Henderson ◆ Peirson ◆ Herbohn ◆ Artiach ◆ Howieson

Issues in Financial Accounting

15th edition

ALWAYS LEARNING

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Issues in Financial Accounting

To Margaret, Chris, John, John and Christopher

Henderson ◆ Peirson ◆ Herbohn ◆ Artiach ◆ Howieson

Issues in Financial Accounting

15th edition

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PREFACE TO THE FIFTEENTH EDITION

Since the fourteenth edition of this book, the Australian Accounting Standard Board's (AASB) work program has largely been dominated by the need to make accounting standards that are equivalent to International Financial Reporting Standards. This edition of the book is based on the AASB standards and interpretations that have been issued up to the end of December 2012.

The structure of this edition of the book has not changed. All chapters have been revised to take account of developments since the fourteenth edition. We have also revised and added questions and problems as appropriate.

For this edition, the composition of the author team has changed significantly. Alan Ramsay and Victor Borg have retired as contributors, and Tracy Artiach and Bryan Howieson have replaced them as authors. We would like to thank Alan and Victor for their contributions to the book. Alan, in particular, has made significant contributions to the book over numerous editions. He has made a lasting impression on its content.

As for previous editions, we are grateful to Lisa Jones who has continued to assist in the preparation of the manuscript for the publisher.

Finally, our partners have our profound gratitude for their support during the preparation of this edition.

Graham Peirson, Clayton
Kathy Herbohn, St Lucia
Tracy Artiach, Brisbane
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GRAHAM PEIRSON is an Emeritus Professor in the Department of Accounting and Finance at Monash University. He undertakes research in the area of financial accounting and reporting. In particular, he is interested in issues relating to accounting standard-setting and the regulation of financial reporting. He was a member of the Accounting Standards Board of the Australian Accounting Research Foundation before the Board's merger with the Accounting Standards Review Board in 1988.

From 1979 to 1989, he was a member of Council of the Victorian Division of CPA Australia, serving as President in 1985/86. He was the inaugural Chairman of CPA Australia's External Reporting Centre of Excellence and served on the CoE in that capacity until 1999. He was a member of the Public Sector Accounting Standards Board of the Australian Accounting Research Foundation from 1989 until it merged with the Australian Accounting Standards Board (AASB) in 2000. He was a member of the AASB from 2000 to 2002. Business finance is also an area in which he has an interest, as evidenced by his co-authorship of *Essentials of Business Finance, Business Finance and Financial Accounting Theory*, and *Financial Accounting: An Introduction*. In addition, he has published widely in journals in Australia and overseas. He is the former Director of the Department's Centre for Research in Accounting and Finance.

KATHY HERBOHN is an associate professor in financial accounting in the UQ Business School at The University of Queensland. She has taught at Australian universities for over 20 years in both undergraduate and postgraduate courses and has received various teaching awards including the UQ Business School Undergraduate Teaching Award. Kathy is an active researcher with a PhD from The University of Adelaide and her main areas of interest are accounting for tax, earnings management and sustainability reporting. Her publications appear in various Australian and international academic journals including *Accounting, Organisations and Society, Journal of Business Finance and Accounting, British Accounting Review, Accounting and Finance, Australian Accounting Review* and *Accounting Research Journal*. Kathy is also an editor of a book published by Edward Elgar (Cheltenham, UK) entitled *Sustainable Small-Scale Forestry: Socio-Economic Analysis*.

