed the University of Queensland in the forefront of the revolution in accounting thought taking place at the time. Bringing in an outsider with an American PhD was a dramatic statement against the inbreeding which many had noted was a danger for the department. Ray Ball’s youth emphasised that promotion in the department was to be on ability and performance rather than seniority, and his record of research and publication pointed the way to a renewed emphasis on research in the department.
Professor Henry Alcock, Dean of the Faculty of Commercial Studies (1926–31 and 1939–47), first Dean of the Faculty of Commerce (1948).

Professor John Gifford, Dean, Faculty of Commerce (1949–54), and Dean, Faculty of Commerce and Economics (1955–59, 1961 and 1963–65).
Reg Gynther: first Lecturer in Accounting (appointed January 1959); first Professor of Accounting (appointed 1967).

Ray Ball was appointed to the second Chair in Accounting and Finance in August 1971. He was the youngest person to hold a full professorship in any department at The University of Queensland, a record that still stands.
Left to right: Ray Ball, Harvey Mason and Reg Gynther (August 1974).

Geoff Beck in February 1975. Appointed Lecturer in the Department of Commerce in 1960 and was Dean of the Faculty of Commerce and Economics between 1974 and 1976.

Hong Kong Australian Alumni Ball hosted by The University of Queensland Alumni Association (HK), November 1999. *Left to right*: Frank Finn, Ian Zimmer, Linda Lee (UQ Alumni President, Hong Kong), Paul Bailes (Computer Science), Colin Ferguson.
Keith Alfredson, first University Medalist of the Department of Commerce (1963).

Department of Commerce staff at the 1997 Departmental Retreat with Vice-Chancellor John Hay.
Left to right back row: Gerry Gallery, Janine McMaster, David Bellamy, Brenda Marshall.
4th row: Mary-Rose Cooney, Julie Walker, Kerrie Sadiq (nee Chalmers), Barry Williams, Steve Gray.

The 1996 Department of Commerce Christmas Party. Professor Terry O'Keefe (aka Santa Claus) with James Cochrane and Jack Chappie.
Brenda Marshall, winner of the KPMG Teaching Prize in 1993 and 1995 with (left) Mr David Van Homrigh, Partner KPMG, and (right) Mr Steve Lonie, Managing Partner KPMG.

The 'Bool Cup. Left to right: Frank Finn, Colin Ferguson, Paul Nevell and Ian Zimmer, May 1993.
Although Ray Ball was a professor in the Department of Commerce for only four years, these years were crucial in the development of the department. In the 1960s Reg Gynther had built up a large department with an excellent reputation within Australia, but it was highly dependent on his personality and influence and faced the danger of inbreeding due to the difficulties of recruiting staff from outside the department. The department also lacked ideological direction at a time of intense debate on accounting theory and this inhibited research. In 1971 Geoff Beck was the only PhD student enrolled in the department. The arrival of Ray Ball, together with Bob Officer in the new Department of Management, was vital in enabling the department to take the next step — to develop a vibrant research culture, broaden the base of recruiting and gain international recognition.

The most important development of this era was the adherence of most of the department, including virtually all the junior staff and honours students, to a unifying and dynamic philosophical approach. Ray Ball was one of the originators and most persuasive advocates of positive accounting theory, and his presence in this period ensured that the department became committed to positive theories and scientific empirical research. As positive empirical
research has been the dominant paradigm in academic accounting in the last 25 years, this commitment has been central to building the international reputation of the department.

Ray BaU arrived in Brisbane at a time when the department was very open to new ideas and stimulation. A majority of the staff had been Reg Gynther's students, chosen by him for the honours program and then groomed for teaching positions. While they were bright, keen and enthusiastic, Ray BaU recalls that they were all intimidated by Reg Gynther and ‘too scared to say boo when he was around’. However, when he and Bob Officer arrived with their new ideas, the younger staff members blossomed, rapidly absorbing the tenets of positive accounting theory and beginning to explore the many new research avenues it opened up.

Ray BaU's youth, enthusiasm and teaching skill all contributed to the impact he had on the department. His style and personality contrasted strongly with that of Reg Gynther. This was illustrated several months after BaU's arrival, when Gynther asked BaU's wife to speak to Ray about his clothing following a meeting of the Professorial Board which the Professor of Accounting and Finance had attended wearing red jeans, a cowboy shirt with flowers on it and multi-coloured shoes. To the honours students and younger staff members of the early 1970s, this professorial image was less intimidating than Reg Gynther's military style.

The resurgence in the department in the early 1970s owed much to the partnership of Ray BaU and Bob Officer. Bob Officer, recruited by Reg Gynther for the new Department of Management, had a greater impact on the ethos of the Department of Commerce than any other person outside the department. After graduating in agricultural science at Melbourne, he studied for his masters degree at New England, where he became interested in economics. This interest took him to Chicago, which he felt was the best economics school in the world, and the nature of applied research at the time led him to finance. At Chicago he met Ray BaU and they became friends and found that their ideas were moving in the same direction.
When Reg Gynther came on his recruiting mission, he took Ball and Officer as a package. Bob Officer recalls that when he arrived at St Lucia the Department of Management existed in little more than name, so he worked very closely with the Department of Commerce, becoming deeply involved in the honours and graduate programs. His presence at the time preaching the new religion magnified the impact of the new ideas and helped to spread them quickly through the department.

Despite the total contrast in their styles and personalities, Reg Gynther was always very supportive of Ray Ball. Bob Officer remembers Gynther as a good academic, who was very tolerant of new ideas. He realised that it was important to ensure that Ball and Officer settled in quickly and he was very good at mentoring them, introducing them to the business community in Brisbane and defending their 'way out' ideas. Ball says that Gynther always gave him unequivocal support both within the department and in his dealings with the university administration.

When Gynther persuaded Ball to come to Queensland, he promised that there would be minimal administration involved. However, he and Geoff Beck were both due to go on sabbatical leave in 1973, so Ball became acting head of the department in 1973. This was a very important year, as the curriculum had to be extensively revised for the introduction of the semester system in 1974, with new courses being developed and many new staff recruited.

The most important innovation introduced by Ray Ball while acting head of the department was the program of research workshops. In the years since the workshops began they have remained one of the main factors in maintaining the dynamism of the department. Ball recalls that he suggested research workshops primarily as a way of opening the department to influences from outside as he felt that it was inbred and introspective. At that time the department had no budget at all for research seminars so it could not pay for air fares, accommodation or other expenses for people
to come from interstate to give papers. Ray Ball got around this by including a compulsory honours subject called ‘Research Workshops’ as part of the reshaping of the curriculum. The subject was not staffed as part of a departmental member’s workload, so some money was available to bring in visitors. This proved to be a cheap and efficient way to provide money for research workshops.

The department was the first accounting department in Australia to introduce a structured research workshop program, and the invited visitors did not have much idea of what to expect. They were in for a shock. The first round of invitations sent to accounting departments around the country attracted acceptances from many professors and other high-profile academics. Among the early workshop presenters were Ray Chambers, Ken Wright and Bill Stewart. These people treated the workshops like conferences, expecting to give a paper and answer a few questions, and they were quite unprepared for the intense questioning they got from the honours students. The students worked hard, read the papers and got stuck in to the visitors. As Ray Ball says, ‘It was a real donnybrook.’ The students had arguments that these top people could not answer and it was an opportunity for the students to learn that the theory and methodology they had learned actually worked. In this way the workshops played an important role in legitimising the work of the honours school.

The research workshop program had great benefits for the department. The workshops exposed the entire department to the outside world, brought top people to Brisbane and attracted interest from potential recruits to the staff. They advertised the department brilliantly by showing people from other universities that the University of Queensland was active and dynamic. The research workshops became the engine-room of the department and ever since they have been the main arena for sharing and comparing ideas and defining the academic direction of the department.

The feeling of progress and intellectual excitement in the Department of Commerce in the early 1970s was an important factor
in attracting an outstanding new generation to teaching positions in the department. After several years in the department, Frank Finn had gone to Canada in 1971 to study for an MBA, choosing an MBA rather than a more academic qualification as he intended to go into business rather than pursue an academic career. However, he recalls that while he was away Ray Ball and Bob Officer arrived from America, beginning a great upsurge in research and the department became such a vibrant, exciting place that he decided to return. Ball and Officer recall that they welcomed Frank Finn's return to the department as he had become imbued with positive accounting theory and came back 'with the religion'. As he was a 'true blue Queenslander who everyone trusted', he did much to bring the new ideas into the mainstream of the department. Ray Ball supervised his PhD thesis on 'Internal Performance Evaluation of Managed Investment Funds', which was the third PhD completed in the department.

Don Anderson grew up in Inverell in northern New South Wales and won a scholarship to the University of New England, where he completed a Bachelor of Economics (honours) in 1970, with a double major in accounting and economics. His research has always reflected this dual interest, using economic models to explain accounting behaviour. After his honours year, he became a teaching fellow at New England before successfully applying for a lectureship at Queensland in late 1972 at the age of 23. He recalls that there was a real youth policy in the department at that time.

Within a short time of his arrival in Brisbane, Don Anderson was nicknamed 'Mystery' as his behaviour was so often mysterious to his colleagues. One of the great legends of the department is that Anderson had not been in the department long when Reg Gynther decided that he was 'moonlighting' teaching elsewhere. To confirm this, Gynther followed him one day to see where he went. He tailed him across the university, slipping quietly from pillar to post in best secret-agent style (extreme versions of the story have him in disguise), but lost him in the car park. It was not until a couple of
nights later that Reg spotted Don on TV leading a horse at the trots and it became clear that Mystery was not moonlighting, but doing research for his paper on ‘Information Equilibrium and Efficiency in Betting Markets’.

Richard Leftwich had completed his honours degree in 1967 and lectured in the department in 1968 and 1969 before joining CSR. Several years downtown convinced him that he preferred academia and he accepted Ray Ball’s invitation to return in 1973. He stayed for two years before going to America to work for his PhD at Rochester. In 1979 he joined the faculty of the Chicago Graduate School of Business, where he is now the Fuji Bank and Heller Professor of Accounting and Finance.

A graduate of Newcastle University, Peter Dodd came to Queensland to do his masters degree with Ray Ball and tutored in the department until Ray talked him into going to the United States for further study. For his masters thesis he did the first academic study on the effect of takeovers on share prices, and his PhD was on the same topic, looking at American share prices. Dodd was one of the livewires of the department during his stay and a leading contributor to the notorious practical joke era.

Barry Davis completed his honours degree in 1972, being awarded the ICA’s prize for business finance in 1969 and a University Medal in 1973. He was appointed a lecturer in 1972, teaching business finance with Frank Finn for 13 years and gaining a reputation as one of the best teachers in the department. Bruce Grundy was one of his students and recalls that he handed out excellent class notes which Grundy found useful for many years. In 1985 Barry Davis left academia for the private sector, becoming manager of fixed interest and currency at QIC in 1991.

Ken Leo was another graduate of the department who moved into the teaching ranks in the Ray Ball era. Teaching mainly in the field of financial accounting, he built up an impressive publication record and stayed with the department until he moved to the Queensland Institute of Technology in 1981. He is now professor
of accounting at Curtin University of Technology in Perth. Graham Grundy's career in the department closely paralleled that of Ken Leo, until his departure in 1982 to a position with the Queensland Investment Corporation. Allen Craswell was one of several honours graduates who taught in the department for a short time before moving on to successful academic careers elsewhere, in his case at the University of Sydney.

Only the second woman lecturer in the department, Iris Vessey has had a most unusual and distinguished career. Trained originally in chemistry, she gained an MSc from the University of Queensland in 1965 and her list of publications reads very differently from any other member of the Department of Commerce. Her first journal article was 'Pigments of Marine Animals: III. The Synthesis of Some Substituted Polyhydroxyanthraquinones'. She then worked as a chemist in the clothing industry in Milan where she became interested in computers and information systems. Returning to the University of Queensland, she joined the department as a lecturer in information systems in 1973, completing an MBA in 1977 and a PhD in 1984. After a lengthy gap between her early publications in chemistry, from 1980 she built up a very impressive list of publications in leading journals. In 1986 she left the department to teach at the University of Pittsburgh, and after a period at Pennsylvania State University, she accepted a chair at Indiana State University in 1995.

The excitement and intellectual challenge of the Ray Ball years brought the best out of many outstanding students in the department. The department is proud of the number of future professors who have passed through its ranks, and many of these came from this era. Bruce Grundy, Stephen Penman, Ken Leo, Greg Whittred, Alan Kleidon, Terry Marsh and Errol Iselin were all honours graduates of the 1970s.

Bruce Grundy recalls that the honours students and tutors were a very close and happy group and they were strongly influenced by the exciting intellectual atmosphere in the department at the time.
He feels that the Queensland Department of Commerce was very academically oriented because of the quality of the teaching, the lack of commercial jobs in Brisbane, and the way the top students pushed each other. As an honours student and tutor, Bruce could sense that things were on a positive trajectory and going somewhere. There was a real feeling of progress and togetherness in the department and people wanted to be part of a winning team. During the 1970s about 40 per cent of honours graduates chose to pursue academic careers, a far higher proportion than in later years.

