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EDITORIAL

The joint editors of the APCEA Journal for 2006 are Professor Roger Burritt, School of Commerce, University of South Australia and Dr. Hua Xiao, Associate Professor of Accounting, School of Management, Xiamen University, China. Two new APCEA branches mark the introduction to the New Year – APCEA (University of South Australia) and APCEA (Xiamen University). Welcome to both of these new branches.

In this first edition of the *APCEA Journal* for 2005 the *first feature article* is by Julie McElroy and addresses Environmental Accounting in NSW Local Government. In comparison with the private sector little research work is carried out into environmental accountability issues in the public sector and so this is a welcome contribution to the literature which calls for further involvement of academic researchers in the area. Julie considers application of the Pressure-State-Response macro model of environmental accounting at the local government level, using, amongst others, content analysis of 2001-2 Annual Reports and semi-structured interviews with local council staff.

The *second main article* is concerned with the challenges of corporate sustainability management. Written by Christian Herzig, Oliver Kleiber, Jan Müller, and Stefan Schaltegger, from the Centre for Sustainability Management, Germany, the article describes the challenges facing management, and the concepts and instruments for sustainability management. A report in German by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the Federation of German Industries (BDI) has been translated into English and, most recently, into Thai. This will facilitate the development of pragmatic answers to sustainability management questions in the Asia Pacific region.

The Journal also includes its regular feature Environmental Extra! which, initially, highlights the main context for environmental issues developing in China. Finally, a recent conference announcement for the A-CSEAR conference to be held in Wellington, New Zealand is listed at the end of the Journal.

Roger Burritt and Hua Xiao
Joint Editors 2006

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ENVIRONMENTAL ACCOUNTING IN NSW LOCAL GOVERNMENT

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To date, extension of the study of environmental reporting and the factors associated with environmental disclosures has not deviated far from the realm of private enterprise into the public sector (but see, for example, ANZECC 2000; Ball 2006). There is also only limited knowledge and understanding of environmental accounting disclosures made at the local government level. The culmination of many environmental decisions and actions taken at the micro level or local level (including the local government sector) will ultimately have an effect on the environment at a macro level. The research reported in this paper is a step towards remedying these deficiencies. The first objective of the research was to investigate the amount and type of environmental disclosures made by NSW local governments within their 2001-2002 annual reports, through the 'pressure', 'state', 'response' (PSR) model, as advocated by the Department of Local Government. The OECD developed the PSR model in the late 1980's, and since then modified versions of this model have been used world-wide. The PSR model conceptualises the human activities that exert pressures on the environment, changing the quality and quantity of natural resources. These changes alter the state, or condition, of the environment. The human responses to these changes include any organised behaviour that aims to reduce, prevent or mitigate undesirable changes. Local governments are expected to report this environmental information (that is 'pressure', 'state', and 'response') across different environmental dimensions within their mandated *State of the Environment Report*. The second objective of the study was to uncover the factors driving, and motivations for, NSW local councils to make these disclosures.

Methodology

The research involved two phases. The first phase of the research investigated how environmental dimensions were reported through their 2001-2002 annual reports. The second phase explored the possible factors and motivations that had an impact on how environmental information was reported. The study was based on semi-structured interviews with local council staff that were involved in producing the environmental reports. Hence a multi-method design was adopted using previous research in this area (refer to Table 1). Content analysis was performed on 27 NSW Local government annual reports (stratified random sample from the year 2001-2002) on the following coding dimensions:

i) Valuation method (monetary, non-financial, declarative or combination).
ii) Information context according to the Pressure-State-Response model.

iii) Environmental dimensions (biodiversity, land, water, air quality, sewerage, garbage or other) that councils cover.

Table 1 - Overview of Research Phases

OVERVIEW OF PHASE I AND PHASE II DATA COLLECTION AND ANALYSIS				
Data Collection Phase	**Aim**	**Primary data source**	**Analysis Methods**	**Outcomes**
PHASE I Exploratory/Descriptive	Describe general information on the type and amount of environmental disclosures and identify general characteristics for disclosure.	Annual Reports 2001-2002.	Content analysis - interrogation instrument, checklist and decision rules defined. Categorical data analysis - descriptive and inferential statistics.	Preliminary information on differences and possible characteristics. Basic understanding of reporting practices, their strengths and weaknesses.
Preliminary evidence of possible characteristics associated with differences in environmental reporting and a dissection of councils into low, medium and high environmental disclosure practices in comparison to other councils re-defining categories for those selected for the interview in Phase II.				
PHASE II Exploratory	Identify possible motivations or reasons for disclosure practices. Identify specific variables that are influential in environmental reporting.	Semi-structured interviews with council personnel responsible for State of Environment Report.	Content analysis of transcribed interview tapes and case notes. Question - by question - matrix (and memoing).	Disclosures linked to possible motivations. Specific issues lead to different disclosures. Understanding the pressures for environmental disclosures. Identify who are the perceived stakeholders in these disclosures.

The second phase investigated possible motivations for disclosure through seven semi-structured interviews. These interviews provided a fuller comprehension and understanding of the nature of and motivations for local council environmental reporting, which in turn provide a starting point for further explanatory investigations in this area in the future. This phase also introduced issues that councils faced with respect to environmental reporting. When analysing the data, the connection between broad factors that could have an impact on reporting practices were considered. There may be an array of different factors that impinge on the decision making process about what environmental information is collected, collated and measured and subsequently how it is disclosed and displayed and then communicated in reports. Factors that may influence reporting outcomes are dissected into motivations and characteristics (or general contextual factors). Council characteristics were defined by the different classifications of Local Government in Australia, the broad classifications being locality (urban or rural) of council, type of council and size of council.

Findings

For environmental information based on the PSR model, the predominant purpose was to communicate how councils were 'responding' to the environment (58%). There was a sizeable gap between 'response' and disclosures on the 'state' of the environment (17%). 'Pressure' was the least reported (6%). There was a very large discrepancy in reporting between 'response' and 'pressure.' The information across all dimensions was primarily 'declarative'. The Chi-Square statistic found differences between the amount of environmental disclosures and the locality and type of councils. The second phase of the research, found that an overwhelming majority of council respondents declared mandatory legislative requirements to be the prime motivator for making environmental disclosures. Not only did the amount differ between different councils but also between the environmental dimensions reported, as can be seen in Table 2.

The semi-structured interviews in phase II highlighted the importance of legal requirements to report. Overwhelmingly the common response to the question as to why councils choose to report, was mandatory requirements. Although there is a legal requirement for environmental reporting by local councils, considerable differences between the reports still existed, indicating that there were other influential factors having an impact on what was being disclosed and how it was being disclosed. There was one outlier in regard to the amount of environmental disclosure. An interview with this Local Government was conducted to investigate whether there was a reason behind their high disclosure rate (53% of total annual report was based on the environment). The interview revealed a systematic bias, as the council had completed a large environmental project that year and the annual report was used as the communication medium to inform residents of the success of this project. Because of this systematic bias, the data from this council was not used in any statistical analysis. Other reasons given by councils, for providing environmental reports, included accountability, education and image management.

