AASB 16 LEASES: INVESTOR PERSPECTIVES

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1.0 EXECUTIVE SUMMARY

This is the second report of a project examining the introduction of AASB 16 Leases (AASB 16), the Australian equivalent of IFRS 16 Leases. In our first report[1] we provided a snapshot of the preparer perspective of the process of AASB 16 implementation. In this report we provide results of our interview-based study of Australian professional investors, focussing on insights into the impact of the introduction of AASB 16 on investor decision making.

Overall, the results suggest that investors are beginning to reap the benefits of AASB 16 expected by the standard-setters. Although, the impact of AASB 16 on investor decision making is dependent on an investor's investment strategy and the types of companies that make up an investor's investment portfolio.

Investors are generally pleased with the enhanced transparency and comparability introduced by AASB 16. This result is consistent with our findings in the first report that the need for recognition of (almost) all leases on the balance sheet was perceived by preparers as an improvement to the quality of the underlying lease data, and thus the quality of the lease information reported in financial statements.

However, there were mixed views expressed by investors as to whether the new standard delivers the asserted benefits for financial statement analysis of reducing the need for adjustments and non-GAAP disclosures. Investors also expressed a number of concerns and highlighted challenges arising from the introduction of AASB 16, including the impact on historical modelling and the interpretation of earnings before interest, taxation, depreciation and amortisation (EBITDA) as investors adapt to the new reporting regime.

This report provides a snapshot of investor views on the new standard to help highlight some of the key benefits and challenges associated with interpreting the new requirements. The report also aims to provide insights as to how investors are applying the information in their investment decision-making processes. Such insights are expected to be useful for practitioners and standard-setters in understanding the hurdles investors are currently facing in their use of the information provided under AASB 16 to make informed investment decisions. Together with our first report, this establishes a holistic perspective of AASB 16 as viewed by both preparers and investors, which can inform the standard-setters post-implementation reviews and the ongoing policy discussions.

[1] https://www.cpaaustralia.com.au/-/media/corporate/allfiles/document/professional-resources/reporting/implementing-aasb-16-leases-report.pdf?la=en&rev=5472e7493bb442958583f9d17a81bfe9 (accessed 29 June 2020)

2.0 INTRODUCTION

AASB 16 represents the biggest change to lease accounting since the introduction of operating and finance lease accounting some 40 years ago (AARF, 1979).[2] The standard creates a single model for lease accounting by lessees, requiring them to recognise all leases (with some limited exceptions) on the balance sheet and is effective for financial years beginning on or after 1 January 2019.

This report presents the results of interviews with Australian professional investors, focussing on the impact of the introduction of AASB 16 on investor decision making. By doing so, it provides insights into the user experience in analysing the effects of a new, and potentially complex, accounting standard.

The report focusses on three key themes for investor decision making:

- overall impact on investor decision making;
- whether the envisaged benefits of the new standard are being realised by investors; and
- concerns and challenges faced by investors in analysing lease information.

[2] Australian Accounting Research Foundation (AARF, 1979), Discussion Paper No. 1, 'Accounting for Leases'.

3.0 BACKGROUND

In developing the single model for lease accounting for lessees, the International Accounting Standards Board (IASB) claimed a number of key criticisms of the previous, two-model approach applied in IAS 17 Leases (*AASB 117 Leases*). The IASB specifically noted that the IAS 17 model for lessees failed to meet the needs of users of financial statements for the following three key reasons:

a. information reported about operating leases lacked transparency and did not meet the needs of users of financial statements.

b. the existence of two different accounting models for leases reduced comparability for users of financial statements and provided opportunities to structure transactions to achieve a particular accounting outcome.

c. the previous requirements did not facilitate adequate information about a lessor's exposure to credit risk (arising from a lease) and exposure to asset risk (arising from the lessor's retained interest in the underlying asset).[3]

As noted in our first report, the IASB debate was significant because, prior to the introduction of the new standard, the IASB found that listed companies using IFRS standards or US GAAP were estimated to have around US$3.3 trillion of lease commitments, with over 85 per cent of that number not appearing on their balance sheets.[4] For those 85 per cent that did not appear on balance sheets, users treated the note disclosures of operating lease commitments differently.