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Figure 1.1 (page 5) and *Accounting in Focus* (page 200) © Copyright 2013 ASX Corporate Governance Council Association of Superannuation Funds of Australia Ltd, ACN 002 786 290, Australian Council of Superannuation Investors, Australian Financial Markets Association Limited ACN 119 827 904, Australian Institute of Company Directors ACN 008 484 197, Australian Institute of Superannuation Trustees ACN 123 284 275, Australasian Investor Relations Association Limited ACN 095 554 153, Australian Shareholders' Association Limited ACN 000 625 669, ASX Limited ABN 98 008 624 691 trading as Australian Securities Exchange, Business Council of Australia ACN 008 483 216, Chartered Secretaries Australia Ltd ACN 008 615 950, CPA Australia Ltd ACN 008 392 452, Financial Services Institute of Australasia ACN 066 027 389, Group of 100 Inc, The Institute of Actuaries of Australia ACN 000 423 656, The Institute of Chartered Accountants in Australia ARBN 084 642 571, The Institute of Internal Auditors – Australia ACN 001 797 557, Financial Services Council ACN 080 744 163, Law Council of Australia Limited ACN 005 260 622, National Institute of Accountants ACN 004 130 643, Property Council of Australia Limited ACN 008 474 422, Stockbrokers Association of Australia ACN 089 767 706. All rights reserved 2013.

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The authors and publisher would like to acknowledge the contributions of many academics during the development of this new edition. Their in-depth feedback on both the previous edition and draft chapters of the new 15th edition has helped the authors align the book more closely than ever before to contemporary teaching and learning needs.

These academics include:

Associate Professor Jane Andrew	University of Sydney
Dr Mahendra Goyal	Monash University
Dr Balachandran Muniandy	La Trobe University
Dr Amedeo Pugliese	Queensland University of Technology
Stacey Beaumont	University of Queensland

part 1

Institutional setting and the conceptual framework

Chapter 1

Institutional arrangements for setting accounting standards in Australia

LEARNING OBJECTIVES

After studying this chapter you should be able to:

1. identify the main sources of regulation of financial reporting;
2. identify the major developments in the institutional arrangements for accounting standard setting;
3. explain the present accounting standard-setting arrangements;
4. explain the process of developing accounting standards and concepts statements in Australia;
5. explain the process of developing interpretations; and
6. explain the process of enforcing accounting standards and interpretations.

1.1 Introduction

In this book we consider some of the controversial issues in financial accounting that have been debated over time by the preparers, users, auditors and regulators of financial statements. In many cases these issues have been resolved, but in some cases they remain unresolved. In the majority of cases, accounting policies and financial reporting practices are subject to some form of regulation. The three main sources of regulation governing accounting policies and financial reporting practices in Australia are government legislation, the Australian Securities Exchange Ltd (ASX) Listing Rules, and accounting standards and other pronouncements issued by the Australian Accounting Standards Board (AASB). In this chapter we discuss these sources of regulation, including their development process and subsequent enforcement.

1.1.1 Government legislation

LEARNING OBJECTIVE 1

Identify the main sources of regulation of financial reporting.

In the private sector, the most important legislation specifying financial reporting requirements is the *Corporations Act 2001*, which replaced the *Corporations Act 1989*. This legislation may be found at **<www.comlaw.gov.au>**. The Corporate Law Economic Reform Program (CLERP) was commenced in 1998 as part of the Commonwealth Government's ongoing program to modernise business regulation in Australia. As part of this program the Corporations Act was simplified through substantial amendments made in 1998, some of which affected financial reporting. Section 292 of the Corporations Act requires the preparation of financial statements for each financial year by all disclosing entities, all public companies, all large proprietary companies and all registered schemes.[1] Broadly speaking, the financial reporting and audit provisions of the Corporations Act require that:

1 proper financial records must be kept;

2 a financial report must be prepared each half-year and at the end of the financial year;

3 the financial report consists of:
   - (a) the financial statements, comprising a statement of comprehensive income, a statement of financial position, a statement of changes in equity and a statement of cash flows;
   - (b) the notes to the financial statements; and
   - (c) the directors' declaration about the financial statements and notes;

4 the financial statements must give a 'true and fair view' of the financial position and performance of the entity;

5 the financial statements must comply with accounting standards;

6 if the financial statements and notes prepared in compliance with accounting standards would not give a true and fair view, then additional information necessary to give a true and fair view must be included in the notes to the financial statements. This means that entities must comply with accounting standards in the preparation of the financial statements even if, in the opinion of the governing board, it does not result in a true and fair view; and

7 the financial statements must include an auditor's report. Auditors have to report, *inter alia*, whether in their opinion the financial statements are prepared in compliance with accounting standards and provide a true and fair view. If not of that opinion, the auditor's report must state why. In those cases where there has not been compliance with an accounting standard, the auditors also have to provide an opinion on the quantified effect of non-compliance on the financial statements.

