Accounting Historians Journal

Volume 11
Issue 2 *Fall 1984*

Article 6

1984

Episodes in the Australian tax accounting saga

Robert William Gibson

The Accounting Historians Journal
Vol. 11, No. 2
Fall 1984

Robert W. Gibson
DEAKIN UNIVERSITY

EPISODES IN THE AUSTRALIAN TAX ACCOUNTING SAGA

Abstract: Tax effect accounting was introduced into Australia a little over a decade ago. The treatment of the tax effect of losses carried forward and the trading stock valuation adjustment introduced further complications to this new aspect of corporate accounting and reporting. This paper presents an account of the resolution of these accounting issues. It covers the role of professional bodies, companies, and regulatory authorities and the conflicts which arose among them.

The treatment of taxation in the published reports of companies listed on the Australian Stock Exchange (AASE)[1] provides a fascinating saga, in the course of which a number of features of Australian accounting have been highlighted. These may be grouped conveniently under three headings. The first is the adoption of tax effect accounting; the second, the treatment in financial statements of the carryforward of tax losses; and the third, the short-lived trading stock[2] valuation adjustment (TSVA).

The circumstances in which tax effect accounting (the interperiod allocation of income taxes) was adopted demonstrate American influence over Australian accountancy practice. They also demonstrate that it is possible for a reluctant profession suddenly to embrace tax effect accounting because it suits the immediate economic conditions. The treatment of the future tax benefit of tax losses confirms the American influence already referred to, because it was adopted largely through a failure to distinguish the differences in the tax laws of the two countries when the tax effect accounting standard was drawn up. This episode, more importantly demonstrated the power of the Commissioners for Corporate Affairs of the several States and the Commonwealth, to influence and/or determine accounting standards. The adoption of the TSVA is important because it demonstrates the interaction between accounting practice and politics, and the potential consequences of accountants failing to recognize this relationship and its application to what was a very political issue.

With these broad perspectives in mind the following analysis looks at the state of financial reporting pertaining to corporate taxation before these changes occurred and then documents and examines each in turn. At the end of the analysis, there is a summary of the conclusions reached. Some thoughts are added outlining the possible significance of these conclusions for future practice.

Australian Practice Prior to 1970

Prior to 1961, the treatment of taxation in the published financial statements of Australian companies could hardly be regarded as satisfactory. Even though the Institute of Chartered Accountants in Australia (ICAA) in 1945 recommended the separate reporting of the tax liability[3] this "could at best be regarded as being followed reluctantly."[4] Where the tax liability was reported, it was accepted that disclosure of the amount estimated as payable in the current year would satisfy the statutory disclosure requirement of any *Companies Act.* In Australia, this act in each state and territory specifies the minimum content of corporate financial statements. The available evidence suggests that what was almost universally reported was the estimated payment due in respect of the relevant accounting period. Not only was the concept of tax allocation virtually unheard of, but companies saw little reason to explain a discrepancy between the reported tax expense and the prima-facie amount payable found by applying the standard rate of company tax to reported profits. This was the position for reporting corporate taxes until the mid-sixties.[5]

There were factors which introduced significant timing differences between accepted commercial accounting and cost allocation, on the one hand, and the calculation of taxable income, on the other. These timing differences caused little concern in the accounting profession, and there is no evidence of anyone seriously questioning the failure to reflect them in corporate reports. In 1967, however, the Australian Associated Stock Exchanges amended the Official List Requirements to require a company to give an explanation of, and the major items responsible for, any difference of more than 15 percent between the stated amount provided for taxation and the prima-facie tax payable if normal tax rates were applied to the disclosed profit.[6] R. A. McInnes prepared a survey of current practice in 1968 for the Australian Society of Accountants and concluded that "present practices . . . do not follow any cohesive pattern and few [companies] provide a reconciliation with the single amount shown in the published statement."[7] The survey by McInnes, and other data examined by the author, suggest that, at the time, there was only a limited awareness and acceptance of tax allocation. The attitude of the Australian profession was summed up at the time thus:

> . . . This concept implies that assets and expenses have an inherent tax deduction which 'attaches' to the asset or expense until it is matched against revenue. The application of the procedure to the allocation of fixed asset costs in a firm continually acquiring new assets may lead to recording a deferred liability which is unlikely to ever be payable. It reaches its ultimate extreme when a loss is reported reduced by the amount of the future tax saving which may result from the deduction of the loss if profits are earned in the future. The procedure appears more plausible where accrual accounting requires recognition of an expense such as doubtful debts while tax law may recognize only the actual event of finally writing off the bad debt. Interperiod tax allocation is at least as misleading as the non-disclosure of the relevant factors affecting the tax liability.[8]

Tax effect accounting in other countries provided a potent influence on Australian developments. Other studies have demonstrated the readiness of the small professional community in Australia to follow British or American example in company law, accounting standards, and auditing standards. The basis of tax effect accounting was by this time established in the United States and the United Kingdom. The timing of similar developments in Australia supports the conclusion that it was a case of copying techniques used overseas. In this case it was American practice particularly which was followed.

The United States and United Kingdom Examples

The issue of tax allocation was first dealt with by the Committee on Accounting Procedure of the American Institute [of Certified Public Accountants] (AICPA) in 1944[9] and perhaps received most attention when the declining balance method of calculating depreciation was introduced into the tax code in 1954. A revision of *Accounting Research Bulletin No. 44,* "Declining-Balance Depreciation" in 1958 increased the recognition of tax allocation by requiring such treatment even where differences between the tax return and the income statement recur over long periods. During the mid-sixties the matter was under review and Black authored a major research study.[10] Following this, in 1967, the Accounting Principles Board issued *APB Opinion No. 11* which required comprehensive tax allocation using the deferred method.[11] The Board agreed by a bare two-thirds majority, not because of disagreement with the concept of tax allocation, but simply because five members favoured partial allocation. By the seventies, opposition of American business had been overcome, and very few companies did not disclose evidence of tax allocation.[12]

The Institute of Chartered Accountants in England and Wales (ICAEW) issued a Recommendation on Accounting Principles in 1968 proposing that

> A deferred taxation account should be established and maintained at current rates of taxation whenever there exist material taxation liabilities which may crystallise at some future date on profits and surpluses already brought into account.[13]