Research Implications

This paper found a focus on 'responses' and a lack of emphasis on the

'pressures' or the 'state' of the environment, demonstrating a possible need by local government regulating authorities, be it at a state or federal level, to implement mechanisms or frameworks that facilitate a balanced report. This would allow councils to focus on adequately identifying and then reporting the 'pressures' and 'state' of the environment. A review of the literature suggests that there is concern for the pressures being placed on the environment. The natural environment has many pressures being placed on it from a variety of sectors, both public and private.

Table 2: Expectancy Table Showing Relationships between Environmental Media and Urban and Rural Councils

		Urban	Rural	Total	Chi-square
Biodiversity	observed	170	298	468	38.288033
	expected	272.0624	195.9376		53.16353
Land	observed	222	94	316	7.9851299
	expected	183.7003	132.2997		11.087477
Water	observed	648	322	970	12.545864
	expected	563.89	406.11		17.420128
Air	observed	264	79	343	45.838863
	expected	199.3962	143.6038		221.61797
Sewerage	observed	252	251	503	5.5842454
	expected	292.409	210.591		7.7538118
Garbage	observed	422	271	693	0.9091879
	expected	402.8616	290.1384		1.2624216
Other	observed	264	79	343	20.931474
	expected	199.3962	143.6038		29.063678
					473.45182

The provision of adequate information across all environmental dimensions using relevant measures, including those derived from a 'pressure', 'state' and 'response' model, is necessary to facilitate a proper evaluation of environmental performance by local government.

Stakeholders and their degree of influence can be examined as an explanatory factor as to why differences occur in local council reports. Different communities could be interested in different environmental aspects that have an impact within their specific region. These could affect a council's disclosures within their annual reports (refer to Table 2). Urban councils report on land and water more frequently than expected compared with rural councils. Rural councils report on biodiversity more frequently than expected and when compared with urban councils. There is a possibility that urban stakeholders are more likely to be interested in land and water because of the quality and scarcity of both of these resources.

Conclusion

This research has extended the environmental and social accounting

literature by investigating environmental disclosure in the local government sector using a PSR modal. Existing research on social and environmental accounting has focused predominantly on corporations. Environmental impact however does not reside solely within the private sphere of organizations. It is also the responsibility of government at the Local, State and Federal levels. Research into environmental accounting needs to be extended into the public sector realm, so that the concept of accountability covers all organisations that have an environmental responsibility, not just those within the private sector.

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Ed: The paper indirectly raises the question of whether private sector and public sector motivations for environmental disclosure differ, when considering individual local government organisations. Local government institutions may have a greater social responsibility than private sector organisations, in which case macro approaches to environmental accounting, such as the PSR model, could have greater relevance, as assumed in this paper.

CONCEPTS AND INSTRUMENTS FOR FACING THE CHALLENGES OF CORPORATE SUSTAINABILITY MANAGEMENT

***Christian Herzig, Oliver Kleiber, Jan Müller, Stefan Schaltegger,* Centre for Sustainability Management, University of Lueneburg, Germany.**

Introduction

Over the last decade an increasing number of companies have introduced environmental management practices and crossed the threshold from viewing environmental and social issues as a technological problem to seeing them as an economic challenge and opportunity. Since then environmental protection and social management have been established as important management topics in countless business enterprises around the world. Numerous enterprises and industrial associations are coming to grips with the task of operationalising eco-efficiency, corporate sustainable development and corporate sustainability management. The vision of sustainable development embracing three dimensions – economic, ecological and social aspects – has become increasingly important, and at the same time its status has evolved from a theoretical, abstract vision to an increasingly tangible and concrete task. As a consequence *many different concepts and instruments of corporate sustainability management have been developed* over the last decade. This contribution summarizes a report (BMU & BDI 2002/2003/2005) which structures these tools in order to support managers in creating a sustainable corporation.

Corporate sustainability management can be described in both functional and institutional terms. From a functional point of view it is designed to steer ecological, social and economic impacts of business activities in such a way that an enterprise develops in the direction of sustainability. The aim is not only to ensure systematic management of social and ecological aspects using economic methods, but also their integration into the conventional business management process. From an institutional point of view, corporate sustainability management describes the group of actors and organisational structures within the business enterprise that are concerned with social and ecological aspects and their integration in the conventional process of operational management of business activities.

Apart from that, principal sustainability challenges can be identified that enterprises are faced with in the context of sustainability management. Sustainability management consists of the entrepreneurial task of successfully meeting the following four challenges (see Figure 1 and Schaltegger and Burritt 2005).

Challenges of sustainability management

Ecological challenge: The ecological challenge addresses the burdens that

economic activities place on ecosystems. Ecosystems can only be subjected to burdens up to a certain limit before long-term damage occurs (e.g. decline in biodiversity, anthropogenic greenhouse effects, etc.). The aim is to ensure long-term protection of the natural environment, safeguard its absorption capacity and power of regeneration, and conserve biodiversity. The ecological challenge consists in reducing the absolute environmental burden caused directly and indirectly by businesses, and hence in improving the ecological effectiveness of business activities.

Social challenge: The social challenge presents business with the task of improving the sum of its social impacts. Businesses are institutions embedded in society that depend on social acceptance. They have to take account of their social impacts on individuals, interest groups and society as a whole. The aim here is to improve social effectiveness and hence to reduce socially undesirable effects of the business and promote positive social effects. This increases the social acceptance of the business and thereby safeguards its social legitimation.

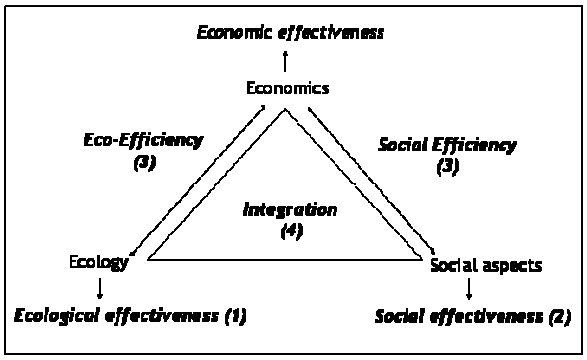

Figure 1. Challenges of sustainable management. (Source: BMU & BDI 2002)

Economic challenge to environmental and social management: Since profit-orientated businesses operating in a competitive context are established and run primarily for economic purposes, their environmental and social management is constantly confronted with the challenge of increasing the value of the business (shareholder value) and making a contribution to profit or at least minimising operating costs. The economic challenge to environmental and social management has two components: increasing eco-efficiency and improving social efficiency. Unlike the *absolute* challenges of ecological and social effectiveness, the focus in eco-efficiency and social efficiency is on improving the *ratio* of value added to ecological damage (environmental impact added by resource depletion, emissions, etc.), or of value added to social damage (social impact added by socially undesirable effects, lack of social equity, etc.). Thus, the ecological or social dimension is linked with the economic dimension that is at the centre of economic activity. In both cases it is a matter of optimising the ratio by reducing impact added and/or increasing value added.