The Corporations Act, therefore, specifies general requirements that the financial statements comply with accounting standards and present a true and fair view. The form and content of the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows are considered in accounting standards discussed later in this book.

As noted previously, the financial statements of entities reporting under the Corporations Act must comply with accounting standards issued by the AASB. Section 226 of the *Australian Securities and Investments Commission Act 2001* provides for the establishment of the AASB, and accounting standards issued by the Board are deemed to be part of the Corporations Act. This aspect of the legislation is considered in section 1.2.1.

The Corporations Act applies to companies and other types of entities, such as listed trusts, that are identified in the legislation. Financial reporting by most entities in the public sector is regulated by other legislation. For example, legislation such as the *Financial Management Amendment Act 1998* in Victoria, the *Financial Administration and Audit Act 1977* in Queensland and the *Public Finance and Audit Act 1987* in South Australia establishes the financial reporting obligations of state public sector bodies. The legislation and/or the accompanying regulations provide detailed requirements designed to ensure uniform and detailed financial reporting. In most cases, the legislation requires the financial statements to be prepared in accordance with accounting standards and interpretations issued by the AASB.

1.1.2 Australian Securities Exchange Ltd Listing Rules

The second source of regulation governing financial reporting is the listing rules of the ASX. These rules apply only to entities whose securities are listed on the ASX. The disclosure requirements of the ASX are contained in Chapter 3 (continuous disclosure), Chapter 4 (periodic disclosure) and Chapter 5 (additional reporting on mining and exploration activities) of the listing rules. The listing rules specify the detailed disclosure of financial information and require the disclosure of some information not required by the Corporations Act. For example, the ASX requires listed entities to disclose, in returns filed with it, the names of the 20 largest holders of each class of quoted equity securities, the number of equity securities each holds and the percentage of capital this represents (see ASX Listing Rule 4.10.9). If a listed company does not comply with the ASX Listing Rules, it may be delisted. In addition to the listing rules, which are mandatory, on 30 June 2010 the ASX Corporate Governance Council released the document *Corporate Governance Principles and Recommendations with 2010 Amendments*. The aim of these corporate governance guidelines is to promote investor confidence and to assist companies in meeting investors' expectations. This is the third iteration of the Corporate Governance Principles since 2003 and provides evidence for the view expressed by the ASX Corporate Governance Council that it is 'committed to a continuing review of these principles and best practice recommendations to ensure that they remain relevant, take account of local and international developments, and continue to reflect international best practice' (Corporate Governance Council, 2003, p. 7). Figure 1.1 provides an overview of the eight principles to which 28 recommendations are attached. For example, one of the recommendations for principle one, 'Lay solid foundations for management and oversight', is to 'establish the functions reserved to the board and those delegated to senior executives and disclose those functions'.

The principles and associated recommendations are not mandatory. However, the ASX Listing Rules include two mandatory requirements relating to the Corporate Governance Principles.

The Corporate Governance Principles and Recommendations with 2010 Amendments — figure 1.1

Principle 1 – Lay solid foundations for management and oversight

Companies should establish and disclose the respective roles and responsibilities of board and management.

Recommendation 1.1: Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.

Principle 2 – Structure the board to add value

Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

Recommendation 2.1: A majority of the board should be independent directors.

Recommendation 2.2: The chair should be an independent director.

Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual.

Recommendation 2.4: The board should establish a nomination committee.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.

Principle 3 – Promote ethical and responsible decision-making

Companies should actively promote ethical and responsible decision-making.

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code.

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3.

Principle 4 – Safeguard integrity in financial reporting

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

Recommendation 4.1: The board should establish an audit committee.

Recommendation 4.2: The audit committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent chair, who is not chair of the board
- has at least three members.

Recommendation 4.3: The audit committee should have a formal charter.

Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.