Bruce Grundy recalls three outstanding courses from his undergraduate years. He found Reg Gynther an outstanding teacher, recalling that he made hundreds of undergraduates care about current cost accounting as a truly religious experience. Gynther was fanatical about the moral righteousness of current cost accounting and it was amazing how commerce students would be drinking in the pub late at night and still be arguing about current cost accounting. Frank Finn taught an honours course on options pricing even though it was such a new area internationally that neither he nor anyone else knew much about it. There were no courses on options pricing even at the leading American schools so it was a joint learning exercise for students and teacher and proved very exciting for everyone involved. Among the new courses introduced with the semester system in 1974 was an honours subject on the philosophy of science. Ray Ball designed this course, based around Kuhn's theories on the structure of scientific revolutions, and Bruce Grundy took the course when it was taught by Allan Kleidon. This was considered an extraordinary subject to teach in an accounting department, but it was a vital way of introducing students to the scientific method of positive accounting research and inspired many of them to embrace academic careers. Grundy agrees that it was a most unusual subject for accountants in the early 1970s and believes that it helped produce a unique group of honours graduates.

The early to mid-1970s saw several important additions to the
range of courses and subjects available in the Department of Commerce. In 1969 the university approved the introduction of the degree of Master of Business Administration by coursework, open to graduates of any faculty. The first enrolments were in 1972. Several of the core subjects were offered by the Department of Commerce and students had the option of taking advanced Commerce subjects. Bob Officer was the first appointment in the new Department of Business Administration, with Hollis Peter, a former Shell executive, the first professor.

In 1974 the University of Queensland introduced a semester system and the Department of Commerce took the opportunity to restructure the Commerce degree to offer a wider range of subjects and more opportunities for specialisation. With the addition of subjects in organisational behaviour, students now had a choice of subjects in five disciplinary areas — accounting, finance, information systems, organisational behaviour and commercial law.

One of the main reasons Reg Gynther recruited Ray Ball was to build up a research culture in the department. With a few exceptions, most of the staff of the 1960s had seen their role as being primarily as teachers and their research was limited to gaining the qualifications necessary for promotion. This is understandable given the heavy teaching loads of that decade, but the consequence was that most members of the department published little or nothing. Ray Ball thinks that Reg Gynther wanted him to get greater productivity out of the middle level of the department, but this was a bit of a miscalculation as Ray’s greatest impact was on the junior staff and honours students; the middle staff were too set in their ways to change.

From the early 1970s there was an upsurge in the research output of the department, mainly, as Ray Ball suggests, among the younger members of the department. A sign of the closeknit nature of the department is the large number of papers from this period with joint authors from the ranks of the young lecturers and tutors. Common
enough in recent years, this practice had been unknown in the department in the 1960s.

While there was a sharp increase in the number of publications coming from the department, it is strange that there was not also an increase in the number of PhDs produced. In fact, the number of PhDs completed in the department in the 1970s was exactly the same as in the 1960s — one in each decade. The reason for this appears to be that Ray Ball, Bob Officer and the other intellectual leaders of the department preached the virtues of an American PhD and the bright young academics listened and went off in droves to do their doctorates at Chicago, Rochester, Ohio State and other leading American schools. Some returned but many did not. David Watson was the first Queensland honours graduate to go to America and he was followed by Richard Leftwich, Stephen Penman, Bruce Grundy, Peter Dodd, Terry Marsh, Allan Kleidon, Tom Smith, Barry Spicer, Ron Weber and Bernie Woolfe. During the 1970s the only PhD students in the department were staff members with family ties which kept them in Brisbane, such as Geoff Beck and Frank Finn.

The research output of the department in the 1970s reflected the intellectual revolution inaugurated by Ball and Brown and brought to Brisbane by Ray Ball and Bob Officer. In 1973 Geoff Beck completed the last higher degree thesis in the department written in the normative tradition. Published in 1974 by the Australian Accounting Research Foundation as Public Accountants in Australia — Their Social Role, the thesis described the social role of accountants and analysed this role using the language and methods of sociology rather than economics. In contrast, the department's next completed PhD thesis, Frank Finn's 'Internal Performance Evaluation of Managed Investment Funds' (1981), was supervised by Ray Ball and was completely within the framework of positive theory. The same transformation can be seen throughout the research output of the department in the 1970s. In the early years of the decade, many
papers had a strong normative flavour, while by the end of the decade the department's work was entirely from the positive school.

Ray Ball led the transformation of the research focus of the department, applying the empirical methods he had developed in America to studies of the Australian share market. As Reg Gynther ran the department in a highly centralist manner, Ray Ball found he had a surprising amount of time available for research, and fourteen papers emerged from his work in Brisbane or from later collaborations with Queensland colleagues including Bob Officer, Frank Finn and Greg Whittred.

Throughout its history to this time, the Department of Commerce had shared buildings with an assortment of unrelated faculties and departments. The long-serving members of the department, such as Reg Gynther, Merle Gynther, Geoff Beck and Lindsay Sanderson, had moved so often that they felt more like commercial travellers than academics. It was not until 1975 that the Faculty of Economics and Commerce moved to a purpose-built building, although even there it soon ran out of space.

The years 1972–76 were vital in the development of the Department of Commerce. The inauguration of the workshop program and the introduction of semesters, with the increased flexibility they offered, were important advances, while the acceptance within the department of positive theory placed it in the forefront of academic accounting for the remainder of the century. Most importantly, the period was one of great intellectual ferment as Ray Ball and Bob Officer spread the new ideas among an outstanding generation of honours graduates.

A vital factor in the progress of the department in this era was the strong sense of unity and fellowship. Bob Officer recalls that he always thought it was one of the happiest departments he had come across and that people were tied to the department with a deep sense of loyalty. It was fortunate that the Department of Commerce had developed such strength and unity in the early and mid-1970s,
because in the latter years of the decade it faced challenges that might have devastated a less cohesive department.
In 1975 the Department of Commerce moved into a gleaming new building, but within a few months there appeared to be a major plumbing problem. An appalling smell permeated a whole floor of the new building and one office, situated near the toilets, was uninhabitable. The junior lecturer who occupied that office complained to the head of the department and said he would not come into work until the smell was eliminated. The university maintenance staff came to investigate, decided that the problem must be in the pipes under the toilet floor and flushed them with powerful chemical mixtures. If this failed they thought they would have to jackhammer up the floor to eliminate the smell. However, the head of the department had a hunch that the problem might lie elsewhere, so he called up the department's administrative officer and said, 'I don't know what's going on, but I know that you know.' The administrative officer then phoned the home of a senior lecturer and told him that the crews were on their way to jackhammer up the toilet floor. This prompted the senior lecturer to drive into the university with less regard than normal for the speed limit, sneak into the junior lecturer's office, kneel down, reach behind the desk, untape a bag of decomposing prawns and, holding his nose with one hand and the prawns with the other, deposit them in a bin.
outside the toilets. The next day the maintenance engineers proudly advised the head of the department that their flushing procedure was clearly working as the smell had moved along the pipes, and, after the bin was emptied, they were able to confirm the total success of their odour elimination program.

Those who are familiar with the mythology of the department will instantly recognise this story and the identities of the protagonists. The prawn story is the most widely told anecdote from the notorious practical joke era which lightened the atmosphere in the department in the mid-1970s. The main jokers were Brian Grace, the department's administrative officer, and three future professors, Peter Dodd, Don Anderson and Frank Finn. Brian Grace had worked in the university administration since 1965 and moved to the Department of Commerce in 1975. On his first day in the department he wore shorts and, when he was taken to morning tea to meet everyone, Frank Finn greeted him with a hot teaspoon on his leg. Grace felt he had to respond to the challenge and slipped down to Finn's office where he found that Finn's chair had a rubber cushion with large round air-holes in it. Grace took the cover off and filled the holes with water before carefully replacing it on the seat. Soon after, Finn escorted the parents of a poorly performing student into his room for a serious chat, sat down, and was saturated by a torrent of water. The startled parents sat gaping while other staff members crowded in to admire the joke.¹

Over the next few years few people in the department escaped the inventiveness of the practical jokers. On his first day in the department a new lecturer was in Frank Finn's room having a chat when Brian Grace burst in pretending to be a failed student with a chip on his shoulder. Finn sat stonyfaced while Grace poured out a torrent of abuse about the failings of the department and Finn's many inadequacies. The new lecturer just stood there open mouthed, clearly wondering what sort of department he had joined. Another lecturer, Leigh Ffrench, was addicted to pipe smoking and one of the jokers' favourite pranks was to hide his pipe in outlandish
The prize for the best hiding place was given to the person who dangled the pipe from a high ceiling so that Ffrench could see it but not quite reach it. Ffrench became enormously frustrated when he was unable to retrieve it — so much so that he took a taxi to a nearby shopping centre to buy a new pipe.

The practical jokers lightened the atmosphere in the department and helped to get people through one of the most difficult periods in the department's history. The immediate cause of the problem was the departure in 1976 of the department's two professors, Reg Gynther and Ray Ball, along with Bob Officer from the Department of Management. The two vacant chairs proved extremely difficult to fill and the selection process for one of them led to the most open and divisive conflict in the department's history.

Given his youth, talent and ambition, it was always probable that Ray Ball would stay in Brisbane for only a short time. He recalls that there were many reasons for his decision to leave to become a founding professor of the Australian Graduate School of Management. His friend Philip Brown had been appointed dean of the AGSM and Ball had made a commitment to go and help him. Ball's departure was hastened by Bob Officer's decision to return to Melbourne for family reasons, and some other good friends outside academia were also leaving town. Ray and his wife enjoyed their time in Brisbane, but they were not small-town people and eventually found it isolated and restricted. Finally, he felt that the department was coming along well and the likes of Frank Finn could take over his role.²

Whereas Ray Ball's departure was a matter of when rather than if, Reg Gynther's decision to leave was a complete surprise to his colleagues. He had been head of the department since its creation and none of the staff (most of whom had been Gynther's students) could envisage the department without him. Don Anderson recalls that the junior staff had no inkling of the move and it came as a bombshell when Gynther made his announcement at a departmen-
tal meeting. He says that the whole department felt 'as though the
world had dropped off a cliff'.

As with Ray Ball, there were several different reasons for Reg
Gynther's decision to accept an offer to become a partner and
director of research at Coopers and Lybrand. After 16 years he was
starting to lose his enthusiasm as head of the department and felt
that someone new should take the next step. In the 1970s the
department had to fight for money for everything and Reg felt that
he spent all his time in university politics rather than the real work
of the department. He became frustrated with the need to constantly
sell himself and his department. Further, the Coopers' offer was very
attractive as it offered the chance to devote himself full time to
research with no worries about administration. It was an inflationary
period and Coopers gave him the chance to pursue his research on
accounting during a time of inflation.³

There is a sub-text to this last point which Reg Gynther hinted
at in conversation with the author but did not develop. Gynther had
been schooled in the normative era and both his training and his
personality pulled him towards normative research. He believed that
the approach of the profession to the problems of accounting for
inflation was wrong and he had no hesitation in prescribing alter­
natives. However, he also saw clearly that the future of academic
accounting lay with the advocates of positive empirical research and
he felt that it would take Queensland out of the mainstream if the
head of the department was to continue with normative research.
Gynther therefore chose to pursue his research interests in the
practising profession rather than in academia so that he would not
hold back the development of his department.⁴ Further, he exerted
all of his considerable influence to ensure that he and Ray Ball were
replaced by American-trained empirical theorists rather than home­
grown normativists.

Following the resignation of Ray Ball, Reg Gynther informed
the Standing Committee of the Professorial Board that it would be
very difficult to replace him, as 'There are very few people around
with suitable qualifications and abilities. I only know of two Australians, and one of them has just accepted a position at the new National Business School [presumably the AGSM]. The difficulties increased when Gynther also resigned and the department required two new professors. In September 1976 the Standing Committee agreed that 'It would be difficult to fill both vacant Chairs in Commerce during 1977 and that, in any case, it would be preferable to defer the filling of the second Chair until the field of the first appointee was known'. Consequently, the committee decided that the second chair would not be filled before 1978 and the department would be given a temporary lecturer in the interim. As it turned out, the first chair was not filled until 1978 and the second remained vacant until 1981.

The appointment of a replacement for Ray Ball was the most controversial and divisive issue in the history of the department. The selection committee met in September 1976 to discuss the five applications and clearly found the decision difficult:

After lengthy discussion, it was resolved that the candidature of Associate Professor David Watson should be favoured. Professor [Philip] Brown and Professor Gynther spoke strongly in favour of this candidate whose research and teaching interests were considered to be appropriate to the needs of the Department and to satisfy the requirements of the advertisement. Although the Committee had been made aware of some dissatisfaction within the Department at the possibility of this appointment, confidence was expressed in Associate Professor Watson's capacity to gain the cooperation of others within that Department ... The Committee was significantly influenced in its deliberations by the considered judgement of Professor Brown and Professor Gynther and by the very favourable reports of Associate Professor Watson's eminent referees. Further important considerations were the need for the most senior University in Queensland to provide accountancy courses at a high standard and the advantages of an appointee well known to expert accountants in North America when the other Chair in the Department is to be advertised.