Integration challenge: Finally, the integration challenge is derived from two different but related objectives leading to sustainability management. On the one hand there is the task of simultaneously fulfilling the first three challenges mentioned above. On the other hand there is a need for the integration of environmental and social management, with their concepts and instruments, in conventional, economically orientated management. At present, from an organisational point of view environmental and social aspects are often dealt with separately from economic management. This may lead to inadequate identification of both common factors and conflicts, and to

partial or total failure to address such issues. In contrast, the aim of sustainability management is an integrated approach to ecological, social and economic aspects.

The four sustainability challenges described above – which result from the vision of sustainable development – present businesses and their divisions, departments or units with a variety of new tasks. Depending on the specific corporate sector, different concepts and instruments are required to perform these tasks effectively and efficiently. In some cases they are adaptations of tried-and-tested management concepts and instruments, and many of them are constantly being brought into line with new developments and requirements. Some concepts and instruments have, however, been developed specifically to meet sustainability challenges. The large number of concepts and instruments existing today make it very difficult to obtain a clear overview – both for practitioners and for experts, thereby presenting a considerable obstacle to choice of the best possible solution for a specific task.

Guide on sustainability management

This lack of a clear overview was the starting point for a synoptic report by the Centre of Sustainability Management published in cooperation with the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the Federation of German Industries (BDI) (BMU & BDI 2002/2003/2005). The report on "Sustainability Management in Business Enterprises" is intended as a source of ideas for the senior management of small and medium enterprises (SMEs) and for people at all management levels in large enterprises who are beginning to tackle the challenges of corporate sustainable development. Specifically, the objectives of this report are to:

- describe the central challenges of sustainable development facing companies today,
- identify the main concepts and instruments that companies and their staff can use to meet the central sustainability challenges, and
- describe the concepts and instruments of sustainability management and outline their strengths and weaknesses.

The report provides, in alphabetical order, a structured overview of the most important concepts and instruments of corporate sustainability management. Some of the 46 concepts and instruments are already widely known and successfully used in practice. Other approaches, less well known to date, possess great potential for dealing with emerging new tasks. For each concept or instrument, an individual "fact sheet" gives a brief explanation of how it works, including a description of its strengths and weaknesses and its potential for meeting the sustainability challenges. The report also assigns the concepts and instruments to principal users and to the challenges confronting businesses in the context of sustainable development, i.e. the tools are systematised on the basis of two categories: the business units or main users and the four sustainability challenges. The principal users, i.e. the individual operating units, divisions or departments (e.g. purchasing, production, control, accounting and finance, marketing, etc.) are the most important addressees for this guide and the concepts and instruments it describes. Readers interested in more information on an individual concept or instrument can find literature on the subject and internet

addresses in the additional information at the end of each fact sheet.

Thai translation

The report was originally published in German and announced in the context of a large conference on "Sustainable Management. Challenges for the Business Development" in Berlin. At the initial launch of the report, more than 200 participants from companies, research institutes, associations, NGOs, etc. attended the conference conducted by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the Federation of German Industries (BDI). Because of a high demand from companies the report was published in a second edition and translated into English in 2003 to meet the requirements of multi-national companies.

Almost three years after that, the report has now been translated into Thai – hence, its relevance to APCEA members. In the context of the "International Symposium on Corporate Sustainability Management" held on 24-25 November 2005 in Bangkok, the Thai report was officially launched by H.E. Mr. Yongyut Tiyapairat, Minister of Natural Resources and Environment, Thailand, and by Prof. Dr. Stefan Schaltegger, Centre for Sustainability Management, University of Lueneburg, Germany. The translation of the report, mainly organized by the Asian Society for Environmental Protection and financially supported by InWEnt - Capacity Building International, Germany, encourages Thai companies to identify and realize the potential of sustainable business development, and enables them to apply various sustainability management tools. With its overview of instruments and concepts that are suitable for the implementation of sustainable development in business enterprises, it creates for the first time a compendium in the Thai language that places all three dimensions of sustainable development in a unified context. The aim in providing this report is to make a tangible contribution to the application and dissemination of practical approaches to sustainable business management in Thailand.

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ENVIRONMENT EXTRA !

CHINA: ENVIRONMENTAL ISSUES

China's gradual transition to a market economy, which has been proceeding for two decades, has put China among the world's fastest growing economies. While economic growth has increased incomes and improved health indicators, as well as reduced overall poverty levels, growth has

not been totally benign. Environmental pollution from coal combustion is damaging human health, air and water quality, agriculture and ultimately the economy.

New laws establishing comprehensive regulations have begun to curb this environmental damage. On the national level, policies are formulated by the State Environmental Protection Administration (SEPA) and approved by the State Council. The role of SEPA, which was established in 1998, is to disseminate national environmental policy and regulations, collect data and provide technological advice on both national and international environmental issues.

Despite government efforts, however, concentrations of most pollutants remain high. In June 2002, China enacted the *Cleaner Production Promotion Law*, which established demonstration programs for pollution remediation in ten major Chinese cities, and designated several river valleys as priority areas.

Air pollution

A report released in 1998 by the World Health Organization (WHO) noted that of the ten most polluted cities in the world, seven can be found in China. Sulfur dioxide and soot caused by coal combustion are two major air pollutants, resulting in the formation of acid rain, which now falls on about 30% of China's total land area. Industrial boilers and furnaces consume almost half of China's coal and are the largest single point sources of urban air pollution.

In an effort to reduce air pollution in Beijing, the municipal government in 1999 ordered city vehicles to convert to liquefied petroleum gas and natural gas. By 2002, Beijing had the largest fleet of natural gas buses in the world - a total of 1,630 vehicles. Subway and light rail systems in Beijing also are being expanded.

China's national legislature, through its model of "Cleaner Production" and other attempts to reduce air pollution, has significantly altered the *Law on the Prevention and Control of Air Pollution*, which was revised in 2002. However, a report issued by SEPA in June 2003 said officials were "still not optimistic" about the overall success of efforts to curb air pollution.