As this recommendation preceded the strengthened procedures for formulating accounting standards which eventuated in the seventies, it must be regarded as of minor influence on Australian practice. A survey of reporting by 300 major British companies at that time revealed no direct evidence of tax allocation.[14] Within three years, however, four out of six of these companies had adopted tax allocation procedures.[15] It is pertinent to this analysis to pinpoint the date of the advent of an authoritative accounting standard in the United Kingdom. The Accounting Standards Steering Committee (ASSC) issued Exposure Draft ED11[16] in May 1973 and then prescribed tax allocation in *Statement of Standard Accounting Practice No. 11,*[17] published in October 1975. That standard established the need for tax allocation in the United Kingdom, even though subsequent reconsideration led to the issue by the Accounting Standards Committee (ASC) of a later proposed amended standard, in Exposure Draft ED19[18] and the *Statement of Standard Accounting Practice No. 15*[19] published in November 1978.[a]

Audit Confrontations on Tax Allocation

There is some evidence that the ICAA began serious discussion of the subject of tax allocation late in 1967.[21] An exposure draft

[a]In this instance we may disregard the influence of the International Accounting Standards Committee, which did not issue an exposure draft on tax accounting until 1978.[20]

was issued and comments invited in November 1967.[22] This document has the distinction of being the first such exposure draft issued by the ICAA on any subject. By early 1968 it was apparent that the idea of tax allocation, and with it the reporting of future tax liabilities, was gaining ground, and the investment service of the Stock Exchange of Melbourne even accepted it as part of the reporting scene and issued a provisional statement of standard procedure.[23]

Later in 1968, the absence of general agreement on tax allocation was brought to public attention by a series of widely publicised disputes between auditors and company boards. Initially, public discussion centered on the qualified audit report given by Cooper Bros. (now Coopers & Lybrand) on the annual accounts of Broken Hill South Ltd.,[24] and Western Mining Corporation Ltd.[25] Similar disputes arose involving North Broken Hill Consolidated Ltd.,[26] and the Broken Hill Proprietary Company Limited,[27] Australia's largest industrial company. These companies are all well known and established companies, at the heart of Australian resource development and industry. It was because of the prominence of the companies and their directors that their disputes with auditors were of such widespread interest. In all cases, the disputes involved the treatment of the rapid write-off permitted, for taxation purposes, of expenditure incurred on major resource projects. The significance of the dispute was not diminished by the stouthearted support for tax allocation given over the same period by another large mining company, Conzinc Riotinto of Australia Ltd. The adoption of tax allocation by this company led to the reduction of profit from $45 million to $23 million.[28]

The incidents already outlined confirm the view that in Australia there was no automatic acceptance of the concept of tax allocation. The companies which drew attention to themselves, and to the issue, were well-established Australian enterprises which had used their wealth derived from mining to develop a large segment of Australian industry. They were companies directed and managed by persons prominent in Australian industry and commerce, with widespread influence through interlocking directorates and other business associations. Australian academics were active in rebutting the concept, although their arguments were somewhat hidden in the restricted circulation of academic literature.[29] At the same time, the professional journals did not contain much designed to convert disbelievers.

The auditors involved in the audit disputes referred to had recently formed links with major international firms of accountants. Their support for a particular form of tax effect accounting appears to have flowed from those international associations. Evidence of the forces at work is found by reference to a surrogate, the responses lodged with the Accounting Standards Committee in London to its exposure draft on tax allocation. The tenor of these submissions undoubtedly reflects the world-wide policies of the firms. An examination of these submissions, which are on the public record, showed widespread support for the liability method and opposition to the deferred method which ED11 had advocated.[30] The arguments used relied very much on experience of American practice. It is not possible to refer to similar evidence in Australia because all submissions to the Australian Accounting Research Foundation in response to exposure drafts issued at this time were made on a confidential basis and remain inaccessible.

Statement on Accounting Practice D4 Formalises Tax Allocation

A revised exposure draft was issued by the ICAA in January 1970.[31] In the following November, the ICAA issued its *Statement on Accounting Practice D4.*[32] This statement recognized the concept of tax allocation and recommended the liability method. This statement was never approved by the Australian Society of Accountants (ASA).

The ICAA did not have any mechanism at this time with which to enforce compliance with its statements. A number of companies either disputed the concept of D4, or found difficulties in introducing this new but voluntary refinement into their accounting. The ICAA was relying on the example of overseas practice rather than on convincing arguments supporting the adoption of tax effect accounting. The Chairman of the Accounting Standards Committee of the ICAA and of the joint ICAA, ASA Accounting Standards Committee recognized this source of authority. He explained his support for tax allocation thus:

> There is no need in this article either to explain tax-effect accounting or to elaborate on the differences of opinion which have been expressed, particularly between the profession and academics, on the subject. Suffice to say that the professional bodies in various countries of the western world have taken the view that corporate income tax should be regarded as an expense and as such should be matched in the same way as other expense items

> against revenue brought to account in order to determine the profit of a particular accounting period.[33]

In 1971, amendments to the *Companies Act* were passed, first in Victoria and then in the other states.[34] This legislation became effective for financial statements issued by most Australian companies for the year ended 30 June 1973. These amendments were regarded generally as requiring tax allocation, although some companies did not interpret them in this way, as is evidenced by survey results.[35]

It is impossible to separate the impact on company reporting of the recommendation of *Statement D4* from that of the 1971 *Companies Act* because they both became first applicable to company reports at the same time. A survey of annual reports issued in 1973 showed evidence of the adoption of tax allocations by one-third of all companies listed on the Stock Exchange of Melbourne, other than speculative mining companies.[36] As a measure of the importance of this one-third it is noted that the shareholders' funds and assets of these companies represented approximately one-half of all shareholders' funds and total assets of all listed companies.[37] It was also identified that the larger companies had led in adopting the concept.[38]

One of the problems of the legal system governing companies in Australia has been the existence of separate laws and administrative structures in each of the states and the federal territories. In spite of valiant efforts to achieve uniformity, there remain variations both in the law and in its interpretation. The most recent movement aimed at achieving uniformity commenced in July 1982. This involves each of the six states adopting a common code established by the Commonwealth Parliament. This code may only be amended by unanimous agreement of the ministers of the six states and the Commonwealth. It was during an earlier attempt to achieve a uniform administration of company law that a number of the states promoted the formation of the Interstate Corporate Affairs Commission (ICAC).[39] This Commission commenced its activities on 1 July 1974 just over three months before the new *Statement of Accounting Standards DS4* was issued. This standard dealt with matters which were in due course directly to involve the ICAC and test its strength and effectiveness.