After completing his honours degree, David Watson became the
first Queensland Commerce honours student to go to the United States for further study. He was not committed to an academic career but he had to do a PhD in order to get a scholarship. Enrolled at Ohio State, a big traditional school headed by Tom Burns, with a very good PhD program, he saw at first hand the dramatic impact of the revolution taking place in accounting thought in America. Burns pushed his students into all sorts of new areas and Watson became interested in organisational behaviour, studying psychology and social psychology at Michigan.

David Watson’s PhD thesis was on the structures of teams in public accounting firms, combining his interests in accounting and organisational behaviour. Soon after completing his thesis, he was appointed an assistant professor at the University of Illinois, although he still had an interest in going into public accounting and ran a dual career for a while, having a position as faculty associate with Deloitte Haskins and Sells in New York. He was 31 in 1976 when the vacancy in the Department of Commerce was advertised.

To fill Ray Ball’s chair, the department was looking for someone whose primary teaching and research focus was in the finance area. Although this was not David Watson’s field, several people in the department asked him to apply and he did so because he wanted to return to Australia for family reasons. He came to Brisbane in late 1976 for an interview and to give a presentation to the department. Shortly after, his appointment was confirmed, although he did not take up the chair until the start of 1978 as he had commitments to Deloitte.

The decision to appoint David Watson to fill one of the vacant chairs led to deep divisions in the department. In February 1977 Geoff Beck, the acting head of the department, wrote to Sir Zelman Cowen, the Vice-Chancellor, stating that a majority of the members of the department opposed Watson’s appointment. He argued that ‘Watson’s area of expertise is not appropriate to the department at this time’ and that, although he might be an able behaviouralist, he did not warrant the appointment ‘for his academic quality or
contribution in any area of accounting or finance'. While organis­
tional behaviour had become an important adjunct to the core of
commerce subjects, it was only an adjunct and already had sufficient
staff. Geoff Beck argued that it was important to appoint a professor
who could give leadership in the core areas of the department. He
pointed out that he had taught David Watson and doubted if his
ability warranted a chair. In conclusion, Geoff Beck wrote, 'This
assessment, together with the problems that I foresee if he is
appointed, cause me to decide reluctantly that I could not remain
in the department if Dr Watson occupied this vital chair.'

This letter drew an immediate response in support of David
Watson from some members of the department. Frank Finn, Errol
Iselin, Allan Kleidon, Paul Ryder and Don Anderson wrote to Sir
Zelman, saying, 'Any views expressed in Dr Beck's letter of 8.2.77
are his personal views only, or else his conjecture as to what the
views of the Department of Commerce might be. They should not
be taken as the views of the Department of Commerce.'

Although Harvey Mason spoke in support of Geoff Beck's
position at the Senate meeting that discussed the appointment, the
Senate resolved to confirm David Watson's appointment to the chair
of accounting and finance.

There is no doubt that Geoff Beck was, as David Watson himself
put it, 'cheated by the process'. Geoff Beck was asked not to apply
for Ray Ball's chair, as the department needed to appoint an expert
in finance, but to wait for Reg Gynther's chair which would be the
next to be advertised. However, when a non-finance person was
appointed, Geoff Beck felt both that it was the wrong appointment
for the department and that he had been misled. He had told Sir
Zelman Cowen that he would resign if David Watson was appointed,
and he did, accepting a position with the Taxation Board of Review.

The saga of the appointment of a successor to Ray Ball has been
remembered in the department as a story of jealousy and frustrated
ambition. It should more properly be seen as the last chapter in the
commitment of the department to positive accounting theory and
empirical research. Reg Gynther and Philip Brown impressed on the selection committee, and Sir Zelman Cowen in particular, that it was critically important for the Department of Commerce to have an American-trained professor from the positive school even if he was not from the finance field. While Geoff Beck was eminently qualified for a chair, he rejected the new American ideas on accounting education and research and his appointment would inevitably have led to a lessening of the department's commitment to these ideas. The selection committee for Ray Ball's chair effectively determined the ideological direction of the department for the remainder of the century.
Direction confirmed: The Watson years, 1978–83

David Watson came back to Queensland in 1978 to a department in turmoil. It had lost its senior academics and had a new young professor who most people probably did not want there. Although the Department of Commerce had been through a period of exciting and rapid development in the early and mid-1970s, in 1978 its future success was far from assured. The department faced severe internal stresses during a period when the university was attempting to adapt to the end of the long period of growth in tertiary education and this in turn placed great pressure on the department's budget and staffing.

It was inevitable that the departures within a short time of Reg Gynther, Ray Ball, Bob Officer and Geoff Beck would create a leadership vacuum within the department. Reg Gynther had been head of the department since its formation and he had always run the department in a highly centralised way, with very little delegation of decision-making. During most of his periods of leave, the department had been run by either Geoff Beck or Ray Ball, so the department was left with no academics with administrative experience. Harvey Mason, reader in commercial law, became acting head of the department in April 1977, with the Professorial Board noting optimistically that, 'His research record would equip him to give
leadership. However, while widely liked and a respected scholar in his field, Harvey Mason had neither the personality nor research interests to be a dynamic leader in an accounting department.

In addition to the department’s loss of administrative experience, Ray Ball and Bob Officer had given the department strong intellectual leadership and their departure left the future philosophical direction of the department uncertain. Like Geoff Beck, Harvey Mason had always been sceptical of the merits of positive accounting theory and he gave little encouragement to the younger members of the department who believed that the future of the department depended on a commitment to empirical research.

The departure of the most senior members of the department coincided with the end of Australia’s long postwar period of economic growth. For the first time in a generation government grants to universities were frozen, bringing an end to the rapid expansion of the 1950s and 1960s. The University of Queensland imposed a freeze on the appointment of new staff from June 1976, and began to assess spending priorities based not on a vision of what a university should be but on the demand for graduates in particular areas. These developments had a significant impact on the Department of Commerce. The freeze on new staff came at a time when the department was about to lose both its professors along with other senior staff and the freeze made it very difficult to make short-term appointments at a junior level to plug gaps until the senior vacancies could be filled. More importantly, the return of significant unemployment for the first time since the 1930s made young people think more about the employability of their degrees than had been the case in the 1950s and 1960s. As the demand for accountants continued to rise, enrolments in commerce expanded rapidly from the late 1970s. One of the most startling statistics in the history of the department is that 2178 Bachelor of Commerce degrees were awarded in the 50 years from 1928 to 1978, compared with 2797 in the decade from 1978 to 1988.

Staff shortages have been a perennial problem in the Department
of Commerce, but there has never been a period in which there were more unfilled positions or such a feeling of plugging the gaps than the late 1970s. In his period as acting head of the department, Harvey Mason was perpetually begging the Standing Committee of the Professorial Board for permission to employ an extra tutor or a temporary lecturer to cover a particularly critical situation. A typical example came in July 1977 when Frank Finn applied for study leave to complete his PhD at the AGSM. The study leave would only be possible if Allan Kleidon was reappointed as temporary lecturer to teach finance in Finn's absence. Harvey Mason pointed out that the resignation of Geoff Beck meant that there were only two people in the department able to supervise postgraduate students so it was critical for the future of the department that Finn complete his PhD as soon as possible. After lengthy resistance the Standing Committee agreed to accept Allan Kleidon's reappointment as a temporary lecturer for 1978.3

When he was interviewed for the chair, David Watson did not have a clear plan for the department, but he had developed one by the time he arrived back and had a clear vision of where he wanted to take the department. As Reg Gynther had hoped when he pressed for his appointment, David Watson aimed to build the department on the model of the best American schools, with a commitment to excellence in teaching and research, strong honours and postgraduate programs, and an increasing output of scientific empirical research. The development of the department in the following five years can be seen largely in terms of a pursuit of these aims in a time of rapid change in tertiary education.

Following the departures of Ray Ball, Reg Gynther and Geoff Beck, the department suffered from an obvious weakness at the senior level. It proved difficult to remedy this. In particular, it took four years to fill the vacant second chair in the department. Although the university advertised the chair before David Watson returned to the department (much to his annoyance as he felt he should have been on the selection committee), no suitable applicants emerged.
Consequently Professor Watson suggested that 'that the Department endeavour to obtain a strong senior appointment on a limited tenure basis', and he proposed Andrew Bailey, a contemporary of his from Ohio State and at the time Professor of Accounting at Purdue University. The Standing Committee of the Professorial Board agreed to support Professor Bailey's appointment, 'In view of the urgent need of the Department of Commerce for senior expertise for the supervision of higher degrees and stimulation of research, and in view of the failure to fill the chair on a permanent basis'.

This proved to be a highly successful appointment. Andrew Bailey was visiting professor for most of 1978–79 and reinforced the department's American connections and its commitment to positive empirical research, as well as providing expertise in auditing (an area of weakness in the department) and rebuilding some of the downtown connections that had lapsed after the departure of Reg Gynther.

Following Andrew Bailey's return to America, Larry Lookabill came as a temporary reader, teaching accounting and finance. Dr Lookabill had a PhD from Stanford and had been a colleague of David Watson at Illinois.

The honours program and postgraduate research were the areas of greatest weakness in the department in the late 1970s. The number of students doing honours had remained static or even fallen even though the number of pass degrees was increasing rapidly. David Watson recalls that in 1978 there were only three students in the honours class and in some years in this period there was only one honours student. Equally serious was the fact that there had been only two completed PhDs in the twenty-year history of the department. Although many staff members had been enrolled, some for many years, only Geoff Meredith and Geoff Beck had graduated with PhDs from the department.

It was largely to revive these vital areas of the department that Ron Weber was enticed back to the department. On completing his honours year, Ron had gone to work for the Department of
Main Roads. The department had just got its first computer, but nobody knew what to do with it. Despite his protestations that he was an accountant and economist and had no need for computers, Ron was sent off on a computer course. He found the course fascinating and it changed his career. In 1973 he set off to the University of Minnesota where he did a PhD in information systems, returning to Australia in 1977 as a senior lecturer at the ANU, from where he was recruited back to the department as a reader at the start of 1979.

One of the main initiatives taken to boost the success rate of PhD students in the department was to develop coursework to ensure that students had the research skills they needed before they started on their theses. As supervisors became more skilled at getting their students through, the calibre of PhD theses and the success rate of students increased greatly. The department leadership reiterated a commitment to good research records and PhDs for appointments and promotions, in spite of the continual pressure to get less qualified staff to put in front of classes. To encourage PhD students, the department introduced five-year contracts at lecturer level as a form of PhD scholarship. This has been very successful and has greatly increased the number of staff members working on and completing PhDs. The result of these measures can be shown by the fact that ten PhD theses were completed in the department during the 1980s, rising to 29 in the 1990s.

Since its introduction in the early 1960s, the honours program has always been one of the strengths of the department, producing an extraordinary number of outstanding graduates. However, in the late 1970s the program had clearly lost some of its appeal, probably due to the lack of senior staff in the department and the failure to sell the merits of doing honours. In the five years from 1976 to 1980 inclusive, an average of only four students enrolled for honours each year, with a low of one in 1976. David Watson gave a priority to the revival of honours. He restructured the honours research methods course to be more empirical rather than philosophical, using the
model he had taught at Illinois, and this proved attractive to students. He also encouraged all members of staff to work hard to sell honours to outstanding students. The success of this campaign was shown in a rapid revival in enrolments, with ten honours students in 1982, seventeen in 1985 and a five-year average for 1981 to 1985 of over ten.

Besides building up the postgraduate program, it was also clear that there was a need to broaden the focus of research in the department. Inspired by Ray Ball, finance had become the major research priority during the 1970s and most other areas of research had been neglected. It was important to provide leadership in other areas and the recruitment of Andrew Bailey in auditing, Ron Weber in information systems and David Watson's own work in managerial accounting and organisational behaviour helped to inspire research in these fields. The widening of the research focus was evident both in the PhD theses completed in the department and in the publications by members of the department.

The impact of the renewed emphasis on research could be seen most strongly in information systems. Errol Iselin and Iris Vessey completed their PhD theses in this discipline in 1982 and 1985 respectively (being the fourth and fifth theses completed in the department) and their names began to appear regularly in the annual lists of the department's publications. During the 1980s Ron Weber supervised six of the ten completed PhDs in the department, with the remaining theses being in finance and organisational behaviour.

From the late 1970s the department's leadership agreed that one of the important steps needed to provide continued strength and support for research in the department was to have a professor for each of the major intellectual fields covered by the department. This aim appeared a long way off in 1978 when David Watson was the only professor in the department, with the title of professor of accounting and finance even though his interests were actually in managerial accounting and organisational behaviour. Given the financial stringency of the late 1970s and the early 1980s it was hard
work pressing for new chairs, but Watson, supported by the Faculty of Commerce and Economics, pushed the case in every available forum.