Energy Use and Carbon Emissions

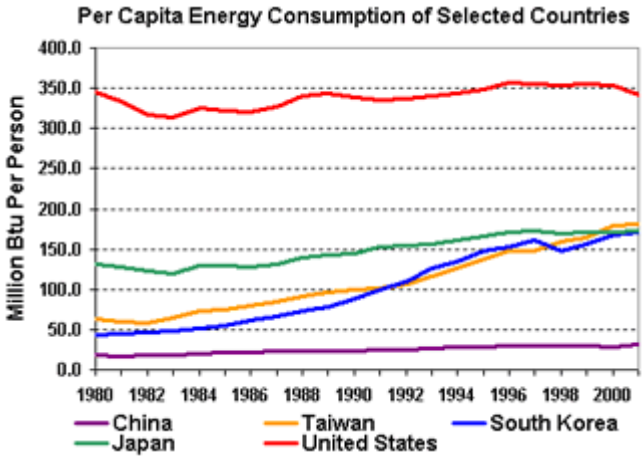
Outside of Japan, energy consumption in East Asia is dominated by one sector in one country - the industrial sector in China. Overall, China's energy consumption accounts for approximately 53% of East Asia's (excluding Japan) total energy consumption. In 2001, China accounted for 9.8% of world energy consumption. By 2025, projections indicate that China will be responsible for approximately 14.2% of world energy consumption.

Of the 39.7 quadrillion Btu of total primary energy consumed in China in 2001, 63.4% was coal, 25.8% was oil, 6.9% hydroelectricity, and 3.1% natural gas. While residential consumption has increased its share of China's energy demand over the last decade, the largest absolute gains in consumption were from the industrial sector.

With 12.7% of the world's total, China is the second largest emitter of energy-related carbon dioxide emissions after the United States. China's share of world carbon emissions is expected to increase in coming years, reaching 17.8% by 2025. Carbon mitigation strategies are focusing on technologies to reduce emissions from industrial boilers and motors. Other

mitigation efforts emphasize improving Chinese vehicles' efficiency. Estimates suggest that transportation sector energy consumption could grow by nearly 7% per year as the government pledges major investments in the country's transportation infrastructure. If this growth is not accompanied by improvements in vehicular fuel-efficiency standards and a replacement of outdated technology, carbon emissions from the transportation sector will grow significantly.

Overall, total Chinese energy-related carbon emissions more than doubled since 1980, when the government began implementing energy conservation laws. One study attempting to determine the causes of this increase concluded that China's decrease in energy intensity since 1980 has not been sufficient to counterbalance the large increase in emissions caused by economic and population growth. Increased energy demand has encouraged China to accelerate the development of cleaner fuels such as

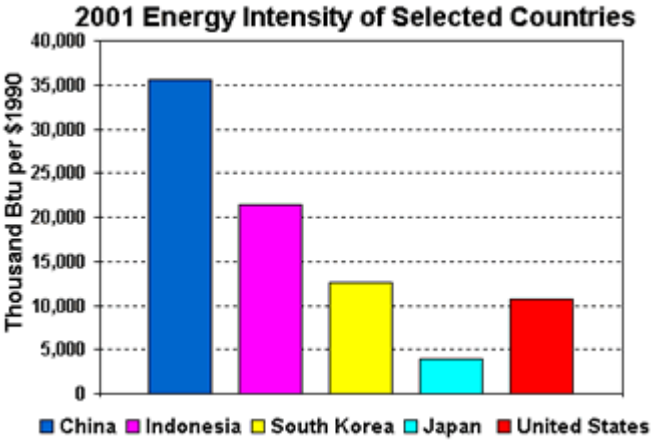


natural gas, coalbed methane and hydropower. Current efforts by China to offset coal consumption include the development of natural gas and coalbed methane infrastructure, increasing the number of combined heat and power plants, adding approximately 3,000 megawatts (MW) of hydropower annually, and developing renewable energy resources such as wind and photovoltaics for electricity generation.

China is a non-Annex I country under the United Nations Framework Convention on Climate Change, meaning it has not agreed to binding emissions reductions in the Kyoto Protocol, which it ratified in August 2002. China's domestic greenhouse-gas reduction activities are based on "no-regrets" strategies in energy efficiency and conservation, clean energy supply and reforestation. In other words, policies are enacted to cut energy costs and reduce local pollution, while having the auxiliary benefit of reducing carbon emissions.

Energy and Carbon Intensity

Unlike other developing countries such as India, South Korea and Brazil, both the amount of energy and carbon consumed per dollar of GDP have decreased dramatically in China over the past two decades. With average annual GDP growth rates around 7-8% over the last decade and energy consumption growth rates somewhat lower, China has been reducing its energy intensity. This is in large part a result of



efforts by the Chinese government to conserve energy, and the adoption of more modern industrial plant equipment. China's

Energy Conservation Law entered into force on January 1, 1998. Further efforts by the government to increase overall energy efficiency have included the reduction of coal and petroleum subsidies. Coal consumption is again rising, however, after declining in the late 1990s, and China's energy intensity increased slightly in 2001. At the same time, the government has promoted a shift towards less energy intensive services and higher value-added products, as well as encouraged the import of energy intensive products.

Per Capita Energy Consumption

While China ranks second in the world behind the United States in total energy consumption and carbon emissions, its per capita energy consumption and carbon emissions are much lower than the world average. In 2001, the United States had a per capita energy consumption of 341.8 million Btu, greater than 5.2 times the world's per capita energy consumption and slightly over 11 times China's per capita consumption. Per capita carbon emissions are similar to energy consumption patterns, with the United States emitting 5.5 metric tons of carbon per person, the world on average 1.1 metric tons, and China 0.6 metric tons of carbon per person. With a growing economy and increasing living standards, however, per capita energy use and carbon emissions are expected to rise. It is important to emphasize that while per capita energy use is relatively low, overall Chinese consumption of energy and the resultant carbon emissions are substantial, due to the country's large population and heavy use of coal.

Renewable Energy

After coal, renewables (including hydroelectricity) account for the second largest share, 18.6% in 2001, of China's electricity generation. With assistance from the United Nations and the United States, China hopes to embark on a multi-million dollar renewable energy strategy to combat pollution. Wind resources are concentrated in the northern and western regions of China, as well as along the coast, and are suitable for both rural village electrification and large-scale, grid-connected electricity production. The highest wind potential in China lies along the coast and the offshore islands, in or near many of the major population centres. The next highest wind potential region covers Inner Mongolia and the northern Gansu Province, both of which are home to numerous villages with no access at present to grid-based electricity.

Current utilization of solar energy includes small-scale uses, such as household consumption, television relays and communications. Solar energy consumption is, however, increasing steadily. Specifically, the number of solar kitchen ranges is climbing steadily, a significant fact when one considers that air pollution caused by indoor coal burning adversely affects the natural environment and detrimental to human health.

While solar and wind power provide significant renewable energy potential, China's growth in renewables will in the next decade will be dominated by hydropower, particularly with completion of the 18.2-gigawatt Three Gorges Dam project in 2009. Although the Three Gorges Dam is seen as both an important source of energy for China's growing electricity consumption needs and a means of taming the Yangtze River, notorious for its disastrous floods, the controversial dam also could prove to be an environmental disaster. Thus far, few attempts have been made to address concerns regarding the accumulation of toxic materials and other pollutants from

industrial sites that will be inundated after construction of the dam.

By 2025, the share of nuclear power used for China's electricity generation is expected to increase to 4% from the little over than 1% currently.

