



NEWS JOURNAL OF THE ASIA PACIFIC CENTRE FOR ENVIRONMENTAL ACCOUNTABILITY

VOLUME 6, NO. 2, JUNE 2000

Contents	Page No.
Editorial	2
Feature Articles	
Irish Economic Growth and its Impact on the Environment: The Implications for Irish Environmental Reporting Practice <i>Brendan O'Dwyer</i>	3
Cyanide spills - Aurul S. A. – good news and bad news <i>Roger Burritt</i>	9
Green Indexes: A New Benchmark in Social and Environmental Performance <i>Lorne Cummings</i>	11
Victorian Government Inquiry into Environmental Accounting and Reporting <i>Roger Burritt</i>	14
WWF Environmental Report Scorecard <i>Roger Martin</i>	17
Regular Features	
Environment Extra!	18

*Published with the assistance of the Department of Accounting and Finance,
Macquarie University, Sydney, Australia*

Sponsored by the Tasmanian Division of the Australian Society of Certified Practising Accountants

Copyright, June 2000
ISSN 1442-1224

EDITORIAL

Welcome to the second edition of the APCEA News Journal for 2000. Readers are reminded that past editions of the journals are now freely available for download at our APCEA website at

<http://www.accg.mq.edu.au/apcea/index.html>

In this edition the first article by Dr Brendan O'Dwyer of Dublin City University discusses the role that Irish Economic Growth has played in the level of Environmental Reporting practice, and how economic change has forced companies to examine the structure and content of their annual reports with respect to environmental information.

The second article by Roger Burritt provides an update on the Cyanide Spill by Aural S.A. and the legal action now being taken against the company.

In the third article I examine the recent establishment of an Environmental Sustainability Index in the United States, and the proposed introduction of a similar index here in Australia early next year, and what it means for the whole concept of Ethical Investment.

Roger Burritt then reports on the Victorian Government Inquiry into Environmental Accounting and Reporting, and the issues that were raised during the inquiry, and the current proposals outlined for the greater incorporation of environmental information in corporate accounts.

In our final article, Roger Martin reports on the World Wildlife Fund's (WWF) Environmental Report Scorecard, which provides an assessment of the quality of environmental reports by the Australian mining industry. As usual, our environmental extra section provides short information on recent environmental events, including interesting links to webpages and reports.

If any readers wish to contribute articles of news of any environment-related activities, please feel free to contact me at:

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IRISH ECONOMIC GROWTH AND ITS IMPACT ON THE ENVIRONMENT: THE IMPLICATIONS FOR IRISH ENVIRONMENTAL REPORTING PRACTICE

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This article discusses how recent economic changes in Ireland¹ possess the potential to impact on both corporate environmental practices and reporting. Recent rapid economic development has posed an increased threat to Ireland's heretofore relatively protected environment. Furthermore, research investigating environmental reporting in this context indicates that up to this recent economic growth, companies had failed to engage consistently in accounting for their environmental impacts.

The Impact of Rapid Irish Economic Growth on the Environment

The international environmental protection movement has been of substantial benefit to Ireland's environment to date in that it appeared just in time to allow the country to avoid some of the worst excesses of its European neighbours (Yearley, 1995). In Ireland, environmental issues relating to business have tended to concentrate primarily on the business of farming, with farming pollution becoming an issue in the late 1980s (Hussey, 1992). Early concerns with industry-induced environmental damage came from small and local based groups often protesting against state agencies and powerful industrial interests who were promoting foreign investment in Ireland. Initial environmental protest was

¹ Reference to 'Ireland' refers to the 'Republic of Ireland' throughout this article.

directed at industrial pollution or associated mining and dumping and targeted to a large extent on the foreign firms entering Ireland. In contrast to the concerns of the international conversation movement, much of this protest focused on anxieties relating to impacts on families and communities. The entry of large firms to small areas for the first time also excited these anxieties as any potential pollution caused would be on a scale unprecedented in these localities (Curtin and Varley, 1995; Yearley, 1995).²