The first task of filling Reg Gynther's chair was finally achieved in 1981 with the appointment of Ron Weber. In the month that Professor Weber's appointment was confirmed, the department began the push for a third chair. David Watson wrote to the Standing Committee of the Professorial Board, arguing:

(a) Finance was a fundamental and critical discipline to Commerce; consequently, academic leadership at the most senior level was vitally important,

(b) the supply of academics in this area was such that a professorial position was needed to attract suitable applicants, and

(c) a third chair in Commerce was completely justified given the number of professors in comparable departments in this University.

Watson offered to facilitate a new chair by suppressing a readership and a tutorship, but the standing committee decided that ‘it would be inappropriate to make a decision to create a chair at this time because of the difficult financial situation in which the University was placed’. Although the Vice-Chancellor endorsed this refusal, the departmental leadership continually raised the topic at every available forum. In February 1983 the standing committee again considered the request for a chair in finance and gave tentative approval, ‘provided that this was funded within the staffing resources presently available to the Department’. The main reason given for the change of mind on the matter was to address the longstanding weaknesses in the research and postgraduate work of the Department of Commerce, but other factors were also important: ‘Members were of the view that the Department warranted an additional chair on the grounds of size, student load, the ratio of professorial to non-professorial staff and on the basis of academic criteria relevant to that particular Department.’ The ink was scarcely dry on this recommendation before Frank Finn was appointed to the
new chair in July 1983 and the department began to push for a fourth chair, in financial accounting, an aim achieved with the appointment of Ian Zimmer in 1986.

In the late 1970s David Watson and Ron Weber, with their recent experience in America, both saw that there would be a rapid increase in the role of computers in the work of the department. David Watson recalls that the university computer policy was very rigid and discouraged any flexibility or innovation in computer use, which led to the Department of Commerce going its own way and leading the whole university in the development of a new approach to computerisation. The university’s computer centre was committed to mainframe computers rather than PCs and its orientation was toward the natural sciences rather than the social sciences. After failing to obtain suitable hardware through the computer centre, without proper authority David Watson ordered Tandy IIIs rather than the computer centre’s preferred model. Several months later the university finance department received a bill for the computers and called Professor Watson to ask him what to do about it. He replied, ‘If you don’t pay they’ll sue you.’ Eventually he got the purchase approved in retrospect by the deputy vice-chancellor (finance), but the administration was very surprised to learn that the department had already had the computers for several months. This incident was typical of the developing tendency for the Department of Commerce to ‘do its own thing’, circumventing the university bureaucracy as far as possible.

In the late 1970s the departmental leadership believed it was important to rebuild some of the links with downtown which had lapsed with the departure of Reg Gynther, Geoff Beck and Ray Ball. Three measures taken to achieve this have become continuing features of the department, namely the R. S. Gynther conference, the executive-in-residence program, and the alumni newsletter. The first R. S. Gynther conference was held in 1979 and they have continued on a biennial basis since then. Named to honour the founder of the department, this conference series has brought
together many leaders from business, government and academia to
discuss the pressing issues of the time. In 1983, for example, the
conference focused on the deficiencies in the performance of
government and business which had led to the combination of
recession and inflation in the Australian economy and also the Labor
government's focus on corporatism and consensus as the means of
overcoming these problems.

The executive-in-residence program commenced in 1982, when
Ted Benson, a partner of Arthur Andersen, and Des Martin, the
Chairman of GWA Ltd, visited the department for a week. The aims
of the program are to develop closer ties between the department
and the practising business community in Queensland and beyond,
and to give students, particularly honours and postgraduate students,
an exposure to current issues facing business and the accounting
profession. Many leaders in business and the profession have partici­
pated in the executive-in-residence program and it has been highly
successful in achieving its aims.

The first issue of the alumni newsletter, called Prospectus, came
out in 1982. The newsletter gave a broad survey of the work of the
department, details of new programs, appointments and initiatives
of various types, and staff and postgraduate student profiles. Al­
though it appeared only erratically during the early 1980s, Prospectus
has been produced annually since 1988, being a successful means of
communication with alumni (and a boon for the department's
historian).

David Watson's period as head of department saw the normal
steady turnover of staff. Allan Kleidon and other young graduates
joined the steady stream of UQ graduates to the United States. Ken
Leo and Harvey Mason both moved to the Queensland Institute of
Technology and Graham Grundy accepted a position at the
Queensland Investment Corporation. New arrivals included Leigh
Ffrench, famous for his pipe, who came as reader in commercial law,
and Paul Nevell, who came from the Australian Audit Office to teach
information systems. In addition there were many short-term and
temporary appointments in this period, including Americans Andrew Bailey and Larry Lookabill, Barry Spicer, a graduate of the department who had gained his PhD in the United States and later became Professor at Auckland, and law lecturer Alistair McAdam. Brian Grace, the department’s administrative officer, recalls that he and Alistair McAdam had a game where McAdam used to scavenge the building to gather an amazing collection of furniture and Brian used to have to chase him up to return the items to their proper homes.

One of the dominating features of the department in the late 1970s and early 1980s was the rapid increase in student numbers. BCom enrolments were fairly stable from 1965 to 1975, but then began to rise, from 869 in 1975 to 1233 in 1983. This increase of over 40 per cent came at a time when overall enrolments at the University of Queensland actually fell slightly and when university finances were under great pressure. Not surprisingly, the university welcomed the money that flowed from the healthy enrolments in Commerce, but very little came back to the department to cater for the increased numbers. The consequence was that this was a period of enormous classes, high student/staff ratios, and many stresses in the department.

Many students of the era recall that they required a great deal of self-motivation to survive during their course, as they were far more on their own than today. They felt that staff still had old-fashioned ideas of keeping their distance from the students and they got little sense of the characters of their lecturers — they were distant figures on the podium rather than real people. Students felt that many staff members were inaccessible and not always aware of their problems. Given the large numbers in the classes this was probably inevitable.

The Department of Commerce took several actions to resolve the long-term problems of under-resourcing which were highlighted by the sharp increase in student numbers. Traditionally the University of Queensland had an open access policy for all Queensland students who had completed secondary school, but in the early
1970s the Faculties of Medicine and Veterinary Science had introduced quotas to limit their first-year intake. In 1981 the Standing Committee of the Professorial Board suggested that the Department of Commerce should introduce a quota (as an alternative to giving the department more staff and resources). The standing committee noted that:

Professor Watson had not been philosophically in favour of quotas and nor had the faculty sub-committee appointed to investigate them. However he had come to the realisation that there was no practical alternative. There had been a considerable increase in CO131 enrolments from around 380 to well over 550 in 1982. There had been an increase in WSUs from 508 to well over 636. The increased resources obtained had not corresponded with this increase.\(^8\)

A quota of 400 was applied to CO131 from 1983, and this led to stabilisation of student numbers for the rest of the decade, as well as a noticeable increase in the quality of students.

Further measures were proposed to help reduce the pressure on resources and improve the staffing situation, including the ending of the department's commitment to teaching BCom subjects externally and the payment of salary loadings. However, these were issues of great political sensitivity in the university and it was not until later in the decade that they were resolved.

The years 1978 to 1982 when David Watson served as head of the Department of Commerce was a critical period in its development. In spite of considerable pressure from rising student numbers and continuing difficulty in staff recruitment, the department maintained its commitment to high-quality teaching and research. The vacant chair was finally filled, a new chair established and moves begun to set up a fourth chair; the PhD program gained momentum and began to produce doctorates rather than just enrolments; and the department reinforced its commitment to scientific empirical research enabling it to stay in the forefront of Australian academic accounting. The department remained highly attractive to students
and employers, issues which became increasingly important as tertiary institutions in Australia became more market oriented. In this period the Department of Commerce set the tone for the university and anticipated the direction the rest of the university had to follow (though in the case of many departments with vigorous resistance).
At the end of 1982 David Watson stepped down after five eventful years as head of the Department of Commerce to become faculty dean. Ron Weber, as the other professor in the department, appeared to be the logical successor, but David Watson wanted him to continue to concentrate on building up postgraduate and research work in the department, so Weber declined the position. Among the remaining senior staff of the department, only Les Priddle, senior lecturer in taxation law, was interested in becoming head of the department and he was appointed almost by default.

Les Priddle was only the third head of the department, and the first and only non-professorial head. He had been legal officer for the Ipswich City Council before coming to the department in 1974 to lecture in commercial law and taxation law. He always maintained close links with private practice and was one of the first members of the department to build up a substantial consulting practice, gaining a reputation as one of the leading tax lawyers in Brisbane. Although Priddle published frequently on current taxation issues, he did not become involved in academic research and never completed a postgraduate degree. Inevitably this affected his ability to give long-term leadership to the department.

In the mid-1980s Les Priddle and Ron Weber formed an un-
official executive for the department which worked well for several years. This was a period of rapid change in the university, with the introduction of new governing and funding structures and the devolution of power from centralised bodies such as the academic board to new faculty groupings. Inevitably, it was also a period in which the department required a strong voice to defend its interests, as long-accepted patterns of power distribution in the university ceased to apply. Priddle was prepared to take tough decisions and fight for the best interests of the department with the university administration.

After many decades in which the university had become increasingly centralised, the Vice-Chancellor, Brian Wilson, reversed this trend and introduced a system in which many powers, particularly those involved with funding, were devolved to five large groupings of faculties. The Department of Commerce found itself as part of the Social Science group. The most important aspect of this change was that control of departmental funding transferred from the Academic Board to the new body and this proved to be a step toward the current system of providing departments with block votes of money, which they can spend as they think best.

By the early 1980s the centralised system of resource allocation had become an unwieldy mess. This is illustrated by an excerpt from the minutes of a typical meeting of the Standing Committee of the Academic Board (the author suggests the reader pass on to the next section as soon as the point has become clear):

At the meeting on 9.6.82 Standing Committee considered the following staffing requests from the Head of the Department of Commerce and made the following points:

1. $3186 to cover the cost of extra tutorials in first semester. (Previously $11,186 had been requested and Standing Committee had granted $8000 on 24.2.82. Members had reconsidered this amount on 17.3.82 but had not altered their recommendation.)
2. An additional $975 to cover the cost of lecturing in CO811 in
first semester. (Standing Committee granted $1382 on 17.3.82 in response to a request for $2357.) Members endorsed their earlier recommendation that the casual tutorial rate appeared appropriate for the duties involved in the teaching of CO811 and not the casual lecturing rate.

3. $2828.56 for the teaching of CO815 in second semester. Members noted that if the tutorial rate of $28.48 were applied the amount requested would be reduced to $1981.¹

It seems extraordinary in retrospect that such minute details of departmental activities should have been centrally controlled for so long, as it appears to have been a system designed to cause frustration and inflexibility. The change in policy must have been as welcome to the Academic Board as it was to the Department of Commerce.

When Les Priddle took over as head of department in January 1983, several major issues remained to be resolved from David Watson’s term. Professor Watson had begun campaigns for several important reforms, notably the ending of the department’s commitment to teaching external studies, the establishment of a fourth chair and the introduction of salary loadings. The first two of these were successfully concluded in Les Priddle’s term as head, and the case for salary loadings was greatly advanced.

Traditionally the University of Queensland had a strong commitment to external studies and from 1959 the Department of Accountancy offered all its undergraduate courses externally. Initially it was planned that there would be full-time appointments in commerce made within the External Studies Department and Merle Gynther’s appointment in 1960 was initially in that department. However, within a year the university administration transferred both Merle Gynther and all responsibility for external teaching in commerce to the Department of Accountancy. This arrangement worked reasonably well until the explosion of enrolments in commerce in the late 1970s and early 1980s. As the department did not receive an increase in resources to match the increase in enrolments, it was forced to impose a quota for internal students and to look at other means of making savings.
The first call to drop external studies came in April 1977 when the Executive Committee of the Faculty of Commerce and Economics noted, 'The Department of Commerce has for some years been attempting to expand course offerings at the postgraduate level and postgraduate coursework awards. Such attempts have been frustrated by the large and continuing commitment to external teaching.' The committee argued for the transfer of external teaching from the Department of Commerce. In 1984, after years of discussion but no decisions, the situation came to a head. At a meeting of the faculty board on 29 May 1984 Les Priddle made his position clear:

The problem was one of resources and the ability to attract appropriate staff. He had put a paper to Professor Chick [director of external studies], exploring ways of teaching commerce properly on an external basis and of providing appropriate funding. Six additional staff members would be needed to continue to teach the degree externally. The quota of 300 on the Bachelor of Commerce course was based on the assumption that the degree would not continue to be offered externally. Additional members of staff would be needed in order to teach the degree internally on an adequate basis.