Many users, including institutional investors, analysts, and credit rating agencies, typically adjusted a lessee's financial statements to incorporate operating leases on the balance sheet.[5]

However, the adjustments made by analysts were often inconsistent. The IASB captured some of these complexities in the comment re-produced below:

> *Many users adjusted a lessee's financial statements to capitalise operating leases because, in their view, the financing and assets provided by leases should be reflected on the statement of financial position ('balance sheet'). Some tried to estimate the present value of future lease payments. However, because of the limited information that was available, many used techniques such as multiplying the annual lease expense by eight to estimate, for example, total leverage and the capital employed in operations. Other users were unable to make adjustments—they relied on data sources such as data aggregators when screening potential investments or making investment decisions. These different approaches created information asymmetry in the market.*[6]

One of the key issues the IASB had to consider was whether additional disclosure of lease information would be enough to enable users to continue to apply their own method of valuation, or whether to prescribe a single valuation approach. Ultimately, the IASB decided to require (with some limited exceptions) all leases to be recognised on the balance sheet.

Now that the implementation period has arrived – the question is: *Are investors realising the benefits of the changes that were subject to such significant debate?*

[3] IFRS 17.BC3

[4] https://www.ifrs.org/news-and-events/2016/01/iasb-shines-light-on-leases-by-bringing-them-onto-the-balance-sheet/ (Accessed 15 June 2020).

[5] Giner, B., & Pardo, F. (2018). The value relevance of operating lease liabilities: Economic effects of IFRS 16. Australian Accounting Review, 28(4), 496-511. Europe Economics. (2017). Ex ante impact assessment of IFRS 16. London

[6] IFRS 17.BC3

4.0 DISCUSSION

4.1 INTERVIEWS

We conducted formal interviews with professional investors/analysts with deep expertise in the analysis of entities with significant lease exposures. Interviewees had on average 16 years of professional experience in analyst roles.

Interviewees came from a broad spectrum of organisations ranging from a large superannuation fund to highly regarded specialist investment advisors. Using a semi-structured interview protocol, we generated over 20,000 words in interview transcripts for subsequent analysis. The interviews were conducted from April to June 2020.

4.2 OVERALL IMPACT

How big has the impact of AASB 16 been on investor decision making?

To assess the overall impact that the introduction of AASB 16 has had on investor decision making, we asked investors how the standard had impacted their investment decision making thus far.

Contrasting views were expressed by investors as to the significance of the impact of the standard on investor decision making – ranging from absolutely no impact at all on investor decision making (Investor C), to a significant impact on all investors.

For example, one investor noted that ‘AASB 16 has affected pretty much everyone in quite a material way’ (Investor A), and another investor noted that it is probably ‘the most significant accounting change in terms of its impact on all areas of the financial statements and the investment community.’ (Investor B).

The investors we interviewed noted that the impact of AASB 16 on investor decision making varied considerably across companies and was both industry specific and contingent on the length of the leases.

For example, entities with long-term leases were more likely to be significantly impacted than otherwise comparable companies with shorter term leases. This finding is consistent with international academic research analysing the impact of the new requirements on key financial statement items and ratios, which particularly identifies the impacts on the aviation and retail sectors.[7]

An implication of this is that the impact of AASB 16 on investor decision making, is dependent on an investor’s exposure to different industries, and the specific companies that make up their investment portfolio. For companies operating in certain sectors, such as the aviation and retail sectors, the financial statement changes necessitated by the introduction of AASB 16 have materially impacted how these companies are viewed by investors. For other firms, less reliant on longer term leases, the financial statement impact of AASB 16 has been minimal and, as a consequence, has not necessitated changes to investor approaches to analysing and evaluating these companies.

Overall, the impact of AASB 16 was well summarised by one investor:

‘So, I think there’s a strong appreciation…that in an economic sense things aren’t changing about these businesses, but the way that we analyse these businesses. It is significantly impacted by the standard.’ (Investor B)

[7] Joubert, M., Garvie, L., & Parle, G. (2017). Implications of the New Accounting Standard for Leases AASB 16 (IFRS 16) with the inclusion of operating leases in the balance sheet. The Journal of New Business Ideas & Trends, 15(2), 1-11.
Segal, M., & Naik, G. (2019). The expected impact of the implementation of International Financial Reporting Standard (IFRS) 16–Leases. Journal of Economic and Financial Sciences, 12(1), 1-12.