Principle 5 – Make timely and balanced disclosure

Companies should promote timely and balanced disclosure of all material matters concerning the company.

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.

Principle 6 – Respect the rights of shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

Principle 7 – Recognise and manage risk

Companies should establish a sound system of risk oversight and management and internal control.

Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

Principle 8 – Remunerate fairly and responsibly

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

Recommendation 8.1: The board should establish a remuneration committee.

Recommendation 8.2: The remuneration committee should be structured so that it:

- consists of a majority of independent directors
- is chaired by an independent chair
- has at least three members.

Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.

Source: Corporate Governance Council, *Corporate Governance Principles and Recommendations with 2010 Amendments*, Australian Stock Exchange, Sydney, 2010, pp. 10–12. © Copyright 2013 ASX Corporate Governance Council.

First, ASX Listing Rule 4.10.3 requires listed entities to disclose in their annual reports the extent to which they have followed the guidelines during the reporting period. Second, ASX Listing Rule 12.7 requires that companies included in the S&P/All Ordinaries Index have an audit committee and that companies included in the S&P/ASX 300 Index comply with the corporate governance guidelines in relation to composition, operation and responsibility of the audit committee.

A recent study by Brown and Gorgens investigated, *inter alia*, compliance by the top 300 Australian listed companies with the ASX Corporate Governance Council's *Principles* over the period 2004 to 2006.[2] Table 1.1 provides an overview of the main compliance results. From Table 1.1, there is evidence that for each of the three years, on average, ASX 300 companies were compliant with more than eight of the then 10 principles. Principles two, four and nine were the least complied with by companies during this period.[3] Note that this study was undertaken on an earlier set of principles than those shown in Figure 1.1.

table 1.1 **Compliance of the top 300 Australian companies listed on the ASX with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations between 2004 and 2006**

	2004	2005	2006
Principle 1	99%	99.7%	99.7%
Principle 2	40%	45%	46%
Principle 3	90%	93%	93%
Principle 4r	69%	78%	83%
Principle 5	93%	95%	96%
Principle 6	93%	94%	95%
Principle 7n	89%	92%	92%
Principle 8	89%	92%	92%
Principle 9	72%	76%	77%
Principle 10	92%	95%	95%
Number of companies fully compliant with 10 principles	92	108	113
Average compliance with 10 principles	8.28	8.61	8.7
Minimum number of principles complied with by any company	0	1	1
Maximum number of principles complied with by any company	10	10	10
Standard deviation	1.93	1.68	1.61
Number of companies	304	304	304

Source: R. Brown and T. Gorgens, 'Corporate governance and financial performance in an Australian context', *Treasury Working Paper*, *2009-02*, March 2009, Australian Treasury, Canberra. © Commonwealth of Australia, reproduced by permission.

1.1.3 Accounting standards

The third source of regulation governing financial reporting is accounting standards and interpretations prepared by the AASB. Accounting standards and interpretations are concerned with both accounting measurement and disclosure.

As noted in section 1.1.1, authority is provided to AASB Accounting Standards by the Corporations Act. The Accounting Professional and Ethical Standards Board (APESB) **<www.apesb.org.au>**, formed in 2006, provides similar authority for Australian accounting standards – that is, AASB and Australian Accounting Standards (AAS) accounting standards. Specifically, paragraph 5 of *APES 205* 'Conformity with Accounting Standards' states that:

> Members shall take all reasonable steps to apply Australian Accounting Standards when they prepare and/or present General Purpose Financial Statements that purport to comply with the Australian Financial Reporting Framework.

Members are defined as 'a member of a professional body that has adopted this Standard as applicable to their membership as defined by a professional body' (*APES 205*, para. 3), and the Australian Financial Reporting Framework comprises accounting standards, concepts and interpretations. To date, professional bodies adopting *APES 205* include CPA Australia (CPAA), the Institute of Chartered Accountants in Australia (ICAA) and the Institute of Public Accountants (IPA). More detail on the APESB is provided in section 1.3.3.