The faculty board endorsed these arguments and laid down a timetable for the gradual elimination of the department's external studies commitments. Although there were many protests against this decision, none of the protesting bodies was able to produce extra resources for the department or suggest where they might be found. Consequently, no new external enrolments were accepted for the BCom. degree after November 1984 and the final external subjects were taught in 1990.

One of the main arguments used to justify the ending of external teaching was the inability of the department to attract sufficient well-qualified staff. In the early 1980s the difference between salary levels in academia and the business world, which had been growing steadily through the 1970s, began to increase sharply. This inevitably
raised the issue of the payment of salary loadings to attract the best staff to the department. There was a precedent for this in the university, as staff in the medical and dental faculties had received clinical and para-clinical loadings since the early 1970s. Despite this, the question of salary loadings has always been a very sensitive one with academics from disciplines with no external demand to force up their market value, and the Department of Commerce trod warily in pushing its case for loadings. It was not until July 1985 that the department first argued for salary loadings at the Standing Committee of the Academic Board, making the issue a subject of wider debate in the university.

After three years of acrimonious but inconclusive discussion, the University of Queensland was forced into action. As the University Senate noted in October 1988:

In the past few weeks, several institutions have advertised positions, particularly in the management/accounting area, with potential significant salary loadings, while Bond University is not tied to set salary levels ... It is clear that the University of Queensland must consider its competitive market position in order to attract/retain staff in some areas.

Although it took some time before the implementation of salary loadings, the university had clearly accepted the principle and this opened up the possibility for the Department of Commerce to improve its staffing position in the 1990s.

A notable achievement of Les Priddle's term as head of the department was the establishment of a fourth chair in 1986, bringing to fruition an ambition first expressed in 1977 that there should be a chair for each of the core disciplines of the department.² Les Priddle first argued the case for a chair in financial accounting at a meeting of the Standing Committee of the Academic Board in August 1984. The committee initially thought that the academic case for a fourth chair was weak but that it might be justified as a way of attracting senior staff to the department. However, several
weeks later, following a revised submission from the faculty, the committee ‘agreed that a very strong case had been put forward on academic grounds’ and the new chair received surprisingly quick approval.4

The new professor, appointed in 1986, was one of only two ‘outsiders’ to reach professorial rank in the history of the Department of Commerce, and like the other outsider, Ray Ball, he had an enormous impact on the department.5 Ian Zimmer grew up in Melbourne and completed his undergraduate training at Caulfield and Swinburne Institutes of Technology while working for the Commonwealth Bank and the Australian Taxation Office. He then became involved in academic accounting and went to England to do a Masters in Accounting and Finance at the University of Liverpool. On his return he taught at the Warrnambool Institute of Advanced Education, but he found the lack of a research culture discouraging, and in 1979 he moved to the University of New South Wales.6 He completed his PhD on ‘The Use of Accounting Information in Corporate Lending at UNSW’ in 1983, and was offered a readership at the University of Queensland in 1984. Although he received attractive offers of chairs from other universities, he chose to come to Queensland because of the department’s excellent reputation and its strong research ethic.

The chair in financial accounting was advertised in 1985 in the United States, the United Kingdom and Australia, but, as expected, the response was muted, with the only applicant being Ian Raymond Zimmer. The selection committee ‘concluded unanimously that Dr Zimmer was worthy of appointment’, pointing to his international reputation and his 18 publications in leading journals, and approving of his aim to ‘expose students as soon as possible to research and to develop financial accounting as a discrete disciplinary sequence’.7 As an outstanding teacher (‘the master of art of the serious glare’), a leader of research, head of the department and dean of the faculty, Ian Zimmer’s contribution to the department made him the star recruit of the 1980s.
During the 1980s there were several changes in the patterns of staff recruitment to the department. The use of lectureships as PhD scholarships attracted an increasing number of both honours graduates from the department and graduates of other universities. Don Hamson graduated in 1983, receiving a university medal for his score of 6.81, the highest ever obtained by a student in the department. He lectured in corporate finance while completing his PhD thesis, ‘An Empirical Examination of Corporate Capital Structure in Australia and the USA’. Julie Walker began her commerce studies in 1982 while working full-time and did the honours program in 1987. She then tutored and lectured in financial accounting while completing her PhD on ‘Accounting for Pre-Discovery Costs in Australia: an Efficient Contracting Approach’. Among the lecturers who came to the department from interstate to do their PhDs at the University of Queensland were Jayne Godfrey from Melbourne, who taught financial accounting while carrying out her research on ‘Accounting for Foreign Currency: an Efficient Contracting Portfolio Approach’. She has since joined the list of professorial alumni, with her appointment to a chair in Tasmania.

Trevor Wilkins followed a slightly different career path. After gaining a BCom and a Diploma of Education at Queensland in the late 1960s, while working for CSR, he taught at the National University of Singapore for twelve years, before returning to Queensland as a senior lecturer in 1984 to teach financial accounting. Students of the time recall his lectures with pleasure for his cynical and laid-back approach which did much to liven up the department in the 1980s. He returned to Singapore in 1989, where he is now an associate professor.

Donald Stokes was a graduate of Newcastle University who made an impact in the department in the 1980s before moving on to a chair. Stokes graduated in 1977 and taught at Newcastle and the University of New South Wales before coming to the department as a senior lecturer in 1988 to help build up the auditing discipline.
He completed his PhD at UNSW before being appointed professor at the University of Southern Queensland in 1992, moving on to the Sydney University of Technology in 1997.

One of the most profound changes in the staff of the Department of Commerce since 1980 has been the feminisation of the department. Although this has been a phenomenon of the 1990s, it had its origins in the 1980s when the increasing number of female students began to flow through to the junior staff. Before 1980 the only women lecturers had been Merle Gynther and Iris Vessey, but during the decade Pam Kent came from New England, Jayne Godfrey from Melbourne and Brenda Marshall and Julie Walker through the honours program. As it has become increasingly difficult to entice male honours graduates to follow academic careers rather than accept the financial inducements of the business world, the increasing number of women lecturers has been vital in maintaining the teaching program of the department. An important factor in the continuing success of the department has been the decision of a number of its capable, highly skilled female graduates to follow academic careers.

Although the mid-1980s were difficult years in terms of funding, staffing and departmental direction, many staff members continued to produce high-quality research. Frank Finn and Ron Weber led a steady expansion of research by staff members and postgraduate students in the disciplines of finance and information systems, and the arrival of Ian Zimmer gave an enormous boost to research in financial accounting. In 1985 Art Lysons completed the first organisational behaviour PhD in the department, under the supervision of Paul Ryder, and there were many publications in this discipline during the decade.

However, research in managerial accounting and auditing suffered from a lack of leadership in these years, due, strangely enough, to the vagaries of the democratic process. When Bob Hawke called an early federal election in 1984, Professor David Watson was asked to stand as the Liberal candidate for the seat of Forde. He accepted
as he believed that he had little chance of winning, but, following an unexpected swing to the right, he carried the seat by a narrow margin. Watson took leave of absence for the term of the parliament, leaving his chair vacant. Although Watson lost the seat in the next federal election and returned briefly to the department, he had developed a taste for politics and entered state parliament in 1989. He then resigned his chair, but it was not filled until the appointment of Don Anderson in 1995 — effectively meaning that the department was a professor short for a decade.

An important contribution made by the department to research in the 1980s was its role from 1985 to 1990 administering the Accounting Association of Australia and New Zealand and its journal, Accounting and Finance. Frank Finn edited Accounting and Finance throughout this period and he inspired a substantial increase in both the quantity and the quality of manuscripts published.

The dramatic increase in the number of commerce students during the late 1970s and early 1980s ended with the imposition of a quota in 1983. The number of BCom students stabilised at about 1100, but the department’s student load based on equivalent full-time student units continued to rise steadily, from 626 in 1982 to 724 in 1988, largely as a result of the growth in the number of postgraduate students. One important result of the quota and the rising score required to get into the quota has been a steady improvement in the quality of students in the department. A long-serving staff member stated: ‘Students now are smarter and assimilate information quicker than they used to. They can get through much more material — in many subjects there is now twice as much content as there used to be. There is a big emphasis now on theory and a lot less on case studies as they now give the theory and students can take it all in.’

Despite this overall increase in quality, some senior staff members have noted that the early 1980s had more outstanding students than recent years. In those years it was easy to see the professors of the future, while today the outstanding students are quickly picked off
by the investment banks. Among the outstanding students of the early 1980s were John Wylie, university medallist and the department's first Rhodes Scholar, university medallist Don Hamson, and present professor in the department, Stephen Gray. Although John Wylie has gone on to a successful career in finance, his interests in his undergraduate years lay more in the field of commercial law. When Les Priddle wrote in support of John Wylie's nomination for a university medal, he said, 'He is probably one of the best students to graduate from this Department for some time. The honours thesis submitted by Mr Wylie, which I had the fortune to grade, is the best honours thesis in the legal area that I have seen produced by a student from this Department.'

Stephen Gray originally planned to do a law degree until a barrister at an open day convinced him of the value of doing a combined degree to lessen the pressure of doing straight law. Coming from a non-academic family he had little idea of what to expect at university. His first class was at 9.00 am on a Monday and there were people milling around everywhere. Lindsay Sanderson came in limping at 9.20 am and apologised for being late as he had had to get a pain-killing injection. He was already sick and was in obvious pain throughout the lecture, but he spent the rest of the two hours walking around thumping his fist and introducing debits and credits. And, yes, he did start with his famous comment, 'Look at the person on your right, look at the person on your left; one of you won't be here next year.'

Barry Davis sparked Steve Gray's interest in finance. Davis was very much a follower of Ray Ball and based his courses solidly on positive economics. Steve remembers that the first lecture in finance was on the theories of Milton Friedman, even though none of the students could see the relevance to the subject. Even in the early 1980s everyone in the department had the same message, basing their teaching on positive theory. In spite of his original intention to concentrate on law, Steve found that he liked the mathematical precision of finance.
Along with many other students, Steve Gray remembers Barry Davis as an outstanding teacher in the department. He was always very well organised and methodical and, although this is normal and expected today, it was the exception rather than the rule in the early 1980s. In Commerce, as in most other departments, the idea still existed into the 1980s that teaching was a sideline for academics and required little or no effort. In addition, it was a period of intense pressure on the staff of the Department of Commerce. The number of students per staff member almost doubled over the decade 1976–86, so it is not surprising that many students found that staff seemed remote and unapproachable. The reality is that there were just not enough staff members to cope with the number of students.

Steve Gray's experience doing his double degree was that teaching in commerce was far better than in law. A student union survey found that five of the ten worst lecturers in the university were in the Law School, with Steve's personal illustration of this being a lecturer who did not appear for the first four weeks of the course and then turned up for a lecture straight off his farm. He marched into class wearing dirty overalls and gumboots and carrying his notes in a bucket. At the end of the semester this lecturer was marking exams on a boat when some of the papers blew overboard — his comment on the exam reports was, 'Marking incomplete as exam papers were lost on the high seas.' It would never have happened in the Department of Commerce.

During the 1980s the atmosphere in the department was one of continual crisis. The department was always fighting for money, attempting to spread its meagre teaching staff to cover its obligations and papering over shortages of staff and resources. The attitude is displayed in Les Priddle's review of the year in the 1988 Prospectus:

Funding for the Department has become much worse and with the current policy of the Federal Government it is unlikely to improve for some time yet. It would appear that some relief may be found from the charging of fees for postgraduate degrees but the Department is canvassing the idea of taking in fee paying overseas students. A number
of other tertiary institutions are currently doing this and receiving a considerable amount of money for their efforts.

The department was reacting to problems, hoping for relief and considering copying the initiatives of other institutions. It shared this attitude with many other departments of the university which saw the rapidly changing face of tertiary education during the 1980s as a threat rather than an opportunity.

Les Priddle's term as head of department expired at the end of 1987. In spite of the problems that had been building up in the department, he accepted a further five-year term. However, his taxation consulting with a leading Brisbane law firm took an increasing proportion of his time and this, combined with a concern among senior staff at the sense of drift and lack of direction in the department, led to his resignation in September 1988. Les Priddle led the Department of Commerce in difficult times and fought many hard fights on the department's behalf, but in retrospect his term illustrated the difficulties facing a non-professorial head of department and the experiment has not been repeated.
During the 1980s there was a general feeling of crisis in academic accounting in Australia. This resulted in several detailed examinations of accounting education, culminating in the publication of the Mathews Report in 1990. The main findings of the Mathews Report were that accounting education was suffering from long-term chronic neglect, compounded by being squeezed between the interplay of free market forces and the highly regulated and financially constrained higher education system. There was a critical problem of staff shortage due to low salaries, lack of market loadings, poor working conditions, and high student/staff ratios. The demand for accounting graduates was continually rising, putting growing pressure on accounting departments. Undergraduate accounting programs were failing to achieve the three educational objectives of a broad-based education, specialised professional education to meet the educational requirements of the professional associations, and education in business management. The research performance of accounting academics was generally weak, in part because ‘Many accounting staff members lack any sense of intellectual curiosity’.