4.3 ARE THE KEY BENEFITS FOR FINANCIAL STATEMENT ANALYSIS BEING REALISED?

In developing the new standard, the IASB highlighted a number of key benefits that were expected to be achieved in the introduction of the new standard, including:[8]

- Improved comparability between entities
- Enhanced transparency of an entity's financial leverage and capital employed
- Accurate measurement of assets and liabilities arising from leases
- Better capital allocation
- Reduced need for adjustments
- A more faithful representation of the financial position
- Reduced need for non-GAAP disclosures

In our investor interviews we asked whether these benefits had been realised from their perspective, thus far. The key areas investors focussed on in their interviews were comparability, transparency and adjustments, including non-GAAP measures such as EBITDA.

Overall, investors were generally pleased with the benefits of enhanced transparency and comparability introduced by AASB 16. However, there were mixed views expressed as to whether the key benefits for financial statement analysis were being realised in relation to the need for adjustments and non-GAAP disclosures.

[8] https://www.ifrs.org/-/media/project/leases/ifrs/published-documents/ifrs16-effects-analysis.pdf

4.3.1 Transparency and comparability

Investors expressed general support for the notion that AASB 16 enabled improved transparency and comparability. This result is consistent with the views expressed by preparers in our first report in which the most widely supported benefits were enhanced comparability (64.3%) and transparency (62.1%), and with early academic research into the use of information from AASB 16.[9]

Investors noted that comparing information between companies prior to the introduction of AASB 16 was difficult:

> *'[Preparers are] getting better transparency, comparability, those sorts of things that might help their cost of capital if they're doing the right thing.' (Investor A)*

> *'Yes, it is helpful for comparability, particularly for companies that own most of their properties versus companies that lease most of them.' (Investor D)*

In terms of transparency and comparability, several investors commented that quite a number of companies carrying a significant lease liability provided additional information in transitioning to the new standard. As noted by one investor, companies did this 'not because they had to, but because their investors demanded it' (Investor A), whilst another stated:

> *'Prima facie the businesses look a lot more geared than they used to be, but in reality they're no more geared than they used to be, it's just that the numbers are now better disclosed.' (Investor D)*

A number of investors noted that recognition in the balance sheet, rather than just disclosure in the notes to the financial statements, does make a difference to the decision-making process, consistent with a wealth of academic literature.[10] Indeed, one investor commented that it is "more comprehensive" and that the change is so intuitive that in the future people will "wonder about this debate we are having today" (Investor D). The benefits of recognition over disclosure were perceived to be primarily due to an increased level of attention to detail from preparers and auditors.

However, one investor held a contrasting view that recognition of lease information is no different to the disclosure in the notes, commenting that:

> *'No, it makes no difference at all as long as the disclosure is somewhere – as long as it's clear. Whether something is in or not it really makes no difference to us…I will certainly admit that there's some specific companies where the magnitude of leases, perhaps it's slipped under the radar, and that's come as a little surprise. So … I mean I wouldn't say the market has perfectly adjusted for it prior to implementation but… it doesn't really matter.' (Investor B)*

Another investor expressed a similar view, commenting that they did not see the standard as improving comparability or transparency, except at the absolute margin (Investor C).

There was concern expressed at the discretion permitted in the standard, for example the impact of considering the exercise of lease term options: 'I don't like the fact that we're moving to more discretionary metrics generally' (Investor C). Some concern was also expressed that selecting transition choices produced 'engineered' financial statements (Investor A).

Consistent with the concerns expressed around the costs of implementing the new standard for investor decision making, this view was also expressed in terms of the impact of comparability over time for entities:

> *'I think the threshold for changing [a standard] should be very high because period on period comparability is extremely important. Being able to understand how a business performs over a long period of time is extremely important.' (Investor C)*

This view was further supported in general terms in the comment that '…the standard's created, I think, an additional layer of complexity in financial statements… It's just made everyone's life quite a bit harder' (Investor B).

[9] Xu, W., Davidson, R. A., & Cheong, C. S. (2017). Converting financial statements: Operating to capitalised leases. Pacific Accounting Review, 29(1), 34-54
[10] Barth, M. E., Clinch, G., & Shibano, T. (2003). Market effects of recognition and disclosure. Journal of Accounting Research, 41(4), 581-609.
Ahmed, A. S., Kilic, E., & Lobo, G. J. (2006). Does recognition versus disclosure matter? Evidence from value-relevance of banks' recognized and disclosed derivative financial instruments. The Accounting Review, 81(3), 567-588.