Statement of Accounting Practice D4 was included in an agreement between the ICAA and ASA in September 1973 to review all statements and standards then existing. This revision was done and a new *Statement of Accounting Standards DS4* was issued in

October 1974.[40] This accounting standard was expected to have more impact than the Statement it replaced because it carried the imprimatur of both the ICAA and the ASA and was covered by more stringent obligations by then imposed on members of the two professional bodies to ensure compliance with extant standards.[41]

A survey conducted in 1976 by Christofi[42] provides reliable data on the acceptance of *Statement DS4.* As was shown earlier, the previous recommendation was followed only by a minority of companies; however, by 1976 three out of four listed companies (based on Christofi's sample of 100 companies) were complying with the standard.[43] A smaller survey by Leppinus confirmed this finding.[44]

An Explanation for the New Enthusiasm

Statement of Accounting Standards DS4 was issued during a year in which companies faced extremely high rates of inflation. Wages were escalating at quite extraordinary rates with equally extraordinary effects on such items as accrued annual and long-service leave.[45] Statutory rights to long-service leave usually involve 13 weeks leave after 15 years of service, with an entitlement to pro-rata payment after 10 years. A rapid increase in wage rates can therefore require a large increase in the provision covering this entitlement. Amongst a business community previously reluctant to embrace tax allocation there was now a headlong race to do so. Auditors were less dependent on overseas example as an argument to persuade companies to adopt tax allocation. They pointed to the combined effect on reported profits of recognizing sudden increases in accrued long-service leave and simultaneously adopting tax allocation. Off-the-record comments even suggested that this argument was used to "clean up" long standing omissions of such liabilities from the accounts of some companies. These provisions are not deductible for taxation until they eventuate in actual cash payments. The potential for this type of effect was well illustrated when the adoption of tax allocation by a major automotive components manufacturer, Repco Ltd., had the effect of transforming a substantial fall in profits to a marginal decrease.[46] Shortly after this, a taxpayer secured a court ruling that part of these provisions was tax deductible[47] but the government soon nullified this decision by amending the law to confirm the previous policy of nondeductibility.[48]

Another factor may well have contributed to the remarkable speed with which this form of innovative accounting was adopted. So long as there is adequate disclosure, the reader and analyst may calculate an after-tax figure in any desired way. Furthermore, the company is not required to give up the steps necessary to minimize cash payments for taxation in the short term. Most other proposals which relate to profit reporting involve changes in the figures reported which result in profit or loss and therefore may change reported profits without revealing the effect of the alternative. Tax allocation alters the reported tax expense but still reveals the actual tax paid or payable for the benefit of those who prefer to adhere to the earlier and simplistic form of tax accounting and reporting.

There has been continuing public discussion of this issue in Australia. One major company rejected the concept on the grounds that the deferred tax liability would be unlikely ever to arise.[49] Another described it as "an illogical adjustment" and "unwarranted."[50] Some companies' auditors qualified their report because of the failure to adopt tax allocation, while other companies' auditors seemed unconcerned.

Tax Loss Carry-Forward

While companies were grappling with the fundamentals of tax allocation, another serious issue was smouldering away and in due time would explode in the midst of the Australian profession. What probably brought the issues together was the increase in depressed business results reported after the economic events of 1975, and the effect on business confidence of the dramatic change of government which occurred on 11 November 1975, when the Australian Governor General, in an unprecedented move, exercised his reserve powers to dismiss a government which held a majority in the House of Representatives.

Public response to the combination of reported trading losses and the tax effect treatment required by *Statement of Accounting Standards DS4* claimed it to be slavish adoption of American practice. This was undoubtedly the case. In Australia, a tax loss cannot provide any benefit until it can be set off against future profits. The application of *Statement DS4* implied an assumption of the American position that a tax loss has immediate value because of the possibility of setting it off against taxable income of the previous two years and securing a cash refund.

Statement DS4 incorporated a provision which permitted the tax effect of losses to be brought to account, with the qualification that "such a credit would only be justified where there is a reasonable expectation that . . . the company will derive future assessable income."[51] The equivalent American provision was that loss carry-forwards may be recognized in the year of the loss where realization is "assured beyond any reasonable doubt."[52] There is, however, a significant difference in the environment in which these authorities operate.

The first case to receive publicity in 1976 was that of textile and twine manufacturer James Miller & Co., Ltd., which lost nearly $3 million before tax. The company was subsequently sold by the receiver; in spite of some commentators' views, it was not about to recover. The columnist Pierpont publicized the danger of bringing into account the future deductibility of the losses, thereby reducing the net loss to $1.6 million.[53] This case was followed within a month by the publication of the accounts of VACC Insurance Ltd. This company brought to account the tax benefit of losses of $4.85 million, with which the auditors concurred. The loss thus treated by VACC Insurance Ltd., was equal to the company's profits during the past seven years. Under the *Companies Act,* it is necessary for a company to appoint a principal accounting officer, who is required to report on the truth and fairness of the accounts in addition to the reports made by the directors and the auditor. The Principal Accounting Officer of VACC Insurance Ltd., who qualified his report on the accounts, resigned his position the day after the accounts were published, and most observers concluded that this resignation probably was not of his own volition.[54] These were not isolated instances and soon the press carried reports of a series of such incidents of tax allocation reducing losses. Nylex Corporation Ltd. issued a preliminary earnings statement which incorporated the future tax benefit of losses,[55] a case that could be distinguished from all of the preceding cases because the losses were clearly due to short-term factors which could be expected to reverse.[b]

Administrative confusion in the operation of company law is always possible because of the federal structure of Australia. This has already been referred to in outlining attempts to secure uniform company law administration. This potential for administrative confusion and conflict over the status of tax allocation was brought to a head on 17 March 1976, when the Commissioner of Corporate Affairs in Victoria announced that his office would not continue to accept financial statements for filing under the *Companies Act* if

[b]The company had been hurt by increased imports arising from changes in exchange rates. Nylex, a plastic manufacturer, was not on the government's list for major reductions in tariffs. Therefore, a tariff increase on the products of Nylex would enable the company to recover a market share sufficient to return to making profits.

they brought to account the tax effect of losses carried forward.[56] An even tougher stand was taken a month later by the Australian Capital Territory (ACT) Companies Office, which announced that the use of tax effect accounting would not be allowed at all.[57] At the same time, the New South Wales Commissioner for Corporate Affairs indicated that he would support the application of the professional standard.[58] There was considerable concern at this, and the business community called for the issue to be settled by the ICAC if it were joined by the ACT, South Australia, and Tasmania.[59] The accounting profession responded by announcing the appointment of an Accounting Standards Review Committee the day after the statement by the Commissioner of Corporate Affairs.[60] There was an immediate corporate response, led by Nylex Corporation which, four days after the ACT announcement, reported that the Company was not going to incorporate the tax benefit of losses in the annual accounts as it had done in the preliminary report of two months earlier.[61] The company chose to comply with the Commissioner's viewpoint even though it was sure that it would return to being profitable in the future.