Ian Zimmer became head of the Department of Commerce during this period of intense introspection and pessimism among Australian accounting departments. To some extent this feeling had
pervaded the department during the 1980s and there had been a tendency to react to the many problems of that decade rather than plan strategically to make use of the opportunities presented by the rapid changes going on in tertiary education. In retrospect the 1980s was a period of revolutionary change in Australian tertiary education and all departments and all disciplines could either sit back and complain about the changes or make them work to their advantage. From the outset Zimmer made it clear that the UQ Department of Commerce was going to follow the latter course.

The two central features that marked the start of the Ian Zimmer era were strategic planning and optimism. In February 1989 the department held its first weekend retreat to develop a strategic plan. The retreat addressed all aspects of the department’s performance and resulted in several strategic decisions that were central to the department’s success in the 1990s and beyond. The central resolution that emerged from this retreat was to stress the department’s primary commitment to excellence in research and teaching. The department decided that its commitment to research should take priority, even though this would require strict limitations on the number of undergraduates. The department made the critical decision to market itself actively to attract foreign students, ensuring financial viability into the 21st century. In order to redress the perception that teaching standards in the department had not improved during the 1980s, the retreat resolved on several steps to encourage improved teaching standards. Finally, the retreat turned away from the cumbersome management systems that had developed in the 1970s in favour of a management style in which the department is administered almost entirely by the head and with minimal administrative committee work.

The two themes of optimism and strategic planning could be seen as early as the first edition of *Prospectus* in which Ian Zimmer wrote as departmental head:

I am glad to be able to state that this review can be more positive than
reviews found in previous editions of Prospectus. With respect to several interrelated constraints on the Department pursuing its objectives, we find that while problems have not been anywhere near completely solved, turning points nevertheless appear to have been reached.

With respect to staffing, new appointments that we have been able to make imply that the Department is the strongest it has ever been … it appears that the likelihood of substantial losses in staff will be reduced as the academic salaries regulations are being loosened. Hence, in future we will be able to pay Faculty limited salary loadings to take account of market conditions.

The research output of the Department is also moving into a new and productive phase. Academic accounting conferences in Australia are now dominated by papers presented by University of Queensland Faculty … We are also one of the few Departments in the country that have a formal doctoral program.

I would like to again stress the different profile that this Department has to most others in the country. We differ, with perhaps the exception of 4 to 5 other universities in Australia, in that we have the capacity and the commitment to producing research publishable in world-class academic journals as well as an internationally recognised doctoral program.²

The following year, Zimmer claimed that ‘Without doubt, 1989 was the best year experienced by the Department of Commerce for some time’. This positive attitude was maintained throughout Professor Zimmer’s term as head of department and has been continued by Frank Finn, his successor.

Very soon after Zimmer became head the department made the momentous decision to market itself actively to attract fee-paying overseas students. Until this time the department and the university had both been very negative towards overseas students, sharing the state government’s insular attitude that Queensland’s universities should be solely for Queensland students. The first tentative suggestions that this attitude should be modified were made during 1988, but it was not until 1989 that the mood changed from scepticism to enthusiasm.

One of the first recorded discussions on the issue of full-fee
undergraduate courses for overseas students took place at a meeting of the Board of the Faculty of Commerce and Economics on 27 September 1988. The discussion was prompted by an enquiry from a student in Singapore ‘regarding access to the BCom Degree on a full-fee basis’. The meeting was clearly uncertain about how to deal with this enquiry and it was Professor Kiel of the Department of Management who stated that ‘the University of Queensland was in danger of missing a major opportunity if it did not act quickly in offering full-fee courses to overseas students’.3

While the university as a whole was slow to accept the need to market itself to overseas students, the Department of Commerce took the decision to pursue this new direction wholeheartedly. In September 1989 David Watson, who served as faculty dean in the interval between his federal and state political careers, reported to the faculty board on the early progress in the recruitment of overseas students:

The Dean advised members that he and Ms C. Cochrane, Administrative Officer of the Department of Commerce, had attended the Hong Kong Trade Exhibition. They had dealt with approximately 800 enquiries over a period of three days and had interviewed 40 to 60 serious applicants on the third day. The Dean had brought back 24 applications for Commerce and Economics, strongly weighted to Commerce, of whom about half were likely to be accepted. More applications would be received in the normal way …

Professor Finn had already visited Singapore and Professor Zimmer would be going to Kuala Lumpur …

A member asked whether there were any plans to commission a high quality video suitable for Asia and a corporate presentation in printed form.4

This last query was prompted by the experiences of Frank Finn’s first recruiting trip to Singapore, where he found that the display material he had was very poor in comparison with that of the universities that had more experience in the overseas student market.5 Ian Zimmer also recalled that the department’s first forays
overseas were very primitive and there were some embarrassing incidents at Austrade with poor marketing and other gaffes. However, these early problems were soon overcome and, as the number of overseas students increased, the effort put into active marketing actually fell, as word of mouth from students returning home proved to be the most effective tool for selling the department.

From the outset the Department of Commerce was determined that it would not treat overseas students merely as a source of revenue and would rigorously maintain academic standards. This has been critical in building up and maintaining the high reputation the department has gained in many south-east Asian countries. By 2000 there were over 275 undergraduate and 90 postgraduate international students, making up about 25 per cent of the department’s enrolments and providing both an incentive to teaching excellence and a solid underpinning to the department’s budget.

The budgetary freedom provided by the decentralisation of decision-making in the university, the department’s large number of students and the decision to accept full-fee-paying overseas students allowed the department to embark on a major staff recruitment program in 1989–90. During the mid-1980s the department’s staff/student ratio had grown to 1:33 and one of Ian Zimmer’s early priorities was to halve this figure. In addition, he aimed to attain a ‘critical mass’ of people in each of the department’s disciplines to enable specialisation and to encourage research. New appointments in 1989 and 1990 included Scott Holmes, Richard Heaney, Glenn Downey, Craig Deegan, David Bellamy, Krishnan Arjunan and Paul Ledington.

Like Don Stokes, Scott Holmes was a graduate of Newcastle University. He graduated in 1983 and taught at the Australian National University while writing his PhD. He came to Queensland as a senior lecturer in 1989, and taught financial accounting before his appointment to a chair at Queensland University of Technology in 1990. He was a popular lecturer who, according to departmental legend, had a koala tattooed on his leg. He has since moved back to
a chair at Newcastle, where he has been a pioneer in the area of applying economics and accounting analysis to health outcomes.

Several of the new staff were attracted to the department by the growing reputation of the PhD program and the policy of using lectureships as PhD scholarships. These included Richard Heaney, who had completed a masters in economics at ANU and taught finance; Glenn Downey, also from ANU who taught financial accounting and auditing; and Craig Deegan who had a masters from UNSW and had worked in private practice before he joined the department to teach financial accounting and managerial accounting. David Bellamy had completed a science degree, a diploma in computer science, an MBA at the University of Queensland, and had worked in the computer and mining industries before joining the department to teach corporate finance.

Krishnan Arjunan and Paul Ledington both trained primarily in Britain. Dr Arjunan had an LLM from the University of London and a PhD from the University of Dundee and practised law in Malaysia and Singapore from 1966 until he joined the Faculty of Law at the University of Malaya in 1977. He came to Queensland to teach the legal environment of business and taxation law and made a valuable contribution until his move to Hong Kong in 1993.

With a PhD from the University of Lancaster, Paul Ledington had a background in project management and academia when he came to the department to teach information systems.

Paul Ryder, who had developed the teaching of organisational behaviour in the Department of Commerce, left in 1986 to take up a chair at Griffith University. He was replaced by Neal Ashkanasy, an engineer who changed to an academic career to pursue his interest in human behaviour in organisations. Highly qualified in both engineering and psychology, he completed his PhD in psychology in 1989. In 1992 Ashkanasy was joined by Bob Heath, a registered psychologist with honours degrees in both English and Psychology, who completed his PhD in 1993. However, during 1994 the faculty agreed that organisational behaviour should be trans-
ferred from the Department of Commerce to the Department of Management.

During the 1990s most new lecturers in the department were doctoral students, coming through the honours program or having been attracted from other universities by the reputation of the department's doctoral program. While about half of these lecturers remained after completing their PhDs, in this decade, as previously, it was very difficult to recruit senior staff with doctorates. Between 1990 and 1998 only four lecturers came with PhDs: Colin Ferguson, Paul Ledington, Paul Bowen and Steve Gray.

A native of the freezing wastes of south-west Victoria, Colin Ferguson received his early education at the hands of the Christian Brothers, before moving on to Ian Zimmer's alma mater, Swinburne Institute. After working in the audit division of Peat Marwick, Ferguson returned to Warrnambool to teach at the Warrnambool Institute of Advanced Education (later a campus of Deakin University). He completed his PhD at Deakin University in 1994 and the following year his ancient blue Volvo made the lengthy trip to Brisbane, where he has made a substantial contribution in the areas of information systems and auditing.

Also teaching information systems and auditing, Paul Bowen has a PhD from the University of Tennessee and his previous experience includes eight years as a systems analyst and project manager at the Oak Ridge National Laboratory.

Stephen Gray, professor of finance, is a graduate of the University of Queensland, where he gained honours degrees in both law and commerce and a university medal. He taught in the department in the late 1980s, winning the inaugural teaching prize in 1989, before following the well-worn path of the department's honours graduates to the United States. After completing his PhD at Stanford University, he taught at Duke University and has retained his links with Duke since returning to the department in 1997.

For much of the 1990s the senior ranks of the department below professorial level were very thinly populated. However, late in the
decade the situation improved. Lecturers such as Lyndal Drennan and Jon Heales completed their PhDs and the department recruited four staff members with doctorates: Jenny Goodwin, Peter Green, Necmi Avkiran and Vanitha Ragunathan. Graduations and recruitment have, temporarily at least, given the department a strong core of readers and senior lecturers free from the distractions of their PhD research.

A significant feature of staff recruitment in the 1990s was the decline in the number of male graduates moving through the honours program to teach in the department. This has fortunately been matched by a rise in the number of women attracted to academic careers. Among recent additions to the lecturing staff, Grant Castner is the only man to fit the traditional pattern. Another important change was the decline in the number of honours graduates going to study in America, which had been common practice before the mid-1980s. However, since Michelle Daley, Steve Gray and Anthony Lynch in the mid-1980s, very few graduates of the department have gone to the United States, primarily, it appears, because Australian accounting firms and investment banks have started paying starting salaries close to the American level, leading to most of the department’s best graduates moving to Sydney or Melbourne.

In 1970 the Department of Commerce had ten staff of lecturer level or above, with Merle Gynther the only woman. By 1980 the number of staff had increased to 17, but there were still only two women, with Iris Vessey having joined Merle Gynther. Even in 1990, of 23 staff only five were women. However, by 2000, 15 women made up a majority of the staff of 27. Significantly, although 11 of 15 lecturers and four of seven senior lecturers were women, the ranks of professors and associate professors remained as much a male preserve as the Catholic priesthood.

The increasing feminisation of the department has arisen partly as a natural result of the rise in the proportion of women students doing commerce, from less than 25 per cent in the early 1970s to
about 50 per cent in the late 1990s, and partly because more outstanding female graduates have been choosing to follow academic careers. Many of the top male graduates have been irresistibly attracted to the financial rewards of the business world, in spite of the long hours, high pressure and unstable domicile that this usually involves.

The Department of Commerce has always had a male-dominated culture and it has taken some time and effort to adapt to the growing numbers of women on the staff. While the university has long had provisions for maternity leave, the department's leaders seemed bemused when a commerce lecturer was so careless as to need to apply for leave and it took some time before motherhood came to be accepted as normal. Even late in the 1990s there was some divergence of opinion on the assistance given to women staff to help them complete their PhDs and to carry out research. Many women feel that the rigid application of rules on gender equity actually penalises them as they make no allowance for the difficulties facing women with children trying to keep up the required level of research. The view of the (male) leaders of the department is that women are in fact given a high level of support for research and they are confident that output will rise rapidly in the near future.

The issue of the feminisation of the department is closely related to the permanent tension in the department between the need to be able to put teachers in front of classes and the desire to maintain the department's reputation as the premier research department in commerce in Australia. To date there has been no compromise in the commitment to research, with research degrees and publications being the main prerequisites for promotion.

Most long-serving staff in the department believe that there was a steady increase in the demands on staff through the 1990s. There have been several reasons for this: the department has maintained or even increased its emphasis on high-quality teaching and research, the number of students has continued to rise and the introduction of fees has encouraged students to be far more assertive and
demanding. Teaching is now imbued with the idea that the students are 'clients' and that teachers need to provide good 'customer service'. For those familiar with academic life before 1990, when a student would regard a snatched conversation with a lecturer as a privilege, this represents an enormous change.