4.3.2 Need for adjustments and non-GAAP measures

One of the key benefits proposed by the IASB in developing the standard was the need for less non-GAAP disclosures. A key non-GAAP measure is EBITDA (and EBIT), the regulation of which has been a topic of considerable discussion by the IASB and other standard-setters (i.e., as to whether, and in what manner, to regulate disclosure of such EBITDA and related measures). Whilst investors expressed differing views as to the usefulness of EBITDA as an investment decision-making measure, almost all investors commented on the impact that the new standard would have on the metric on transition and going forward. Consistent with the views expressed in relation to historical modelling, overall investors expressed concerns as to how measures would be applied over time.

One investor noted specifically that '…transition is very painful because of what it's done to well-loved but non-standardised measures like EBITDA.' (Investor A). Other investors also noted that:

> *'…the number that it has most impacted is a number that is actually not defined, which is EBITDA… the impact on EBITDA is profound and I think it's not so much the changes in the balance sheet, it's everyone grappling to work out that what has displaced a really longstanding rule of thumb and so how do we adjust [for that]?' (Investor A)*

> *'…the market does gravitate towards EBITDA as a financial metric and [it is] probably not appropriate for a whole range of reasons, but the reality is [that it is] one of the rules of thumb that the market deals with and that's where the distortion is most significant.' (Investor B)*

> *'…EBITDA is … fundamentally changed from what it used to be, EBITDA is an even more meaningless metric than it used to be. Even EBIT is a bit distorted.' (Investor D)*

> *'EBITDA as a proxy for cashflow relative to liabilities is a classic rule of thumb and suddenly both the numerator and the denominator have just become less useful or changed and [are] ignoring the cashflow statement.' (Investor A)*

A potential unintended consequence of the introduction of AASB 16 noted by some investors is that it may increase the prominence of non-GAAP performance metrics, such as EBITDA, due to the favourable impact of AASB 16 on such measures:

> *'Likely to see more leases for entities that consider EBITDA to be a key metric because the impact of AASB 16, overall, is to increase EBITDA in comparison to an entity that purchases, rather than leases, assets.' (Investor A)*

> *'My big fear is that…analysts [say] it's all too hard and management manages to convince them to rely on some proforma number based on an unaudited EBITDA equivalent. That's my big fear and we'll see what happens.' (Investor A)*

Investors see that the existing use of other metrics and adjustments to GAAP will need to change as a result of the impacts of AASB 16, and there will be a transition period as investors make these adjustments:

> *'I think as the data becomes more standardised, as you start seeing full year disclosures and people start getting their heads around it you will start to see people making adjustments to it.' (Investor A)*

> *'…shorthand metrics, rules of thumb that everyone's developed over a period of time. A number of those rules of thumb and metrics are going out the window because of the change in [the] accounting standard or they're potentially going to go out the window.' (Investor B)*

The change required to the heuristics and way in which investors make use of various metrics, is a clear cost to investors that standard-setters need to consider as part of the broader costs of transition to a new standard.

4.3.3 Faithful representation of the financial position

In our first report, the results from a survey of preparers found little evidence that AASB 16 led to a more faithful representation of assets and liabilities, or that it reduced the need for non-GAAP disclosures. Indeed, both of these intended benefits of the implementation of the standard were the most strongly opposed, with 25-30 per cent stating they either disagreed or somewhat disagreed that the claimed benefit would be realised.

Consistent with these findings, investors did not comment on improvements to the faithfulness of the representation of the financial position of companies. One investor perceived the implementation of AASB 16 in this respect as being:

> *'...a solution for a problem the investment market didn't have.' (Investor B).*

Rather than being overly concerned if the financial reports provided a faithful representation of the business, some investors saw consistency in the representation of the company within the financial reports over time as a more important consideration (e.g. Investor E).

Overall, in assessing the impact of AASB 16 on the fundamental qualitative characteristics of financial information, investors were generally more concerned whether the information was more relevant and material, rather than a more faithful representation. Although in part, this may be because financial report users may see faithful representation as quite an abstract concept.[11]

[11] Erb, C., & Pelger, C. (2015). "Twisting words"? A study of the construction and reconstruction of reliability in financial reporting standard-setting. Accounting, Organizations and Society, 40, 13-40.