At the end of June 1976, the accounting profession announced that *Statement of Accounting Standards DS4* would be amended[62] and the amended *Statement DS4* was issued in August.[63] Whereas the previous standard had provided for recognition of the tax benefit of losses based on "a reasonable expectation of future profits,"[64] the new standard required that the ability to obtain an offset against future profits would have to be "assured beyond any reasonable doubt" and that an asset should not be brought to account unless "virtual certainty exists as to the realisation of the benefit."[65] Some commentators expressed the view that the profession had taken a belated step back from the abyss of the abstract.[66] Within the month, companies were issuing reports which complied with the letter and spirit of the new *Statement DS4.*[67]

In light of the events of 1976, it is not surprising to find that in subsequent years cases have occurred of companies reversing a policy of bringing the future tax benefit of losses to account when facing the prospect of continuing losses.[68]

The Trading Stock Valuation Adjustment

The issue of the tax benefit of losses carried forward had hardly been settled before the storm clouds began to gather again. The beginnings of the next event can be traced to the work of the Mathews Committee of Enquiry into Inflation and Taxation, established by the Whitlam Government. The terms of reference of the Mathews Committee included an examination of the effects of rapid inflation on taxation paid by companies, with particular attention to the valuation of trading stock and the depreciation of plant and equipment.[69] The Committee concluded that the existing system of taxation was incompatible with business survival,[70] and that although the overall problem would remain even in the absence of taxation, the burden should not be imposed wholly on the business firm.[71] It therefore concluded that there was a need to change the tax base, along with other adjustments to prevent a reduction of business activity which otherwise would result.[72] The Committee's recommendations were aimed at the maintenance of capital to meet inflation needs rather than relieving taxation to increase after-tax profits as an inducement to new business investment.

The Mathews Committee recommended that, in respect to the taxation of business, there should be a recognition of the two most important effects of changing prices, on the cost of goods sold and the cost of using fixed assets.[73] In August 1976, the Treasurer of Australia announced to Parliament in his Budget Speech that the government would make an initial move to implement the Mathews Committee recommendations by introducing a Trading Stock Valuation Adjustment (TSVA) as a form of tax relief thus recognising the problem of financing the increasing cost of inventories.[74]

In view of what developed, it is worth noting that some saw an opportunity to use the TSVA to boost profits.[75] The taxation amendment was introduced following an informal and unpublicised meeting of business and federal government leaders. At this meeting the Prime Minister implied that if the accounting profession had been ready to introduce Current Cost Accounting, it might have been a substitute for the more arbitrary TSVA. The major objective of the government was to provide relief to the financing problem.[76]

In the context in which the TSVA was brought into being, it was not surprising that the accounting profession ruled that the benefit should not increase profits but be transferred to an earmarked reserve to show just how much additional resources had been retained by the company as a result of the TSVA.[77] The profession's Statement was issued with such urgency that, instead of waiting to print it and circulate it to the members of the ICAA and ASA, it was promulgated by advertisements placed in the daily press.[78] There was an immediate appearance of critical comment and letters in the press, leading the president of the ICAA to make a public declaration that, notwithstanding this evidence, there was no disagreement in the profession.[79] A formal Statement of the accounting professional bodies was issued in June 1977 and confirmed the earlier announcement that the equivalent of the TSVA benefit should be credited to a specific reserve account.[80]

Rejection of the Profession's Position

Some companies ignored this recommendation and included the benefit in reported profits.[81] On 1 July the accounting profession abandoned its previous position and accepted the alternative of increasing profits,[82] with the strong recommendation that there should also be an appropriation of an equivalent sum to reserve. What followed could be described only as a confusion of possibilities for reporting the TSVA.[83] During the second half of 1978, a survey of published company financial statements established that

> only 10 companies (out of the 121 companies surveyed) followed the recommendation on TSVA.
>
> a total of 82 companies disclosed the TSVA in the Notes to the Accounts. These companies used the TSVA to reduce tax expense and increase profits.

and suggested that

> Perhaps the explanation for this non-compliance is that the TSVA is of little consequence in terms of aggregates, as shown by the survey results, comparing it to profits or total assets.[84]

The survey results raised the question of whether or not the government would see the profession as obstructing efforts to recognise the impact of inflation on business. But the TSVA was to be short-lived, and the treatment adopted by companies hastened its death. By May 1979, a broker had issued a newsletter saying the TSVA might be temporarily removed.[85] The government may have been swayed by the evidence of companies ignoring the spirit of the agreement that led to the TSVA. At least this provided a convenient argument to justify increasing taxes by removing the benefit. The government departed from the traditional practice of tax changes being embodied in the annual budget, and introduced a series of interim financial measures. The Treasurer, in the course of his speech, said that

> There is evidence that many businesses, taking the view that the stock valuation adjustment was an outright tax

concession, have applied benefits from it to increasing reported profits.[86]

Not only did the Treasurer justify the government's action in this way but the president of the ICAA laid the blame "at the feet of business and accountants alike."[87] These feelings were also reflected in an editorial of the *Chartered Accountant in Australia.*[88]

The TSVA situation may be contrasted with the tax loss carry-forward situation. The storm which arose as a consequence of companies reducing their reported losses by taking into account the tax benefit of those losses resulted largely from the failure to recognise that the somewhat liberal position embodied in the American standard can be justified because of the limited ability of American companies to apply losses retrospectively and secure a refund of taxes paid. That episode directed attention to the power of the Commissioners of Corporate Affairs. The stock exchange may establish listing requirements and be successful in improving financial reporting practices and the accounting profession may claim credit for the impact of accounting standards. At the same time, the Commissioner of Corporate Affairs retains the ultimate power to decide whether or not he will accept a representation in a prospectus or an annual report. It is for the Commissioner to decide whether or not there is a proper basis on which auditors and/or directors can affirm that the accounts in such a prospectus or annual report do present a true and fair view of the results of operations or of the state of affairs at the given date. Furthermore, this incident demonstrated clearly that should a Commissioner choose to reject the basis of any particular accounting standard, there is nothing the profession can do to enforce such a standard. In the political tug-of-war which characterises the practical working of the Australian political structure, there remains a strong residue of a readiness to assert the sovereign autonomy of the several states and the Commonwealth. In this case, states-rights clearly won out over the concept of cooperative federalism embodied in the largely ineffectual Interstate Corporate Affairs Commission, which was found wanting.