China Entering the 21st Century

There are many factors influencing future energy consumption and carbon emissions, including population growth, economic development, industrial structure changes, technological progress and a shift in the energy mix. China is a developing country in its industrialization stage. With economic development, population growth and higher living standards, the amount of primary energy consumed will almost undoubtedly increase in the future, as will the resultant carbon emissions. These absolute increases will occur despite continued technological improvements and reductions in energy intensity.

China has introduced bold initiatives to cut back on coal use. In an effort to encourage a switch to cleaner burning fuels, the government has introduced a tax on high-sulphur coals, and in Beijing, officials aiming to phase out coal from the city centre have established 40 "coal-free zones," and have made plans to construct natural gas pipelines. Similar efforts are taking place in other major Chinese cities. A system of emissions trading for sulphur dioxide, similar to that used in the United States, is being tested in some cites with pilot projects, and may eventually be applied nationwide.

One of China's main priorities as it enters the 21st century is developing and utilizing technologies to solve the major environmental challenges it is currently facing and will face in the future. These efforts are focused on technologies that will treat wastewater, prevent air pollution and improve environmental monitoring systems. There are a number of policies that the State Environmental Protection Administration is considering. Adopting the "polluter pays" principle, and allowing for accumulation of funds for pollution abatement are currently policies being enacted. Ensuring that fees charged on pollutants are higher than abatement costs and strengthening existing laws, which are not strongly enforced and impose only small fines on pollutant emissions exceeding the legal limit, also are being considered.

Future Chinese environmental initiatives also may include formulating a tax structure beneficial to environmental protection, and granting preferential loans and subsidies to enterprises that construct and operate pollution treatment facilities or produce environmentally friendly products.

Source: US Department of the Environment, July 2003, http://www.eia.doe.gov/emeu/cabs/chinaenv.html

JAPANESE RETAILERS TO CHARGE FOR PLASTIC BAGS

Retailers in Japan will receive warnings or have their names publicized if they fail to reduce the number of plastic shopping bags through such measures as charging customers, reports the *Asahi Shimbun* (January 25). Under the government's plan to revise the Containers and Packaging Recycling Law, retailers, such as supermarket operators, will be required to submit a report on their efforts to reduce the number of shopping bags, which are increasingly becoming an environmental hazard. Companies will not be required to charge fees for the bags, but the measure will be included in guidelines for retailers on

how to reduce the estimated 30 billion plastic bags circulating for free annually. If the reduction in a retailer's report is insufficient, the government will issue a warning to improve the situation, or disclose the retailer's name to the public.

Experts say a charge of 5 yen a bag would make a significant difference. The final draft report was compiled by the Industrial Structure Council commissioned by the Ministry of Economy, Trade and Industry, and the Central Environmental Council under the Environment Ministry, in a joint panel meeting. After gathering public opinions, the two ministries intend to submit a bill to revise the recycling law to the current Diet (parliament) session and implement the revision in fiscal 2007.

Municipal governments have long been asking the central government to reduce their financial burden in sorting and collecting discarded containers and packaging materials, saying the total cost reaches 300 billion yen a year.

Source: *CSR Asia Weekly* 2[5] p.2.

IS CORPORATE SOCIAL RESPONSIBILITY A COST TO INVESTORS?

In the last edition of the *APCEA Journal* it was reported that the British Chancellor was to drop plans to require companies to include a section on corporate and social responsibility in their annual reports. The *Daily Telegraph* in the UK on 2 February 2006 filed a note entitled 'Do-gooders feel the pinch as business and profit mix badly.'

They report that Professor Chris Brooks of Cass Business School, Stephen Brammer of Bath University and Stephen Pavelin of Reading University conducted a study, regarded as the first in the UK, to examine the relationship between corporate social performance and stock returns.

Brooks and Brammer find that companies displaying a social conscience with ethically-based investments are delivering a poorer return than businesses following a conventional and less risky approach. They conducted research into 451 companies in the FTSE All-Share index. The results showed that the average return for the least socially responsible companies was 24 per cent higher than for the most ethically minded businesses and 17 per cent higher than the average for the market. This could be an indication of immaturity in the ethical investment market in the UK, in comparison with, say, the USA where the US Social Investment Forum claims more than 10 per cent of all equity investment is managed under socially responsible guidelines.

According to the *Daily Telegraph* Brooks and Brammer used a sophisticated series of tests to arrive at their conclusion, widening the coverage beyond the simple, traditional criteria of shunning tobacco and defence-based businesses. Disaggregated social performance indicators for environment, employment and community activities helped the researchers produce a closer evaluation of the interactions between social and financial performance than would have been the case on an aggregated measure.

They feel the findings may be more attributable to the stock selection process rather than the investment principle. Professor Brooks said: "Our research suggests that ethical fund underperformance may be the result of bad stocks rather than bad fund managers."

Companies engaging in ethical investment are not identified in the published report, but it says the case for "enhanced corporate

social responsibility leading to enhanced returns appears to be refuted." This is, of course, a matter for further academic debate and research.

The results, researchers say, showed that none of the corporate social responsibility indicators related positively to stock returns. The worst-performing stocks on social responsibility grounds turned out to be the best performers in terms of returns. Some of the indicators, such as the environment or employment measures, had a considerable negative impact.

In a somewhat ironic twist the authors are said to claim that CSR is still worth considering if you are investor. Look for the firms with the lowest CSR scores and invest in them as they generate the highest returns.

The researchers believe rival studies have struggled to produce meaningful results because they have compared the performance of ethical with non-ethical funds, and this may confuse corporate social performance with fund manager performance, where managers of smaller funds, perhaps with less experience, choose to investment in CSR stocks.

Brooks and Brammer, in contrast, used data at the individual stock level rather than fund level to remove the impact of manager performance. Because of the wide differences in returns between socially responsible and "socially reprehensible" companies is so wide and cannot be explained by standard risk models, the team turned its attention to behavioural explanations.

This report comes hot on the heels of the British Chancellor deciding not to proceed with the social reporting requirements for UK companies. In another twist, however, the Chancellor's action seems to have seems to have raised the potential for an EU initiative as noted in the following item, which may have an eventual flow through effect into the Asia Pacific region.

CHANCELLOR'S OFR U-TURN PUTS EU DIRECTIVE BACK ON CORPORATE AGENDA.

Gordon Brown's sudden and surprising decision to backtrack on the OFR still leaves all large and medium sized companies with the need to comply with the EU Accounts Modernisation Directive which came into effect for year ends commencing after the first of January 2005. Nigel Youell, Marketing Director, Hyperion, told FSN, "When the dust has settled on the OFR, companies will begin to realise that most of the requirements remain."