4.4 CONCERNS AND CHALLENGES FOR INVESTORS

In our first report, we noted that the costs of the introduction of a new standard tend to be borne by the preparers of financial statements,[12] whereas the benefits tend to accrue to the financial statement users, namely investors. However, in our interviews with investors it became clear that investors also had a number of concerns and faced challenges arising from the introduction of AASB 16, suggesting investors too face significant costs.

4.4.1 Impact on historical modelling

A number of investors commented specifically in relation to the impact of the introduction of AASB 16 on historical modelling:

> *'…historical databases become useless or they lose their comparability over time because there's obviously a massive break in the series starting from this year.' (Investor D)*

Although investors consider some of the cost is limited to a transition period (Investor D), the impact on investor models used for decision-making purposes was considered by a number of the investors to be significant, consistent with international evidence.[13] For example, one investor noted that 'the key point is that people need to be able to understand the historical performance of the business. I think that's been made harder due to the change' (Investor C).

To 'work around' this issue a number of investors highlighted that their decision-making models were still based on the previous standard (Investor B, Investor C). For example:

> *'…from what we've seen thus far there's actually been a lot of disclosure around the impact of implementation of the standards, so in a general sense I would say for the most part if you want to take a set of financial statements and almost convert it back to the old way, which is actually how a large swathe of the market is dealing with the new standard at the moment. You can do it but you're not going to be able to do that in two years' time particularly at a segmental level. So, we've been pulled kicking and screaming into the new environment, but everyone is trying to resist it to be perfectly honest.' (Investor B)*

Investors held mixed views, however, as to whether the costs of implementing the standard exceeded the benefits, with some investors suggesting the costs exceeded the benefits (e.g. Investor B and Investor C), whilst other investors were more circumspect in their responses. As one investor noted, 'I think the cost, while significant, is one that should be borne so that it's a better reflection of reality under the current system than the previous' (Investor D). Other investors noted:

> *'…I think it will be worth it but it's going to take a couple of years for people to, I think, fully appreciate the benefits they get from it and they'll only probably start to do that once they have thought through how to come up with a solution to the EBITDA problem.' (Investor A)*

> *'It has been a net positive…I would actually say it's been a net benefit because you start seeing all the skulduggery that was being played… the classic one is … a private equity company doing sale and leaseback transactions immediately prior to IPO.' (Investor A)*

> *'My first impression is that the costs are probably more significant than the benefits at this stage, but part of that is because it's such a significant change to the financial statements and it's causing so much…distortion in [the] financial statements that you're seeing a little bit less efficiency in the market as companies are reporting their results because the market as a whole is struggling to separate the distortion from the underlying operational performance of the company. My suspicion is that's more of a transitory issue rather than a permanent issue … I'd say certainly costs are more significant than benefits at this stage, but I think a lot of the costs are associated with transitory issues.' (Investor B)*

[12] The greatest costs related to the efforts in data gathering and the challenges of lease identification, although it was noted that this generates the added benefit of capturing better data about lease commitments that can enable improved lease management.

[13] Segal, M., & Naik, G. (2019). The expected impact of the implementation of International Financial Reporting Standard (IFRS) 16–Leases. Journal of Economic and Financial Sciences, 12(1), 1-12.

Some investors also commented that the previous standard provided sufficiently useful information to make decisions (Investor B and Investor C):

> *'The previous standard provided sufficiently useful information. It never struck me as an area that required improvement. There are many, many areas that required improvement, this was an odd one.' (Investor C)*

> *'To us I think a lot of people who do proper due diligence factored in leases in some way anyway.' (Investor E)*

In summary, while it is widely acknowledged that preparers incur costs upon the introduction of a new accounting standard, including AASB 16, investors are also bearing costs associated with AASB 16, including having to make adjustments to their decision-making models to facilitate the assessment of company performance over time. However, investors broadly acknowledge that these costs are transitory and generally, in the long term, the benefits of AASB 16 will outweigh the costs.

4.4.2 Relationship between cash flow and profit

A number of investors specifically commented on the impact the new standard would have on the relationship between cash flow and profit. Although investors noted that the changes do not directly affect cash flows (e.g. Investor C), 'understanding how cash is generated through a cycle is going to be more challenging on a go forward basis.' (Investor C)

This challenge arose due to two key reasons:

1. **Differences in cash flow disclosure.** For example:

   'The way that companies have dealt with the cash flow statement is not consistent.' (Investor B).