A more brutal political reality however, was demonstrated by the events surrounding the short life of the TSVA. A government with severe budgetary deficit problems, aggravated by largesse to taxpayers through adopting partial indexing of taxes for inflation, was desperately seeking ways of increasing revenues. An increase of a few hundred million in tax revenue was possible from removing the TSVA with the excuse that, because business had not used the

TSVA as intended, the government was morally justified in taking away this concession in the interests of all other taxpayers who, by inference, were innocent of misusing tax concessions. It will never be known whether the result would have been different if companies had satisfied the government by creating a specific TSVA reserve.

A tax deduction similar to the TSVA operated for one year in New Zealand, and has existed in the United Kingdom since 1974. Conflict with professional requirements existed in the early years of "stock appreciation relief" in the United Kingdom, where it is clear from official announcements that it was intended as a permanent reduction in taxation[89] and was not expected that a "clawback" would occur. Nevertheless, the Institute of Chartered Accountants in England and Wales (ICAEW) initially chose to recommend that the stock appreciation relief should be regarded as a tax deferral, to be dealt with through a deferred tax account.[90] Later enactments of stock relief provisions confirmed the intention of granting permanent relief and *Statement of Standard Accounting Practice No. 15* issued in 1978 permits the stock relief to be treated as a permanent reduction of taxes.

Conclusion

The first Australian attempt to reconcile the prima-facie income tax payable based on accounting profits and the reported income tax expense were based not so much on acceptance of tax allocation as on the existence of a range of taxation measures leading to substantial permanent relief from taxation. Provisions existed making dividends received by one company from another effectively nontaxable. There were also generous investment allowances and export development allowances, which afforded permanent tax relief to manufacturers in particular. Common practice continued to identify and report the taxation expense for the year as the tax payable for that year of income. This did not necessarily mean that Australian companies and investors failed to recognize taxation as an expense regardless of when payment of taxes might fall due.

It is necessary therefore to look for an external source for the introduction of the further refinement that all revenue and expense items have a taxation effect which must be tagged to the same accounting period. The existence of American standards, and the disposition of company accountants, and auditors of affiliates and subsidiaries of American companies to comply with those standards regardless of Australian conditions, suggest that the United States was that external source. Methods used there were reflected in readily accessible statements of policies followed by the major international firms of accountants operating in Australia. The initial approach to the treatment of tax losses in Australia can be rationalised only as having been an inappropriate adoption of American practice. There is ample evidence that prominent directors and accountants were not easily persuaded. Nevertheless, adoption of the concept came quickly after the issue of a Statement. The issue of the Australian Statement coincided with unusually high inflation of wage rates and many companies found it convenient to recognise the future tax benefit of related leave provisions to soften the impact of the new wage rates on provisions made for future leave payments. Inflation alone probably would not have had this effect, but it was coupled with the existence of generous statutory entitlements to annual and long-service leave accruing to all employees. Accounting for tax loss carryforwards similarly attempted to graft American methods on Australian conditions. The trading stock valuation adjustment situation revealed the danger of ignoring domestic factors in making such transfers. This analysis provides some useful pointers for the future, not only for Australians. Firstly, it is another piece of evidence of the increasing pervasiveness of American accounting practices and demonstrates the dangers of inadequately recognising local circumstances.

There is also an international accounting lesson of the need to be sensitive to political realities in devising and implementing solutions of accounting problems.

For Australia particularly, there is the added warning of the potential power of the Commissioners of Corporate Affairs. In this instance, the intervention of some of these officers constituted a significant departure from past Australian practice. Convention has left the determination of accounting numbers to the profession, while prescribing by law the items to be disclosed in the financial statements. There has been only a general restriction, that current assets should not be stated above realisable value and by inference that noncurrent assets should not be stated above replacement price. It may be expected that the Australian accountancy profession will consider it necessary to maintain closer liaison with the Commissioners and find means of avoiding further incidents of direct intervention into what the profession would regard as the domain of the professional accountant.

FOOTNOTES

[1]While it is not necessary for a public company to seek listing by the AASE, in practice the exchanges have a virtual monopoly and the official list may therefore be regarded as the population of companies whose securities are publicly traded.

[2]In Australia, the word "stock" is used in the English sense as equivalent to "inventories." The word "stock" may also be applied to shares in a company which may be described as unnumbered stock units if all the shares are fully paid up. Here, the former meaning applies.

[3]ICAA, 1945.

[4]Gibson, 1971, p.224.

[5]Gibson, 1971, p.230.

[6]Gibson, 1971, p.229.

[7]McInnes, 1969, p.23.

[8]Gibson, 1971, p.231.

[9]AICPA, 1961, p.88.

[10]Black, 1966.

[11]AICPA, 1967.

[12]AICPA, 1971, p.192, Table 3-17, shows that 87 percent of the surveyed companies used tax allocation.

[13]ICAEW, 1968.

[14]ICAEW, 1970, p.33.

[15]ICAEW, 1972, p.44.

[16]ASSC, 1973.

[17]ASSC, 1975.

[18]ASC, 1977.

[19]ASC, November, 1978.

[20]"International ED on Tax Accounting," and IASC.

[21]McKeon, 1968.

[22]ICAA, 1967, but according to Zeff an earlier exposure draft was published as an article. Zeff, p.27, note 29.

[23]"Exchange Suggests Procedure for Future Tax Provision."

[24]"Cooper Bros. Differ with Collins House Over $4.4m"; Gottliebsen; Frith; McInnes, 1970, p.2; Byrne, 1978; "Behind the Duchess Closure"; "Phosphate Double Shuffle"; Short, 1978; Maher, 1979; Maiden; "Audit Query on South's Mine Values"; "Auditors Query Assets Valuation by BH South"; "South's Loss Was Too Big."

[25]"Cooper Bros. Differ with Collins House Over $4.4m"; Gottliebsen; Frith; Sykes, 1973.