Whilst all organisations wish to avoid the unnecessary burden of compliance and reporting, the way in which Chancellor Gordon Brown abandoned the OFR has left many commentators, industry groups and professional bodies dismayed and annoyed. After all, the consultation period around the introduction of the mandatory OFR had been very lengthy. The DTI has spent approximately 2 years persuading industry and professional bodies of the need for more complete, accurate and transparent disclosures to protect the interests of shareholders and most recently, again after extensive consultation, DEFRA had released comprehensive guidelines on the reporting of environmental Key Performance Indicators. In addition, the Accounting Standards Board (ASB) put months of effort in parallel into constructing a completely new reporting standard (RS1) to be used in conjunction with the amended 1985 Companies Act. Ernst & Young is just one of the parties that has pointed to the huge waste of time, estimating that around 30 to

40 percent of quoted companies were already conducting trial runs of OFRs before they were due to go live next year.

There is no doubt that the OFR was a uniquely British interpretation of the EU Directives (an amalgamation of the 4th and 7th Directives as adjusted) and went further than the strict requirements laid down for member states - the so called gold plating of EU directives. Therefore, it follows that the removal of the thin layer of gold plate exposes the raw EC Directive.

Robert Hodgkinson, technical director at the Institute of Chartered Accountants (ICAEW) told FSN, "I was shocked by the announcement and this move is going to require a great deal of reflection. For example we are going to have to consider the realignment of the reporting standard to the EU Accounts Modernisation Directive. This sudden decision has created a lot of uncertainty and the need for re-engineering the work that has been completed."

Nigel Youell, Marketing Director, Hyperion, told FSN, "We are in the business of promoting and enabling best practice reporting and like many of our large quoted customers we have been preparing for the OFR for several months and providing thought leadership in this area. We are very surprised by the suddenness of the government's U-turn on the OFR, particularly as we have shown that the requirements are not too difficult to implement with modern day performance management systems and processes."

"We are concerned that the OFR debate has masked the current requirement to consider the reporting of financial and non-financial KPI's as part of the EC Accounts Modernisation Directive, which ironically affects all large companies in EC member States and not just quoted companies. When the dust has settled on the OFR, companies will begin to realise that most of the requirements remain."

Richard Mattison, Head of Strategic Planning at Trucost plc, the environmental consultancy that advised the DEFRA on the interpretation of the environmental aspects of the OFR told FSN of the widespread confusion created by the abandonment of the OFR with many organisations not realising that they still have to comply with the EU Accounts Modernisation Directive.

He told FSN, "We were very surprised by the Chancellor's decision, particularly as most people thought that the OFR and the ASB's standard struck the right balance. However we have had a large number of companies asking us about the implications of scraping of the legislation, not realising the EC Directives still apply."

"We have done a point by point comparison of the OFR and EU Directives and found that companies still need to give a balanced and comprehensive analysis of their performance during the financial year and at the end of the year. They are also required, where necessary, to provide an analysis using Key Performance Indicators, including non financial KPIs relating to environmental and employee matters."

"In effect, the legislation without the OFR is almost as weighty, the key difference is that there is no need to report on current trends and factors affecting future performance," he added.

If the Chancellor's motive in reversing the OFR was intended to remove red-tape and reduce the compliance burden then it has had little practical effect. It has caused a large number of organisations and companies to waste resources, effort and money at a time when they can least afford

it. More seriously, it has undermined well intentioned efforts to improve the transparency of reporting to shareholders and a wide range of other stakeholders.

For all of the ambiguity surrounding the OFR it was widely regarded as a step forward and an area in which the UK had taken the lead. For many, including the Financial Reporting Council, (FRC), the Reporting Standard (RS1) remains the most up to date record of reporting best practice which some companies will undoubtedly follow voluntarily, irrespective of the statutory position. Far from bringing the OFR debate to a close, the Chancellor's rash decision has stoked a debate that will rage for some months to come.

5th December 2005

Source: BSN: Business System News for Finance and IT Professionals at http://www.fsn.co.uk/channel_financial_reporting/chancellors_ofr_u_turn_puts_eu_directive_back_on_corporate_agenda.htm.

ONLY 9% OF UK COMPANIES ARE AWARE THAT THEIR ENVIRONMENTAL REPORTING OBLIGATIONS CONTINUE DESPITE THE OFR BEING ABANDONED

Trucost Press Release

December 9, 2005

Despite the Government recently abandoning the OFR, many companies in the UK and throughout the EU will still need to meet broadly similar environmental reporting requirements under the EU Accounts Modernisation Directive (AMD). Very few companies are aware of the reporting requirement contained in this Directive. Indeed Trucost conducted a survey to determine how many UK listed companies knew about their obligations to the AMD, during the week that the OFR was abolished, and the results were conclusive.

Simon Thomas, chief executive of Trucost, says: "Trucost has spoken to 161 listed UK companies and found that only 9% of those companies had heard of the EU Accounts Modernisation Directive. The comprehensive publicity and consultation surrounding the now abandoned OFR has led to a situation in the UK where few companies are aware of the underlying EU Directive that the OFR sought to implement. But the EU Directive hasn't gone away. We spoke to our contacts (mostly Company Secretaries) within companies who were dealing with the OFR, so they are experts on reporting. A significant communications exercise needs to be undertaken to ensure that companies have sufficient understanding of current environmental reporting obligations."

The main difference is that the OFR required a discussion of future prospects and encouraged the inclusion of broad social and community issues. Simon Thomas, chief executive of Trucost, says: "I hope that the removal of the requirement to make forward-looking statements without 'safe harbour' provisions will make it easier for more companies to report openly and transparently on material environmental issues in line with the existing AMD requirements." The focus on environment and employee issues, rather than broader social and community issues, lends itself better to quantitative reporting based on KPIs.

Source: http://www.asria.org/news/press/1134375201 accessed on 20.1.06

KOREA: THE COST OF AGENT ORANGE TO CHEMICAL COMPANIES

The Seoul High Court has ruled that U.S. chemical companies Dow Chemical and Monsanto must pay 6,795 Korean Vietnam veterans a total of 63 billion won ($63 million) in compensation for illnesses triggered by the use of Agent Orange, reports the *JoongAng Daily* (January 27).

"There is a high possibility that the plaintiffs, who were in Vietnam between 1965 and 1973, were exposed to the toxic chemical," the court said. "We acknowledged the need for compensation for those who suffered 11 diseases that are the aftermath of exposure to Agent Orange, such as lymphatic gland cancer and larynx cancer."

Agent Orange is a colourless liquid herbicide that contains toxins thousand of times stronger than arsenic, and is known to cause hormonal changes in human beings that can trigger cancer, infertility, and birth defects. The chemicals were sprayed from the air and the ground to remove foliage and reveal enemy positions and tunnel entrances.

Around 200,000 people in the United States, Australia and other countries filed a multimillion dollar lawsuit against eight chemical companies in 1984. The case was later settled out of court but Korean veterans were not included in that settlement and claim they did not know about the case at all until Roh Tae-woo, the last of Korea's military presidents, left office in the late 1980s. They have been seeking compensation since. In 1999, 20,600 people filed the suit against Dow Chemical and Monsanto, charging that three Korean military units had been doused with the herbicide, leading to ailments of their own and of their children. A district court threw out the case in 2002, saying that the statute of limitations had expired. Korean law has a 10-year clock for such cases beginning at the time victims were exposed to hazards or a three-year limit from the time a victim became aware that he had been affected.