   'There is just no uniformity across the market… companies are reporting any difference in their cash interest paid and the whole cash amount is appearing down in finance…' (Investor B)

   '[There are] concerns about disclosing interest as operating versus financing.' (Investor D)

2. **Disconnect between cash flow and profit.** For example, one investor noted that they 'have had lots of management teams complain to us about the standard [seeming] to be divorced from underlying cash, which is a problem. But I think disclosure has been reasonable in most cases' (Investor C).

4.4.3 Materiality

A number of investors held a broader concern over whether companies are sufficiently reporting material information required for decision making. For example, one investor highlighted an apparent disconnect between what information preparers and investors deem as material for decision making, commenting:

> *'The technical accounting definition of materiality is sometimes very different to the concept of materiality that gets applied in investment markets.' (Investor B)*

Materiality was also perceived differently between investors. As one investor noted:

> *'[The] concept of materiality, it's a spectrum, and the spectrum is constantly moving.' (Investor B)*

This 'spectrum' appeared in the context of the impact of AASB 16 on investor decision making, with materiality perceptions ranging from 'affect[ing] pretty much everyone in a material way,' (Investor A), to 'having a largely immaterial impact on decision making' (Investor C).

Some investors detailed that there is more material information about leases that companies have not been disclosing, and are still not required to disclose under the new standard. For example, the disaggregation of lease obligations amongst the subsidiaries of a parent company (Investor D).

Overall, investor perceptions of materiality relating to AASB 16 were mixed, but there was a general consensus that investors still desire more material information, and adjustments to the information provided by companies still need to be made in some circumstances.

4.4.4 Impairment

While AASB 16 does change the requirements for impairment testing of leases to be in line with the impairment of other assets, investors appear to have given little attention to impairment issues at this stage of transitioning to the new standard.

One investor commented that the act of impairing an asset was not particularly useful in general, commenting:

> *'I actually don't find impairments particularly helpful because they do just solidify something that everybody already knows.' (Investor E)*

It should be noted that the interviews with investors were largely conducted at the beginning of the COVID-19 crisis, and we anticipate that impairment of leases will become a more topical issue for companies and investors as the economic consequences of the pandemic become known. Of particular relevance will be the extent to which the future cash flows of the lessee's right-of-use asset have declined due to extended periods of shutdown, and whether such cash flow deterioration warrants the right-of-use asset to be impaired.[14]

[14] Steenkamp, S. 2020. COVID-19, IFRS 16 and lease accounting: The impairment question. INTHEBLACK, June 29, https://www.intheblack.com/articles/2020/06/29/covid19-ifrs-16-and-lease-accounting

5.0 CONCLUSION

Although our results indicate that our snapshot of investors interviewed for this report are seeing the benefits of the new standard highlighted by the standard-setters, the overall impact of AASB 16 on investor decision making is dependent on an investor's investment strategy and, in particular, the types of companies that make up an investor's investment portfolio.

Investors are generally pleased with the benefits of enhanced transparency and comparability introduced by AASB 16. Our results indicate that investors are progressively adapting their decision-making models and processes to the information provided by the new standard, but many currently remain reliant on information in a pre-AASB 16 format.

Overall, the introduction of the new leasing standard appears to only be the first step in what has already been a very long journey towards improved accounting for lease transactions.

The results from our investor interviews suggest that there will be a significant transition period of a number of years before investors are fully reliant on lease information under AASB 16.

Only time will tell whether investors are able to enjoy the benefits envisaged by the standard-setters in developing the new requirements, and the role that practitioners can play in assisting financial statement users, including investors, with that transition.

This report, in combination with our first report, provides a broad picture of the costs and benefits of AASB 16. It provides necessary evidence to inform standard setters, the ongoing policy debates surrounding the implementation of standards, and the preparation of post-implementation reviews both in general and for AASB 16 in particular.

AUTHOR PROFILES

Professor Michael Davern, BCom (Hons), PhD, CPA is the Chair of Accounting and Business Information Systems at The University of Melbourne. For over 25 years, both in Australia and overseas, he has led industry-engaged research projects in accounting, business and information technology. With a focus on informing decision-making by both external and internal stakeholders, his work has covered a diverse range of topics including financial reporting, business analytics, ethics, data driven transformation, business process design, investment analysis, risk management and revenue management. He serves on boards in both the not-for-profit and private sector. Michael's industry-focused work has included research and executive education with, among others, EY, Microsoft, NAB, PETRONAS, and CUA.

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