[26]"Auditors Mark Up North B.H."; "NBH Accounts Qualified"; "Auditors' Query for North BH"; "North's Auditors Qualify Accounts"; "Auditors Qualify North Broken Hill Accounts"; Dawson-Grove, 1977 and Byrne, September, 1977.

[27]"$12.8m Auditing Dispute Throws Hard Light on BHP Accounting Techniques," and Johnson, p.42.

[28]Johnson, p.42.

[29]Chambers, 1968; Barton; Bayliss; R. Peterson; and also see Chambers, 1970; Buckley, 1970, and Mason.

[30]ASSC, June, 1973.

[31]ICAA, 1970.

[32]ICAA, 1971.

[33]Balmford, p.8.

[34]Victoria, Act No. 8185; New South Wales, Act No. 61, 1971; South Australia, Act No. 52 of 1972, and Queensland, Act No. 8 of 1972.
[35]Robinson.
[36]Refer Note 1.
[37]Gibson, 1976, p.145.
[38]Gibson, 1976, p.146.
[39]"Companies Acts Amendments, Implementing the Interstate Corporate Affairs Agreement."
[40]ICAA and ASA, 1974; Ogg, 1974.
[41]Gibson, 1979, p.30 et seq.
[42]Christofi.
[43]Another survey of a sample of 250 selected 1975 annual reports revealed that 76 percent of the companies stated that tax effect accounting had been adopted. Ryan, et al., p.3.
[44]Leppinus.
[45]Australian Accounting Research Foundation.
[46]Mills.
[47]Nilsen Development Laboratories Pty.Ltd. v Federal Commissioner of Taxation 79 ATC 4520 and see McCrann.
[48]Australia, *Income Tax Assessment Act 1936 as amended,* S51(3).
[49]Chanticleer, July, 1975.
[50]Byrne, October, 1977 and "Tax Effect Distorting Accounts."
[51]ICAA and ASA, 1974, par. 15.
[52]AICPA, 1967, par. 45.
[53]Pierpont, 1975. See also comment on future prospects of James Miller in Chanticleer, October 29, 1975.
[54]Chanticleer, March, 1976; October 28, 1975 and October 29, 1975.
[55]"Nylex $281,000 Operating Loss."
[56]Chanticleer, March, 1976; Christian; Clarke, March, 1976.
[57]Thomas & Clarke; Ackland; Maher, 1976.
[58]Thomas & Clarke.
[59]McKeon, April, 1976.
[60]Thomas & Clarke.
[61]"Nylex Does About-Face on Accounts,"; Sykes, April, 1976.
[62]McKeon, June, 1976 and Clarke, June, 1976.
[63]ICAA and ASA, 1976.
[64]ICAA and ASA, 1974, par.15.
[65]ICAA and ASA, 1976, par.23.
[66]McDougall.
[67]Chanticleer, September, 1976.
[68]Macken.
[69]Mathews Committee, p.i & ii.
[70]Mathews Committee, p.339 & 429.
[71]Mathews Committee, p.345.
[72]Mathews Committee, p.435.
[73]Mathews Committee, pp.xvi-xix.
[74]Australia, Hansard, No.13, 1976, pp.22-23 and see "How the New Stock Value Scheme Works."
[75]Chanticleer, October, 1976.
[76]Neilson.
[77]Dunstan, February 1977; Clarke, 1977

[78]Buckley, 1977; Chanticleer, February, 1977.
[79]"Conflict on SVA is Denied."
[80]ICAA and ASA, 1977.
[81]Dunstan, June, 1977.
[82]"Accounting in Reverse"; McKeon, 1977.
[83]Chanticleer, September, 1977.
[84]Gibson and Ong, p.22.
[85]Chanticleer, 1979.
[86]Australia, Hansard, No.9, 1979 (24 May), p.2394 and Short, 1979.
[87]Koch.
[88]"Removal of TSVA."
[89]See for example "Corporation Tax: Relief for Stock," and Macnair.
[90]"Tax Relief on Stock Appreciation."

BIBLIOGRAPHY

"Accounting in Reverse." *Age,* Melbourne, July 1, 1977.

Accounting Standards Committee. "Proposed Statement of Standard Accounting Practice—ED19 Accounting for Deferred Taxation." *Accountancy,* Vol.88 (June 1977), pp.76-80.

____________. "Statement by the Accounting Standards Committee on the Publication of SSAP No.15: Accounting for Deferred Taxation." *Accountancy,* Vol.89 (November 1978), pp.63-65.

____________. "Statement of Standard Accounting Practice No.15: Accounting for Deferred Taxation." *Accountancy,* Vol.89 (November 1978), pp.65-68.

Accounting Standards Steering Committee. "Proposed Statement of Standard Accounting Practice ED11, Accounting for Deferred Taxation." *Accountancy,* Vol. 84 (June 1973), pp.28-34.

____________. "Statement of Standard Accounting Practice No.11, Accounting for Deferred Taxation." *Accountancy,* Vol.86 (October 1975), pp.34-40.

Ackland, Richard. "ACT Bounces Tax Effect Accounting." *Australian Financial Review,* Sydney (April 23, 1976).

American Institute of Certified Public Accountants. *Accounting Research and Terminology Bulletins.* Final ed., New York: AICPA, 1961.

____________. *Accounting Trends and Techniques.* 25th ed. New York: AICPA, 1971.

____________. Accounting Principles Board. *Accounting for Income Taxes, Opinion No.11.* New York, AICPA, 1967.

"$12.8m Auditing Dispute Throws Hard Light on BHP Accounting Techniques." *Australian Financial Review,* Sydney, August 17, 1971.

"Auditors Hit O'Seas Corp's Tax." *Herald,* Melbourne, October 14, 1975.

"Auditors Mark Up North B.H." *Australian,* Sydney, October 19, 1971.

"Auditors Qualify North Broken Hill Accounts." *Australian Financial Review,* Sydney, October 5, 1973.

"Auditors Query Assets Valuation by BH South." *Australian Financial Review,* Sydney, November 1, 1978.

"Auditors' Query for North BH." *Australian,* Sydney, September 1, 1972.

"Audit Query on South's Mine Values." *Age,* Melbourne, December 3, 1977.

Australia. *Parliament Debates, Hansard, House of Representatives.*

Australian Accounting Research Foundation. *Accounting for Long Service Leave.* Accounting Research Study No.8, Melbourne, 1978.