The case was subsequently brought before the High Court. Both chemical companies said in a joint statement they would appeal. Meanwhile, government officials in Vietnam hailed the ruling and said they hoped it would serve as a catalyst for an appeal to a similar suit filed by some 4 million Vietnamese in a U.S. federal court, which was dismissed after a judge ruled plaintiffs could not prove the defoliant had caused their illnesses and that the use of such chemicals did not constitute war crimes.

Source: *CSR Asia Weekly* 2[5] p.4.

[Ed] The seemingly unending liability for activities undertaken by corporations in the public eye over Agent Orange drives home the importance of accounting in advance for the long term social and environmental implications of products placed in the market, be it through the military industrial complex, the intermediate markets, or through normal retail outlets to consumers.

UK DEPARTMENT OF TRADE AND INDUSTRY (DTI) DELAYS IMPLEMENTATION OF WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT DIRECTIVE

For the third time in less than 12 months, the DTI has delayed implementation of producer responsibility obligations for waste electrical and electronic equipment (WEEE).

The WEEE Directive requires producers to pay for treatment and recycling or recovery of all WEEE products. Retailers have an obligation to offer take-back services to householders and will be providing a network of collection facilities where consumers can take back their WEEE for it to be collected separately from other municipal waste.

Its decision to “review progress” will do little to encourage investment in new WEEE collection and recovery infrastructure or the development of markets for recycled materials.

In announcing the review, Malcolm Wicks said: "This Government is firmly committed to sustainable development and recognises that effective implementation of the WEEE directive has a key role to play in achieving this goal.

"The Directive is challenging and effective implementation of its obligations requires a lot of planning and preparation - it is vital that the producers, retailers and the waste industry together with Government have the appropriate plans, infrastructure and regulations in place. We have listened to the concerns expressed by both the business community and other stakeholders over the implementation process and have decided that more time is needed to get the implementation right. Although any further delay is regrettable, this will ultimately deliver far greater environmental benefits.

"My officials will be working closely with colleagues from DEFRA and the Environment Agency which will form the basis for a formal consultation on draft regulations and guidance in the Spring."

Liz Parkes, Head of Waste Regulation, Environment Agency said: "Whilst we are keen to see producer responsibility implemented for WEEE, we want to be confident that it will deliver real benefits for the environment. We welcome DTI's announcement and will be supporting the policy review to ensure that implementation imposes the minimum regulatory burden for all concerned."

The WEEE Directive aims to address the environmental impact of electrical and electronic equipment (EEE) and to promote its separate collection when it becomes waste (WEEE). WEEE is a priority waste stream for the EU because of its growing volume in the municipal waste stream and its potential hazardousness following disposal.

The Directive introduces producer responsibility for waste electrical and electronic equipment (WEEE). Producers will have to finance treatment and recycling/recovery of separately collected WEEE in the UK to specified treatment standards and recycling/recovery targets. Retailers have an obligation to offer take-back services to householders.

The Government recognises that this has implications for the burdens placed on Local Authorities to dispose of separately collected WEEE. We announced previously that DTI would meet Local Authority New Burdens costs in the light of Ministerial decisions to defer the WEEE implementation. Specifically, we have said that DTI will meet any costs to Local Authorities of arranging the treatments required for any televisions and PC monitors containing cathode ray tubes and fluorescent lamps which they collect separately (rendering these "hazardous") and sent to a hazardous waste landfill, in advance of the WEEE Regulations introducing producer responsibility for these costs, i.e. where local authorities have chosen to collect

separately these categories of WEEE in the absence of any legislative requirement at this stage.

We have already agreed with Local Authorities that payment for costs incurred in 2005/06 will be included in the annual settlement figure for 2006/07. We will continue to work with Local Authorities to establish the costs associated with the decision to undertake this review.

Additional regulations - WEEE Permitting regulations - are to be made by DEFRA, together with guidance on treatment operations. The Regulations will come into force alongside the producer responsibility requirements of the DTI WEEE regulations and will introduce the treatment permitting requirements of the WEEE Directive.

The DTI gave no indication of when it expects "producers" – manufacturers and importers – will have to register with the Environment Agencies. Nor did it explain the reasons for the delay.

One reason could be delay in establishing a UK-wide network of WEEE collection facilities at civic amenity sites and other premises. Other reasons could be disagreement about how to allocate WEEE collections to the different compliance schemes, and whether to impose a mandatory "visible fee" on product sales to cover recycling costs.

Sources: UK Department of Trade and Industry, 7th Floor, 1 Victoria Street, London SW1H 0ET
Public Enquiries +44 (0)20 7215 5000
Textphone +44 (0)20 7215 6740
(for those with hearing impairment)
http://www.dti.gov.uk and *ENDS REPORT* 15 December 2005.

CONFERENCE ON REDUCING GREENHOUSE GAS EMISSIONS FROM AVIATION

On 21st November, Green Budget Germany organised a one-day conference on the taxation of aviation in a joint venture with eftec, Economics for the Environment Consultancy Ltd., and sponsored by the Anglo-German Foundation. Environmental impacts of aviation are under-researched and Green Budget Germany draws attention to a rich area for study.

This one-day conference aimed to evaluate alternative policy options for the reduction of GHG emissions from aviation, the fastest growing source of GHG transport emissions in the European Union, in the context of booming low-cost airlines, airport expansion and construction, unprecedented growth in flight numbers and increased air traffic congestion. The conference brought together policy makers, industry representatives, NGOs and researchers to discuss methodologies and applied case studies of emissions control policy using different economic instruments. This gathering of stakeholders proved to be a very timely opportunity to contribute to and assess the objective of the UK's EU Presidency of advancing the inclusion of the aviation sector in the EU Emissions Trading Scheme.

An introductory presentation by GBG President Dr. Anselm Görres highlighted the underlying problem motivating the conference – the low levels of taxation on aviation, particularly in view of the high levels of environmental damage aviation emissions cause per passenger – and warned that this trend must be broken to prevent aviation emissions increasing significantly. The presentation also proposed the implementation of a series of domestic fiscal measures in Germany – air passenger duty,

kerosene tax, VAT on international flights and reduction of tax support mechanisms – to avoid projected VAT increases.

Chris Dodwell of DEFRA then presented the UK's case for the inclusion of aviation in the European Union's Emissions Trading Scheme (ETS) from 2008, focussing on the practical advantages of the policy and the UK's role as a driving force in the realisation of this goal. A legislative proposal on the inclusion of aviation within the ETS can be expected by the end of 2006. He noted that DEFRA was wary of the creation of perverse incentives, should a kerosene tax be introduced.