In addition to preparing accounting standards and interpretations, the AASB has been developing a conceptual framework for general purpose financial reporting. The conceptual framework is used by the AASB in the development (and revision) of accounting standards and interpretations. It is also used by preparers, auditors and regulators of financial statements to assist them in resolving financial reporting problems that are not covered by an accounting standard.

In sections 1.2 and 1.3, the institutional framework for accounting standard setting in Australia and the preparation and enforcement of accounting standards and interpretations are discussed. The concepts statements and other conceptual framework documents are discussed in Chapters 2, 3 and 4.

1.2 Accounting standard setting in Australia

LEARNING OBJECTIVE 2

Identify the major developments in the institutional arrangements for accounting standard setting.

An overview of the early developments in institutional arrangements for setting accounting standards in Australia is provided in Appendix 1.1. The current standard-setting arrangements are outlined in section 1.2.1.

1.2.1 Present standard-setting arrangements

The passage of CLERP in October 1999 introduced fundamental changes to the structure and arrangements for accounting standard setting. The *Australian Securities and Investments Commission Act 2001* was amended, replacing the previous Part 12 with a new Part 12. The amendments establish the Financial Reporting Council (FRC) and provide for the establishment of a reconstituted AASB. Each of these bodies is discussed in turn. Figure 1.2 provides an overview of the standard-setting arrangements in Australia.

The Financial Reporting Council

LEARNING OBJECTIVE 3

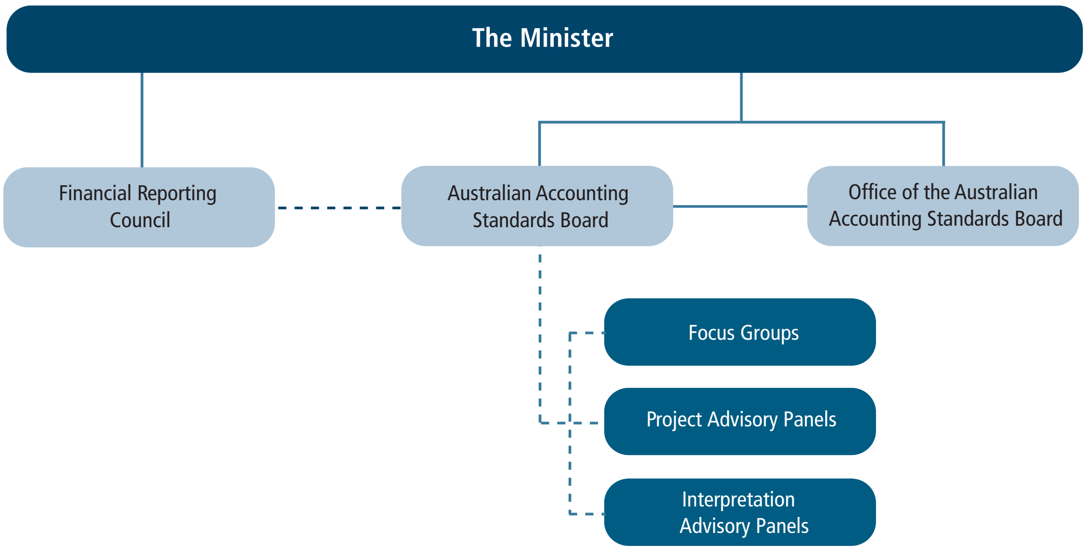
Explain the present accounting standard-setting arrangements.

The FRC is a statutory body under the *Australian Securities and Investments Commission Act 2001*. Its current structure came into place with the CLERP reforms (*Audit Reform and Corporate Disclosure Act 2004*). Figure 1.2 shows its role as the peak body responsible for the broad oversight of the accounting and auditing standard-setting process in Australia.

In general, the FRC has responsibility for oversight of the AASB and for presenting reports and advice on the Australian Accounting Standard-setting process to the Commonwealth Government via the relevant Minister at the time. The role of the FRC includes:

- appointment of the members of the AASB (except for the full-time Chair who is appointed by the Minister);

figure 1.2 **AASB organisational structure**



Source: AASB, *Annual Report 2010–2011*. © 2012 Australian Accounting Standards Board.