Balmford, J.D. "Accounting Standards." *Chartered Accountant in Australia,* Vol. 44 (June 1974), pp.4-10.

Barton, A.D. "Company Income Tax and Interperiod Allocation." *Abacus,* Vol.6 (September 1970), pp.3-24.

Bayliss, H.W. "Income Tax Allocation—a Defense." *Abacus,* Vol.7 (December 1971), pp.161-173.

"Behind the Duchess Closure." *Australian Financial Review,* Sydney, May 15, 1978.

Black, Homer, A. *Interperiod Allocation of Corporate Income Taxes.* Accounting Research Study No.9. New York: AICPA, 1966.

Buckley, Noel W. Letter to the Editor, "Tax Effect Accounting." *Australian Financial Review,* Sydney, March 10, 1970.

____________. Letter to the Editor, "Accountancy Debate." *Australian Financial Review,* Sydney, February 15, 1977.

Byrne, John. "North BH Revalues its Portfolio by $166m." *Australian Financial Review,* Sydney, September 30, 1977.

____________. "Elder Smith's Directors Hit Out at Tax Effect Accounting." *Australian Financial Review,* Sydney, October 28, 1977.

____________. "BH South's Tough Options." *Australian Financial Review,* Sydney, April 17, 1978.

Chambers, R.J. "Tax Allocation and Financial Reporting." *Abacus,* Vol.4 (December 1968), pp.99-123.

____________. Letter to the Editor, "Top Accountants Called to Account." *Australian Financial Review,* Sydney, February 17, 1970.

Chanticleer. "APM Flies in the Face of Tax Effect Accounting." *Australian Financial Review,* Sydney, July 29, 1975.

____________. "Why Banks Put Money into Marra." *Australian Financial Review,* Sydney, October 28, 1975.

____________. "VACC Points up the Pitfalls in Accounting for Big Losses." *Australian Financial Review,* Sydney, October 29, 1975.

____________. "Tax Effect Accounts 'Illegal'." *Australian Financial Review, Sydney,* March 17, 1976.

____________. "Kemtron's Pointer on Tax Effect Accounting." *Australian Financial Review,* Sydney, September 15, 1976.

____________. "The Corporate Weather Forecast: Stormy Interim Season Ahead." *Australian Financial Review,* Sydney, October 19, 1976.

____________. "Accountants Divided Over Stock Inflation Tax Benefits." *Australian Financial Review,* Sydney, February 16, 1977.

____________. "Take Your Pick of Accounting Methods: All are Confusing." *Australian Financial Review,* Sydney, September 1, 1977.

____________. "Signs that the TSVA Party Could be Over." *Australian Financial Review,* Sydney, May 8, 1979.

Christian, Valerie. "Clamp on Company Accounts." *Age,* Melbourne, March 17, 1976.

Christofi, H. "Accounting Standards Latest Survey on Compliance." *Chartered Accountant in Australia,* Vol.47 (March 1977), pp.51-56.

Clarke, Anthony. "The Tax Effect Farce Exposed." *Age,* Melbourne, March 18, 1976.

____________. "Accountants to Plug Loophole." *Age,* Melbourne, June 30, 1976.

____________. "Proper Use of Stock Tax Urged." *Age,* Melbourne, February 3, 1977.

Committee of Enquiry into Inflation and Taxation (Mathews Committee). *Report.* Government Printer, Canberra, 1975.

"Companies Acts Amendments, Implementing the Interstate Corporate Affairs Agreement." *Australian Accountant,* Vol.44 (July 1974), pp.374-375.

"Conflict on SVA is Denied." *Herald,* Melbourne, March 21, 1977.

"Cooper Bros. Differ with Collins House Over $4.4m." *Australian Financial Review,* Sydney, October 15, 1968.

"Corporation Tax: Relief for Stock." *Accountants' Magazine,* Vol.78 (December 1974), p.499.

Dawson-Grove, Trevor. "North Broken Hill Goes to Tax Effect Accounting." *Australian Financial Review,* Sydney, August 26, 1977.

Dunstan, Barrie. "Savings on SVA Can't Be Profit." *Herald,* Melbourne, February 2, 1977.

__________________. "Accountants have Second Thoughts, Change in Prospect on SVA." *Herald,* Melbourne, June 15, 1977.

"Exchange Suggests Procedure for Future Tax Provisions." *Australian Financial Review,* Sydney, May 2, 1968.

Frith, Bryan. "Differing Views on the Payment of 'Future' Tax." *Australian,* Sydney, October 16, 1968.

Gibson, R.W. *Disclosure by Australian Companies.* Melbourne, Melbourne University Press, 1971.

__________________. *The Uniformity Problem and the State of Australian Company Financial Reporting.* Unpublished Ph.D. dissertation, University of Cincinnati, 1976.

__________________. "Development of Corporate Accounting in Australia." *Accounting Historians Journal,* Vol.6, No.2 (Fall 1979), pp.23-38.

Gibson, R. W. and Ong, E. "Trading Stock Valuation Adjustment—Just Another Tax Deduction?" *Chartered Accountant in Australia,* Vol.49 (November 1978), pp.20-22.

Gottliebsen, Robert. "World Debate on Future Tax Issues." *Australian Financial Review,* Sydney, October 16, 1968.

"How the New Stock Value Scheme Works." *Age,* Melbourne, August 18, 1976.

Institute of Chartered Accountants in Australia. *Recommendations on Accounting Principles.* Sydney, 1945.

__________________. *Treatment of Income Tax in Accounts of Companies.* Sydney, 1967.

__________________. "Treatment of Income Tax in Accounts of Companies." *Chartered Accountant in Australia,* Vol.40 (January 1970), pp.10-15.

__________________. "Institute News, Accounting Principles Committee." *Chartered Accountant in Australia,* Vol.41 (January 1971), p.42.

__________________. *Statement on Accounting Practice, D4 Treatment of Income Tax in the Accounts of Companies.* Sydney, 1971.

Institute of Chartered Accountants in Australia and Australian Society of Accountants. "Revision of Statements on Accounting Practice and Issue of Statements of Accounting Standards." *Chartered Accountant in Australia,* Vol.44 (September 1973), p.58 and *Australian Accountant,* Vol.43 (September 1973), p.487.

__________________. *Statement of Accounting Standards, DS4 Accounting for Company Income Tax.* Melbourne, 1974.

__________________. *Statement of Accounting Standards, DS4 Accounting for Company Income Tax.* Melbourne, 1976.

————————. *Trading Stock Valuation Adjustment for Income Tax Purposes, Statement of Accounting Practice*. Melbourne, 1977.