Kai Schlegelmilch of the German Environment Ministry argued in favour of ending the preferential treatment of aviation by introducing taxes on aviation, emphasising the importance of removing competitive distortions in the transport market. While acknowledging that policy makers face significant practical problems when implementing a kerosene tax internationally, he cited several successful examples of domestic kerosene taxation, including the Netherlands, Norway and some US states. In the light of these unilateral measures, he called on individual states to take action to charge VAT on international flights, levy kerosene tax on domestic flights, and introduce air passenger duty. Concluding, he sees a role for taxation, in particular for domestic flights, and emissions trading for especially for international flights, but for domestic flights as well.

Nils Ladefoged from the European Commission's Directorate General for the Environment outlined a number of fiscal measures currently targeting aviation emissions within the EU, e.g. research into greener aircraft. While acknowledging that ETR and ETS are equivalent in principle, he stressed several advantages of ETS: emissions reductions are known in advance; it is more economically efficient due to interplay with other sectors; the ICAO has endorsed the inclusion of aviation; and finally, the ETS is popular on the international stage, is less likely to be challenged in international law and only requires qualified majority voting in the EU.

Andy Kershaw, Climate Change Manager at British Airways, showed that the aviation industry was open to inclusion within the ETS and favoured the centralised allocation of certificates free of charge by benchmarking, so as not to discriminate against the sector. British Airways is very much opposed to kerosene taxation, which they claim would have a detrimental impact on the industry's growth and cost consumers £50 billion annually.

The position of Ian Dickie, Senior Economist for the RSPB, was similar to that of Green Budget Germany. He argued in favour of putting an end to the favourable tax treatment currently enjoyed by the aviation industry and including aviation within the ETS, as well as introducing interim tax measures, e.g. increasing APD. The NGO emphasised that the industry must be taxed and/or regulated in proportion to other resources and its externalities.

Nils-Axel Braathen of the OECD Environment Directorate presented a case study of the Norwegian domestic kerosene tax. The tax was set at a relatively low level and had some effect on ticket prices but little effect on demand, and thus little environmental impact. Initially low tax rates may facilitate implementation of domestic tax, which often faces considerable opposition. Indeed in this case, the tax could

be introduced because other charges were lowered as compensation.

Coen Peelen of the Dutch Ministry for the Environment presented the case study of the Netherlands, which withdrew the exemption of kerosene from excise duties on 1st January 2005. Although the measure covered only purely domestic flights in the Netherlands and predicted revenue will not be raised, the legislation was of symbolic importance and highlights the theoretical advantages of a tax: creation of a more level playing field between modalities, and a regulatory effect on supply and demand, as well as on GHG emissions. What is more, a helicopter company did not launch a helicopter taxi business as a result of the tax.

Steve Lowe of MVA outlined the modelling system AERO, which analyses the environmental and economic impacts of policy measures to reduce aircraft emissions. The model showed that the inclusion of aviation within the ETS was by far the most efficient method of reducing emissions, although it also predicted that most of these emissions reductions would be purchased from other sectors, as it is more cost effective to reduce emissions elsewhere than in the aviation sector. Clearly, the policy implications of this conclusion are manifold and merit heated discussion!

Pertinent questions posed by the audience in the last session facilitated an in-depth discussion in which emissions trading came up trumps on the list of almost everybody's preferences for the mitigation of greenhouse gas emissions from aviation. Perhaps the single most important reason for this agreement was the political palatability of emissions trading, which has the support of stakeholders, is realistic in terms of implementation, and can be 'sold' to the general public as an unquestionably environmental measure. Green Budget Germany and the other NGOs present were certainly agreed that this alone would not be sufficient to remove distortions from the market, calling for domestic kerosene taxation and removal of tax relief for aviation as well.

Conference participants included representatives from industry – British Airways, Ryanair, Rolls Royce plc., BAA, and the European Regions Airline Association. All relevant UK ministries were represented – HM Revenue and Customs, the Department of Transport, the Department of Trade and Industry, and the Environment Ministry defra – as well as local government bodies, academic institutions, think tanks, transport consultancies, and NGOs.

Source: Green Budget Germany (Gbg) Förderverein Ökologische Steuerreform E.V. at http://www.foes.de/GBNnews14/2artikel2.html

Conference presentations can be downloaded at: http://www.eco-tax.info/3events/London-aviation-conf.html

[Jacqueline Cottrell, GBG, 7. December 2005]

FORTHCOMING CONFERENCE

A-CSEAR 2006 NEW ZEALAND

18th International Conference on Social and Environmental Accounting Research (5th Australasian CSEAR Conference)

Wellington, 22-24 November 2006*

Since 2001, an Australian university has organised the annual Australasian Conference on Social and Environmental Accounting Research (paralleling the longstanding annual Centre for Social and Environmental Accounting Research (CSEAR) conferences, often referred to as Summer Schools, held in Scotland). The next Australasian Conference will be held in November 2006 in Wellington, New Zealand.

CSEAR 2006 will be hosted by the School of Accounting and Commercial Law, Victoria University of Wellington. The Conference's plenary speakers will include:

- Professor Carol Adams (La Trobe University, Australia)
- Professor Amanda Ball (University of Canterbury, New Zealand) and
- Professor Jan Bebbington (St Andrews University, Scotland).

The Conference is a deliberately informal gathering of researchers, teachers, students, and practitioners concerned with research, teaching and practice in social and environmental accounting in the very widest sense. Normally limited to a maximum of around 40 delegates, the emphasis is on a high level of interaction, discussion and debate in a friendly, supportive and relaxed atmosphere. Attendees at the Conference include academics, practitioners, and doctoral students at all levels of experience, and involved with all aspects of social, environmental and sustainability accounting, reporting, theory and practice.

Arrangements are yet to be finalised but it is envisaged that the Conference will follow the format of previous years. Further details from the Organising Committee will be available in due course.

RESERVE CSEAR 2006 IN YOUR DIARY NOW! 22-24 November 2006

For further enquiries, please contact:

Conference Administrator:
Vanessa Borg, Victoria University of Wellington
Email: Vanessa.Borg@vuw.ac.nz

Conference Chair:
Associate Professor Judy Brown, Victoria University of Wellington
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***Please note: The Conference dates have been changed from the originally scheduled dates of 15-17 November 2006 advertised in the September 2005 issue of the *Social and Environmental Accounting Journal*.**

NEW APCEA BRANCH – APCEA (XIAMEN, CHINA)

On 3 March 2006 the Director of the Center for Accounting Studies of Xiamen University, China, signed a Letter of Agreement to establish a new branch of APCEA, to be known as APCEA (Xiamen, China) branch. We welcome the members of APCEA (Xiamen, China) branch to the APCEA network and look forward to hearing further about developments in China. A key member of the new branch is Associate Professor Hua Xiao from the School of Management, Xiamen University, China. Hua has kindly agreed to be co-editor of the APCEA Journal during 2006.