One of the main initiatives to encourage excellence in teaching in the department was the introduction in 1989 of a teaching award. Initially sponsored by Touche Ross, and with sponsorship continued after amalgamation by KPMG Peat Marwick, the award is determined by student nominations followed by a review process of student-completed appraisal forms carried out by a committee of KPMG staff and representatives of international business students' associations. Competition among staff for the teaching award is very intense and the presentation of the award has become one of the highlights of the academic year. Steve Gray was the inaugural award winner and he and Brenda Marshall are the only lecturers to have won the award twice.

The success of the KPMG teaching prize prompted the introduction in 1999 of a tutors' teaching prize to promote and reward quality teaching among the tutorial staff. The first winner of the tutor's teaching prize was Angela Karl.

In contrast to earlier decades which all saw problems or controversies among the leadership group of the department (such as the struggle for a chair in accountancy in the 1960s, the appointment of David Watson in the 1970s and Les Priddle's departure in the 1980s), the 1990s were marked by stability at the top. Following David Watson's final departure to political life in 1989, his chair remained vacant until the appointment of Don Anderson in 1995, but the rest of the leadership team of Frank Finn, Ron Weber and Ian Zimmer remained unchanged. Ian Zimmer was head of the department for eight years from 1988 to 1996, the longest term since the days of Reg Gynther. His term was marked by an unwaveringly positive outlook, strategic planning (and the implementation of the plans), and, above all, a commitment to the
maintenance and development of the research culture of the department.

In 1990 Frank Finn became the third representative of the Department of Commerce to serve as faculty dean. Several staff recall that he had no desire to take on the job, but everyone in the department felt that he was the obvious candidate. This led Scott Holmes to organise ‘Frank Finn for Dean’ T-shirts, which all the commerce staff wore to the faculty meeting to get their message across. After a successful term as dean, Frank Finn succeeded Ian Zimmer as head of department, and he has successfully maintained the momentum developed by Ian Zimmer.

Towards the end of the 1990s two new appointments greatly strengthened the leadership group of the department, as well as pioneering new forms of appointment which open up the possibility of circumventing the department’s perpetual staffing problems. Terry O’Keefe, who had previously been a visiting professor in the department, joined the department as professor of accounting in a joint appointment with the University of Oregon. With teaching and research interests primarily in the auditing and financial accounting fields, Professor O’Keefe’s appointment greatly strengthened traditionally weaker areas of the department.

The other senior appointment was that of Ron Higham, a partner of PricewaterhouseCoopers with extensive international experience, particularly in the field of business valuations, as the department’s first adjunct professor. Mr Higham’s appointment to assist in teaching Financial Statement Analysis and to participate in research in finance with staff and research students may prove to be a model for the future development of accounting education. It is possible that the increased involvement of leading members of the profession in teaching may help overcome the problem of pay disparities between practising and academic accountants, raise the quality of accounting education and make that education more closely related to accounting practice. The model of medical education may prove
more significant for accounting education than those disciplines with a strict division between teachers and practitioners.

Another very important element in the stability and success of the department in the 1990s has been the administration group of Coral Cochrane, Tania Smith, Karen Morgan and Robyn Schwarz. This group has been in the department a long time and they keep the administration running with the minimum of fuss. As one professor observed, they are all superbly competent and very loyal and play a special role in the life of the department; a more junior staff member suggested that Coral really runs the place, with the help of her assistant, Frank. There have been very few unsatisfactory administrative staff, as they either pick up the culture of the department or they leave.

During the 1990s there was significant changes in the department's postgraduate program. Many courses that were formerly graduate diplomas have been upgraded to masters level. More significantly, most masters courses are now conversions from other disciplines, designed to give graduates skills in accounting, finance or information systems. The prototype of the new style of masters degree was the Master of Professional Accounting first offered in 1993. This was designed to allow a student with an undergraduate degree in any discipline to both obtain a masters degree and meet the educational requirements of the professional accounting bodies. It was the first course of its type in Australia, though it has since been copied by many other institutions.

The most important initiative in undergraduate programs for many years was the introduction in 1999 of a new degree, Bachelor of Electronic Commerce, based at the Ipswich campus. As Frank Finn noted in Prospectus, 'changes in the conduct of business and commerce due to changing technology and the escalation, or explosion, of electronic commerce make the introduction of this degree timely and at the same time imperative'. Colin Ferguson was the development director of the electronic commerce program and he assembled an enthusiastic team to develop and deliver the
program in flexible delivery mode. Peter Green, a graduate of the department, was recruited from QUT as senior lecturer in electronic commerce, and another notable Warrnamboolian, James Lamb, came north from the frozen wastes as project manager. The BeCom proved immediately popular with students and quickly attracted significant enrolments from international students and a stream in electronic commerce was added to the MCom structure in 2000.

The electronic commerce course exemplifies the change in teaching techniques in the department in recent years. Blackboards and chalk have long since disappeared and there is a general move towards web and CD-ROM based courses. This is rapidly changing the nature of the demands on staff and will help the department offer postgraduate courses overseas. Previous overseas teaching initiatives all foundered primarily on the difficulty of teaching by 'parachute drops' — as the rushed visits to overseas campuses were called. While the department has no plans to start campus-based teaching overseas, there have been many recent moves to internationalise the courses taught by the department. For example, the department has an agreement with the Malaysian Higher Education Learning Program Institute (HELP) whereby students who have completed two years at HELP can gain a Bachelor of Commerce degree by completing their third year at UQ in Brisbane.

When Ian Zimmer became head in 1988, he stated clearly that the first priority of the department was to maintain its position as one of the very few accounting schools in Australia capable of producing research published in leading international journals. In spite of many difficulties and diversions, the department has achieved this aim and over the last decade has steadily increased both the volume and quality of publications by staff members. All assessments of research performance place UQ in the top three departments in Australia, with many putting it in first place. While maintaining the quantity and quality of research is a constant struggle in the face of the demands of teaching and administration,
the rapid turnover of staff and other pressures, the department is committed to retaining and nurturing its research culture.

Central to the maintenance of the research capacity of the department is the strength of the honours and PhD programs. The honours program, after a crisis in the mid-1980s when numbers slumped alarmingly as many top students were attracted south by the stockmarket boom, has reasserted its position as the leading commerce honours program in Australia. In 1990, 31 students enrolled for honours, almost double the previous highest figure, and this set the pattern for consistently high enrolments throughout the 1990s. From the department's point of view, the only disappointment has been the very small number of honours students choosing to pursue academic careers. The PhD program during the 1990s matched the success of the honours program, with 28 students completing PhDs in the department, a dramatic increase from the ten successful PhDs in the 1980s.

One of the most critical changes in the years since 1985 has been the transformation in the sources of the money required to support the department's activities. From a situation in which the department was totally dependent on government funds and needed to argue with the university administration over the allocation of every dollar, the department has moved to a situation in which over half its funds come from non-government sources. The most important new source of money has been fee-paying students, both international and Australian. In addition, the department has developed many sponsorship agreements with business to support various activities. Among the earliest of these was the support by GWA Ltd of the GWA Chair in Commerce, and the sponsorship by Touche Ross of the research workshop program. During the 1990s the scope of business support for the department increased greatly, with examples being the Commonwealth Bank Chair in Banking and Finance, PricewaterhouseCoopers support for the computer teaching laboratories, and A. H. Jackson and Co.'s sponsorship of the Australian Market Quote Service. As executive dean of the faculty,
Ian Zimmer sees the future of the department as becoming even more privatised and fee-based along the model of the best American schools, and reducing to a minimum the reliance on government funding. The increased freedom and flexibility resulting from the changes in funding were among the most important developments of the 1990s.
Following his move to Coopers and Lybrand in 1977, Reg Gynther always remained a welcome visitor in the department he had created. However, it is understandable that he gradually became a figure more of legend than reality to the students and younger staff members. His contribution to the department was recognised in 1979 with the inauguration of the R. S. Gynther conference series and by the unveiling of a fine photographic portrait. Until the department moved to the Colin Clark building in 1995, Reg Gynther’s portrait hung in the foyer of the old commerce building. (It is now in the reception area of the department on the fourth floor of the Colin Clark building.)

One day in the mid-1980s Reg Gynther was waiting to meet someone in the foyer of the commerce building when a young tutor came past. There had been some problems with theft, and staff had been warned to watch out for unauthorised people loitering around the building, so the tutor was doing no more than his duty when he challenged this loiterer and asked him to produce some identification. Reg Gynther said nothing but quietly pointed to the portrait.¹

More than possibly any other department in the University of Queensland, the Department of Commerce was shaped by one man.
Reg Gynther's legacy

Reg Gynther was not only the first full-time lecturer in accountancy, the longest serving head of the department, the first professor of accounting, author of the department's first publication and the first member of the department to receive a doctorate, but he taught and inspired several generations of academic accountants. His students have gone on to fill chairs at Queensland (Watson, Weber, Finn and Crasswell) and many other universities in Australia, New Zealand and the United States. However, in the long term his most important contribution was to mould the department's culture, a culture based on a commitment to excellence in teaching and research. Although he came from a non-academic background, Reg Gynther saw that the only way for accounting to be accepted as a university discipline was to insist on the highest standards. And he did not simply preach this message — his whole working life was a testimony to his commitment.

Keith Alfredson began his commerce course in 1959, the same year as Reg Gynther became the first full-time lecturer in accountancy at the university. He recalls that in those days commerce students were viewed as the lowest of the low. Science, medicine and engineering students all received a lot of respect, but commerce students received none. Commerce was seen as a waste of time and there were still major doubts around the university as to whether accounting should even be a university subject. Reg Gynther had to contend with these attitudes and overcome them in order to win for commerce its rightful place as an academic discipline. He succeeded in building the self-respect of his staff and students by insisting on a total commitment to excellence in teaching and research. Given the many pressures over the years, in particular the frequently critical staffing position, it is a testimony to the strength of the culture developed in the Gynther years that it has been maintained and strengthened over the 40-year history of the department.

Two specific actions of Reg Gynther were crucial for the long-term success of the department. Even before the establishment of a
separate Department of Accountancy, Reg Gynther was working on beginning an honours school, with the result that UQ was the first university in Australia where it was possible to take honours in all accounting and finance subjects. More than anything else, the creation and selling of the honours school made the department what it is today.

The second critical action was the appointment of Ray Ball as the second professor in the department in 1971. At a time when academic accounting in the United States was undergoing a revolution inspired by positive accounting theory and most departments in Australia were ambivalent at best about the new ideas, Reg Gynther's decision to recruit one of the leaders of the revolution placed UQ in the forefront of the new wave and has given the department a remarkable intellectual unity and vigour in the decades since. Since the departure of the last of the normative theorists in the late 1970s (including, ironically, Reg Gynther himself) the whole department has been committed to positive theories and the scientific method.

Although the Department of Commerce of the University of Queensland is the youngest accounting department in any of Australia's long-established universities, it rapidly built up a reputation second to none. In independent assessments of accounting departments, UQ has consistently rated in the top three, and frequently as the best. For example, the 1990 Mathews Report rated the department as one of a handful of vital, research-oriented accounting departments in Australia, while Brownell and Godfrey in 1993 ranked the department highest on research-based education and highest overall in a professorial assessment of accounting departments. All subsequent surveys have given similar results.

The success of the department has been due to the commitment to excellence in teaching and research made by Reg Gynther and restated by his successors, the ideological and methodological unity of the department, astute decision-making on issues such as the recruitment of international students, and the dedication and hard
work of many staff. The biggest problem facing the department has always been recruiting and retaining staff and this remains the greatest threat to its future. So long as the enormous disparity continues between academic and private sector salaries, there will be a shortage of academic accountants, and this will always threaten the achievements of the department. However, although this threat has existed for many years, the department has always managed to overcome staffing crises and has continually achieved higher standards in research and teaching. Reg Gynther's legacy of Australia's leading commerce department is a fragile creature, but with luck and good management its record in the future will match its achievements in the past.
Notes

1. What was an AAUQ? The early history of accounting at the University of Queensland


2. Figures from Reg Gynther, *Practising Accountants in Australia: An Analytical Study*, University of Queensland Press, St Lucia, 1967, pp. 206, 211. Significantly, accountants in Queensland tended to have left school earlier than accountants in any other state except Western Australia.


4. Malcolm I. Thomis, *A Place of Light and Learning, the University of Queensland’s First Seventy-five Years*, University of Queensland Press, St Lucia, 1985, pp. 4–5.


2. The fight for a full-time lecturer in accountancy


2. Goldberg in *Florescent Decade*, p. 16, notes that a full-time senior lecturer in accountancy was listed on the establishment of the Melbourne Faculty of Commerce in 1940 and the position was advertised in January 1940, but no appointment was made because of the war.

3. Enrolments in commerce courses at the University of Melbourne quadrupled between 1944 and 1947 and this was typical of other university commerce courses.


5. Goldberg, *Florescent Decade*, p. 42.


13. In 1956 the Faculty of Commerce and Economics had 82 full-time day students (70 male), 285 evening students (257 male) and 464 external students (430 male).