Institute of Chartered Accountants in England and Wales. *Recommendations on Accounting Principles, Treatment of Taxation in Accounts of Companies. (N27).* London, 1968.

————————. *Survey of Published Accounts, 1968-69.* London, 1970.

————————. *Survey of Published Accounts, 1970-71.* London, 1972.

International Accounting Standards Committee. "International Exposure Draft 13, Proposed Statement—Accounting for Taxes on Income." *Accountancy*, Vol.89 (June 1978), pp.117-121.

"International ED on Tax Accounting." *The Accountant*, Vol.178 (April 6, 1978), p.447.

Johnson, W.R. "Interperiod Allocation of Income Taxes." *Chartered Accountant in Australia*, Vol.43 (April 1973), pp.42-49.

Koch, David. "Business to Blame for Losing TSVA." *Australian*, Sydney, July 10, 1979.

Leppinus, G.M. "Accounting for Company Income Tax, the 1977 Position." *Chartered Accountant in Australia*, Vol.48 (November 1977), pp.33-38.

Macken, Deidre. "Electronics Giant $23m in the Red." *Age*, Melbourne, March 21, 1980.

Macnair, H.S.A. "Stock Values—Relief or Penalty?" *The Accountant*, Vol.172 (January 9, 1976), pp.35-36.

Maher, Peter. "Time to Sort Out Company Accounts." *Herald*, Melbourne, April 23, 1976.

————————. "BH South Looks Set for Strong Profit Recovery." *Australian Financial Review*, Sydney, September 17, 1979.

Maiden, Tony. "South's Auditors Show Concern on Subsidiaries." *Australian Financial Review*, Sydney, November 15, 1977.

Mason, W.R. "(Letters to the Editor), Now the Prof's Called to Account." *Australian Financial Review*, Sydney, March 10, 1970.

Mathews Committee—see Committee of Enquiry into Inflation and Taxation.

McCrann, Terry. "Commissioner to Appeal on Tax Case." *Age*, Melbourne, September 1, 1978.

McDougall, Graeme. "Accountants Cast Vote for Reality." *Age*, Melbourne, August 4, 1976.

McInnes, R.A. "Provision for Future Income Tax." *Australian Accountant*, Vol.40 (February 1970), pp.2-6.

————————. *Reporting the Incidence of Company Income Tax.* Society Bulletin No.6, Melbourne, Australian Society of Accountants, 1969.

McKeon, Ashley. "Accounting Opinion for Future Tax Provisions." *Australian Financial Review*, Sydney, October 18, 1968.

————————. "Moves to End Confusion Over Tax-Effect Ruling." *Australian Financial Review*, Sydney, April 28, 1976.

————————. "Tax Effect Accounting Axed." *Australian Financial Review*, Sydney, June 30, 1976.

————————. "ASA, ICA Amend Statement on Trading Stock Valuation." *Australian Financial Review*, Sydney, July 1, 1971.

Mills, Bob. "Repco's Drop Illustrates the Accounting Techniques." *Australian Financial Review*, Sydney, September 1, 1975.

"NBH Accounts Qualified." *Australian Financial Review*, Sydney, September 1, 1972.

Neilson, D.G. *Letter to R.W. Gibson.* Geelong, July 4, 1983.
"North's Auditors Qualify Accounts." *Age,* Melbourne, September 1, 1972.
"Nylex $281,000 Operating Loss." *Australian Financial Review,* Sydney, February 23, 1976.
"Nylex Does About-Face on Accounts." *Age,* Melbourne, April 27, 1976.
Ogg, Terry. "Income Tax an Expense—New Accounting Guide." *Australian Financial Review,* Sydney, November 12, 1974.
Peterson, R. *Accounting Theory and the Corporate Income Tax Allocation Problem.* New England Accounting Research Study No.1, University of New England, Armidale, 1969.
"Phosphate Double Shuffle." *Australian Financial Review,* Sydney, June 7, 1978.
Pierpont. "Parkinsons Flaw on Tax-Effect Accounting." *Australian Financial Review,* Sydney, September 26, 1975.
"Removal of TSVA." *Chartered Accountant in Australia,* Vol.50 (July 1979), p.45.
Robinson, Allen R. "The Expense of Income Tax—Statement D4 in Action." *Chartered Accountant in Australia,* Vol.44 (March 1974), pp.38-41.
Ryan, J.B. Heazlewood, C.T. and Andrew, B.H. *Australian Company Financial Reporting: 1975.* Accounting Research Study No.7, Melbourne, Australian Accounting Research Foundation, 1977.
Short, John. "Anthony Again Pushes Case for Govt. Aid to BH South." *Australian Financial Review,* Sydney, June 6, 1978.
____________________. "Business Hit by TSVA Abolition and Crude Oil Levy Increase." *Australian Financial Review,* Sydney, May 25, 1979.
"South's Loss 'Was Too Big'." *Age,* Melbourne, October 20, 1972.
Sykes, Trevor. "WMC, $7.7m Tax Provision, Lifts Net Profit to $16.5m." *Australian Financial Review,* Sydney, August 9, 1973.
____________________. "Nylex Abandons Tax-Effect Accounting." *Australian Financial Review,* Sydney, April 27, 1976.
"Tax Effect Accounting Distorting Accounts." *Age,* Melbourne, October 28, 1977.
"Tax Relief on Stock Appreciation." *The Accountant,* Vol.175 (October 9, 1975), p.402.
Thomas, Tony & Clarke, Anthony. "Accounts Rules Declared Illegal!" *Age,* Melbourne, April 23, 1976.
Zeff, S. *Forging Accounting Principles in Australia.* Society Bulletin No.14, Melbourne, Australian Society of Accountants, 1973.

Statutes

Australia, Statutes. *Income Tax Assessment Act 1936 as amended.*
New South Wales, Statutes. *Companies Amendments Act, 1971,* Act No. 61, 1971.
Queensland, Statutes. *Companies Act Amendment Act, 1971,* Act No. 8 of 1972.
South Australia, Statutes. *Companies Act Amendment Act, 1971-72.* Act No.52 of 1972.
Victoria, Statutes. *Companies (Amendments) Act 1971,* Act No. 8185.
Victoria, Statutes. *Companies Act of 1961,* Act No. 6839.