- approving and monitoring the AASB's priorities, business plan, budget and staffing arrangements;
- determining the AASB's broad strategic direction;
- giving the AASB directions, advice or feedback on matters of general policy and the AASB's procedures; and
- monitoring the development of international accounting standards and furthering the harmonisation of Australian Accounting Standards with those standards, and promoting a greater role for international accounting standards in Australia.

Although the FRC has wide-ranging powers, the Australian Securities and Investments Commission Act expressly limits the FRC's ability to become involved in the technical deliberations of the AASB. For example, the FRC does not have the power to veto a standard formulated or recommended by the AASB, nor direct the AASB in relation to the development or making of a particular standard.

The FRC is also responsible for monitoring the effectiveness of auditor independence requirements in Australia and has an oversight function of the Auditing and Assurance Standards Board (AUASB).[4]

Under section 235A of the *Australian Securities and Investments Commission Act 2001*, members of the FRC are appointed by the Treasurer and hold office on terms and conditions determined by the Treasurer. Members of the FRC include the Chairman, appointees of the Commonwealth, and members drawn from the business community, the professional accounting bodies, the investing community, governments and regulatory agencies. For example, in 2012, FRC members included two partners from the Big 4 public accounting firms, the Chief Financial Officer of Telstra Corporation, the Chief Compliance Officer of the ASX, two company directors representing the Business Council of Australia and the Australian Institute of Company Directors, the Chairman of the External Reporting Board of New Zealand, a representative of the ICAA, and the Chief Executive Officer of the Australian Shareholders Association. Information on the FRC may be found at the web address **<www.frc.gov.au>**.

The Australian Accounting Standards Board

The AASB was established under section 226(1) of the *Australian Securities and Investments Commission Act 1989* and presently operates under section 261 of the *Australian Securities and Investments Commission Act 2001*. The AASB began operations in 1991, replacing the Australian Accounting Standards Review Board (ASRB). At this time, the ASRB was Australia's sole standard-setting body for the private sector and its activities were complemented by the Public Sector Accounting Standards Board (PSASB), which developed accounting standards applicable to all other reporting entities.[5] The passage of CLERP in October 1999 resulted in the activities of the PSASB being merged with those of the AASB.

The reconstituted AASB is an Australian government agency under the Australian Securities and Investments Commission Act. It has responsibility for making accounting standards applicable not only to entities coming under the jurisdiction of the Corporations Act but also to entities in the public sector and the non-corporate sector.

The AASB has issued two interrelated packages of standards.

1 Australian Accounting Standards not derived from international pronouncements. They are organised as follows:
   - *AASB 1000+ series*, which covers former Australian standards revised and retained pending finalisation of International Accounting Standards Board (IASB) projects, issues specific to not-for-profit entities and Australian-specific issues;
   - *AAS series*, which does not apply to companies (e.g. *AAS 25* 'Financial Reporting by Superannuation Plans'); and
   - *Omnibus series* (*AASB 2004-1* to *AASB 2011-13*), which covers amendments to Australian Accounting Standards numbered in a series using the year of issue.

2 Australian Accounting Standards derived from international pronouncements. They are organised as follows:
   - *AASB 1+ series*, which covers standards that the IASB has titled 'IFRS'. This series is expected to grow over time as the IASB continues to issue International Financial Reporting Standards (IFRSs); and
   - *AASB 101 – AASB 141 series*, which covers standards that the IASB has titled 'IAS'. The IASB is not expected to expand this series.

The AASB's major functions are specified in section 227(1) of the Australian Securities and Investments Commission Act as follows:

1 to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards;

2 to make accounting standards under section 334 of the *Corporations Act 2001*;

3 to formulate accounting standards for other purposes;

4 to participate in, and contribute to, the development of a single set of accounting standards for worldwide use; and

5 to advance and promote the main objectives of Part 12 of the Act as set down in section 224, which include reducing the cost of capital, enabling Australian entities to compete effectively overseas and maintaining investor confidence in the Australian economy.