14. Unfortunately, the present author has been unable to trace these submissions.

15. Minutes of the Standing Committee of the Professorial Board, 1 August 1955.

3. The establishment of the Department of Accountancy


3. Interview with Keith Alfredson, 17 August 2000.


5. Information on Lindsay Sanderson from Geoff Beck and Merle Gynther.


7. Interview with Merle Gynther, 6 March 2000.


17. Interview with Reg Gynther.

18. Interview with Keith Alfredson.


3. Strictly speaking it was British not Australian citizenship, as there was no separate Australian citizenship until 1949.

4. Interview with Reg Gynther.

5. Interview with Geoff Beck.

6. Much of the information in the following paragraphs is from an interview with Herb Qualls, 1 June 2000.

7. The legendary status that Herb Qualls attained in the department is emphasised by the fact that Herb is adamant that he never owned a beret!

8. Interview with Reg Gynther.

9. Interview with Ray Ball.

10. Interview with Herb Qualls.


17. One of the main reasons for the lack of empirical research before the late 1960s was the difficulty of analysing data before computers became available for university research.


19. Interview with Geoff Beck.


22. Interview with Geoff Beck.
Notes

23. Interview with Reg Gynther.
26. Interview with Keith Alfredson.

5. The fight for recognition, 1961–67
1. Interview with Geoff Beck.
8. Standing Committee of the Professorial Board, 5 April 1965.

6. ‘The best day’s work I ever did’
2. Interview with Herb Qualls.
3. Interview with Geoff Beck.
4. Interview with Bob Officer, 23 June 2000.
8. Minutes of the Standing Committee of the Professorial Board, 10 November 1971.
Notes


11. Interview with Reg Gynther.

12. Interview with Reg Gynther.

13. Interview with Ray Ball.

7. The Ray Ball years

1. Interview with Ray Ball.
2. Interview with Bob Officer.
3. Interview with Frank Finn.
4. Interview with Don Anderson.
5. Don Anderson and Peter Ziegler, ‘Information Equilibrium and Efficiency in Betting Markets’, in Gambling in Australia, Sydney, 1985. There are so many variants of this story that it seems to have a life of its own. Its provenance must be regarded as uncertain at best.
7. Interview with Bruce Grundy.
8. Interview with Bruce Grundy.
9. Of the 85 publications emanating from the Department of Accountancy in the 1960s, five staff members, Reg Gynther, Geoff Meredith, Geoff Beck, Emil Hajek and Basil Shtein, accounted for 71. The remaining staff published just 14 articles between them in a decade.
10. Interview with Ray Ball.

8. Problems of succession, 1976–78

1. This story exists in many different forms. The version presented here is a combination of those told by Brian Grace and Bob Officer.
2. Interview with Ray Ball.
3. Interview with Reg Gynther.
4. The profession has always felt the need for normative research and its main research organisation, the Australian Accounting Research Foundation, has remained committed to the normative school. The historian of the foundation explained: ‘All the Foundation’s research in its first quarter century, whether “academic” or “professional”, could be characterised as “normative” (establishing “norms” from a priori analysis) rather than “hypothetico-deductive” (hypothesised relationships tested by reference to real-world observations). Academic research has increasingly adopted the
hypothesico-deductive mode. In contrast, the research of the Foundation and its overseas counterparts has remained overwhelmingly normative. Accounting standards are partly "black letter" legal documents. Accordingly, terms and concepts should be defined precisely and stated unambiguously. This legal milieu makes the normative approach virtually obligatory. In contrast, empirical analysis can confirm or reject hypothesised relationships, but not "prove" causation. Typically, the hypothesised models used in contemporary financial accounting reveal only weak associations and are not authoritative or persuasive in legal settings. However, this research can probably assist in reviewing the effects of accounting standards as a basis for possible revisions. Burrows, The Foundation, p. 195.


7. An article based on his thesis was published as 'The Structure of Project Teams Facing Differentiated Environments: an Exploratory Study in Public Accounting Firms', Accounting Review, April 1975.

8. G. W. Beck to Sir Zelman Cowen, 8 February 1977, in Senate Correspondence, Reports etc., 24 February 1977.


10. Interview with David Watson.

11. This interpretation is derived primarily from interviews with David Watson, Reg Gynther and Geoff Beck, all of whom regarded the ideological aspect of the appointment as being more important than the personal.


2. Thomis, Place of Light and Learning, pp. 364–75.


7. Standing Committee of the Professorial Board, 16 February 1983.


10. The Priddle era

2. Executive Committee of the Faculty of Commerce and Economics, 29 April 1977.

3. Executive Committee of the Faculty of Commerce and Economics, 29 April 1977.


5. The other full-time professors in the department, Reg Gynther, David Watson, Frank Finn, Ron Weber, Don Anderson and Allan Craswell, had completed their undergraduate or postgraduate degrees at the University of Queensland.

6. There are numerous anecdotes of Professor Zimmer's time in Warrnambool, but good taste prevents their inclusion in this text. The Warrnambool connection with the UQ Department of Commerce developed further in the 1990s with Colin Ferguson and Jenny Farrell being Warrnambool natives and James Lamb and the author also having close ties to that town.

7. Report to the Senate by the Selection Committee appointed to consider applications for the Chair of Accounting within the University of Queensland's Department of Commerce, 25 February 1986.


11. Zimmer, Finn and a decade of expansion


4. Board of the Faculty of Commerce and Economics, 15 September 1989.

5. Interview with Frank Finn.

6. Interview with Ian Zimmer.


8. The sources of these observations will remain anonymous.


12. Reg Gynther's legacy

1. Story relayed by Julie Walker, a contemporary of the embarrassed tutor.
2. Interview with Keith Alfredson.
Appendix 1

Commerce benefactors

Current benefactors

AH Jackson & Co
Commonwealth Bank of Australia
KPMG
Accenture

Previous benefactors include

PricewaterhouseCoopers
GWA Limited
Pacific Coal Pty Ltd
Appendix 2

Commerce teaching awards

The University of Queensland Awards
for Excellence in Teaching

1999  Professor Ronald Weber
2000  Professor Stephen Gray

Australian Awards for University
Teaching (AAUT)

2000  Professor Ron Weber

Prime Minister's Australian Award for Individual University
Teacher of the Year: Economics, Business and Related
Studies category

KPMG Teaching Prize

1989  S. F. Gray
1990  C. M. Deegan
1991  D. F. Hamson
1992  D. K. Anderson
1993  B. M. Marshall
1994  F. H. Rohde
1995  B. M. Marshall
1996    J. McMaster
1997    C. B. Ferguson
1998    S. M. Kelly
1999    S. F. Gray
2000    P. Green

School of Commerce Teaching Prizes

Lecturer Level A Prize
2000    G. McMahon
2000    B. Schofield

Tutor Prize
1999    A. Karl
2000    S. Tee
Appendix 3
Heads of School and Professors

Heads of School

Reg Gynther 1961–1977
David Watson 1978–1982
Ian Zimmer 1988–1996
Frank Finn 1996–Present

Professors

Reg Gynther 1961–1977
Ray Ball 1972–1975
David Watson 1978–1989
Ron Weber 1981–Present
F. Finn 1983–Present
I. Zimmer 1986–Present
D. Anderson 1995–1999
T. O’Keefe 1996–Present
S. Gray 1999–Present
A. Craswell 2001–Present
C. Ferguson 2001–Present
P. Clarkson 2001–Present
### Appendix 4

**Commerce recipients of University Medal**

<table>
<thead>
<tr>
<th>Year</th>
<th>Name</th>
<th>Year</th>
<th>Name</th>
<th>Year</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>M.J. Whincop</td>
<td>1996</td>
<td>J.L. Hall</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>J.R. Evans</td>
<td>1997</td>
<td>M.E. Martin</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Rhodes Scholar 1983*
### Appendix 5

**PhD graduates**

<table>
<thead>
<tr>
<th>Year</th>
<th>Name</th>
<th>Year</th>
<th>Name</th>
<th>Year</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>G. G. Meredith</td>
<td>1990</td>
<td>I. Dunlop</td>
<td>1997</td>
<td>S. Papaddaki</td>
</tr>
<tr>
<td>1990</td>
<td>N. J. Cocks</td>
<td>1997</td>
<td>L. Drennan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 6
Executives-in-Residence

1982/1 Mr Ted Benson, Managing Partner, Arthur Andersen & Co. (Brisbane)
1982/2 Mr Des Martin, Chairman, GWA
1983/2 Mr Rod Cormie, Managing Director, Bligh Ventures
1984/1 Mr Norbury Rogers, Managing Partner, Arthur Young & Co. (Brisbane)
1984/2 Mr Rex Freudenberg, Senior Partner, Nevitt, Draper, Charles Elliot, Corrie & Co.
1985/1 Mr Trevor Steel, General Manager, Metropolitan Permanent Building Society
1985/2 Mr Norman Coldham-Fussell, Executive General Manager, MIM Holdings Ltd
1986/1 Mr Don Harvey, Chairman, Steamships Trading Company Ltd
1986/2 Sir Roderick Proctor, Chairman of Jennings Industries Ltd, Apex Securities Ltd, Kennedy Taylor Ltd, TWT Holdings Ltd and Laser Electronics Pty Ltd
1987/1 Mr Eric Anning, Senior Partner, Feez Ruthning Solicitors
1987/2 Ms Marie Watson-Blake, Managing Director, Jetset Travel
1989/1 Mr Yoshinobu Fukushima, Managing Director, Nippon Credit (Australia)
1989/2 Mr Frank Haly, Principal, Haly & Co.
<table>
<thead>
<tr>
<th>Year</th>
<th>Name and Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990/1</td>
<td>Mr Ian Ovens, Partner, KPMG Peat Marwick</td>
</tr>
<tr>
<td>1990/2</td>
<td>Mr Ted Ranson, Company Director</td>
</tr>
<tr>
<td>1991/1</td>
<td>Mr Pat Nolan, Auditor-General for Queensland</td>
</tr>
<tr>
<td>1992/2</td>
<td>Ms Virginia Dowd, Managing Director, Women's Investment Network (WIN)</td>
</tr>
<tr>
<td>1993/1</td>
<td>Mr Peter Lawson, Associate Director, Nevitts</td>
</tr>
<tr>
<td>1994/1</td>
<td>Mr Brian Parker, General Manager, Centre for Information Technology and Communications (CITEC)</td>
</tr>
<tr>
<td>1994/2</td>
<td>Dr Bob Grice, Partner, KPMG Peat Marwick</td>
</tr>
<tr>
<td>1995/1</td>
<td>Mr John Shaw, Consultant</td>
</tr>
<tr>
<td>1996/1</td>
<td>Mr Brian Horwood, Managing Director, Pacific Coal</td>
</tr>
<tr>
<td>1996/2</td>
<td>Mr Ron Higham, Partner, Coopers &amp; Lybrand</td>
</tr>
<tr>
<td>1997/1</td>
<td>Mr David Usasz, Partner, Price Waterhouse</td>
</tr>
<tr>
<td>1997/2</td>
<td>Dr David Rutledge, Chief Executive, Queensland Sugar Corporation</td>
</tr>
<tr>
<td>1998/1</td>
<td>Mr Dennis Scanlan, Area Manager — Sales and Service, Commonwealth Bank of Australia</td>
</tr>
<tr>
<td>1999/2</td>
<td>Mr Keith Alfredson, Consultant, Arthur Andersen</td>
</tr>
<tr>
<td>2000/1</td>
<td>Mr Robert J. Christiansen, Partner, Allen &amp; Buckeridge</td>
</tr>
<tr>
<td>2000/2</td>
<td>Ms Bronwyn Morris, Chairman, Queensland Rail Board</td>
</tr>
<tr>
<td>2001/1</td>
<td>Mr Bernard Rowley, Chairman, Qld Power Trading Corporation</td>
</tr>
</tbody>
</table>
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CREATIVE ACCOUNTING

In 1959 Reg Gynther became the first full-time lecturer in accountancy at The University of Queensland. At that time neither the university nor the accounting profession accepted accounting as a legitimate tertiary discipline. The university saw accounting with its large number of students as a cash cow but kept its resources at a bare minimum and did not regard its teachers as legitimate members of the academic community. At the same time many in the profession regarded the old apprenticeship system as adequate training for accountants and were reluctant to employ university graduates.

At the time of his appointment Reg Gynther did not have a university degree, had no research experience and had never published. But he had a clear vision for the future of accounting education. Between 1959 and his appointment to the first chair in accountancy at the university in 1967, as well as carrying a full teaching load Gynther completed an undergraduate degree, a masters and a doctorate, wrote two highly regarded books and many journal articles, headed a new and rapidly growing department, developed the strongest honours program in accounting in any Australian university, and became a leading voice of the accounting discipline in both the university and the business community.

Over the following decades Reg Gynther and his colleagues and their successors built up the department into one of the largest departments in the university and the leading accounting school in Australia. The School of Commerce has developed a model for success in an era of diminishing government support for tertiary education that many other schools at The University of Queensland and beyond have tried to emulate.