However, Ireland's rapid economic growth in the past decade³ has accelerated the pressure on the environment (EPA, 2000). Throughout the course of the 1990s, the volume of industrial production has more than doubled and the country's total primary energy requirement has increased by more

² Environmental activism is very unevenly spread geographically in Ireland but it has been especially pronounced in the south in County Cork, the leading site of the Irish chemical industry, where there was a major fire in August 1993 which fuelled public concern over the environmental impacts of this industry. Despite the tendency for pro-development voices to attempt to marginalise environmental campaigns, there have been instances where these campaigns have attracted significant popular support, especially where powerful local interests lend their weight to campaigns.

³ With regard to the economy, total output grew at a rate of 8.5 per cent from 1994 to 1999, three times the European average, and almost three times as fast as GDP growth in the US (Suiter, 1999; Norton, 1999; Gardiner, 1999; Sweeney, 1998).

than a third.⁴ Furthermore, Ireland's economic surge has occurred at a time when European Union (EU) and other international environmental controls are becoming more rigorous and this greatly amplifies the challenges facing public authorities and strategic economic sectors in Ireland (EPA, 2000). For example, under the Kyoto Agreement on climate change signed in 1997, Ireland must limit its emissions of greenhouse gases to 13 per cent above 1990 levels in the period 2008-2012. However, due to the increased energy demands, emissions have been escalating rapidly in line with the economic growth and the 13 per cent limit is likely to be exceeded in 2000 (Burke, 2000). Moreover, the director of the Irish Environmental Protection Agency (EPA) recently warned that:

Ireland is in danger of losing the advantage it has of the generally good environmental quality - and will fail to meet its international commitments - unless all economic sectors play their full part in protecting the environment (EPA, 2000).

Recognising the potentially adverse impacts of these trends, the Irish EPA⁵ has attempted to raise awareness of environmental protection in business. It sponsored a cleaner production pilot demonstration project in 1997/98 aimed at illustrating to certain industries that waste reduction and efficiency could benefit companies. The

⁴ In addition, The total number of vehicles on Irish roads has increased by more than 50 per cent and personal consumption of goods and services has increased by one-third in a five-year period (EPA, 2000).

⁵ In 1993, the Irish EPA was formed with the aim of promoting and implementing high standards of environmental protection and management, embracing the principles of sustainable and balanced development.

Irish Business and Employers Confederation (IBEC) claims that companies are now asking them for more advice and information than in the past and they have recently instigated an environmental management training programme for industry. In January 2000, they launched a new environmental awards scheme for industry⁶ and a policy document on environmental policy for economic growth was published, with the environment explicitly identified as a strategic business issue (IBEC, 2000).

One of the striking features of both the EPA warnings regarding the environment and the IBEC policy statements is the focus on selling environmental awareness to business as a win-win situation. There is an absence of debate regarding more controversial circumstances whereby certain business practices, no matter how they are amended, may never actually benefit the environment. This will be a difficult issue for the future and may bring the EPA into more direct conflict with IBEC.⁷ Of related interest is recent evidence that a majority of Ireland's citizens consider environmental pollution to be a major problem. However, most appear to feel that it is someone else's job to do something about it with the evidence suggesting that public attitudes to the environment are rarely translated into personal actions regarding waste disposal

⁶ The award categories comprise: Managing for Sustainable Development; Eco-design; Cleaner technologies; International Partnership for Sustainable Development; and The IBEC Environmental Excellence Award aimed particularly at small companies who have developed innovative waste recovery projects.

⁷ For example, IBEC has recently stated that it will actively campaign against the imposition of an energy tax on business. This is a clear example whereby environmental protection is perceived as 'winning' and business 'losing'.

and energy usage (O' Brien, 2000). This may reflect a general complacency regarding environmental issues given the relative lack of severe environmental problems in Ireland until now.

Given that many Irish companies are now apparently instigating greater actions with regard to environmental protection and taking on greater responsibility (albeit for primarily economic reasons), it has been argued that these companies should become

more explicitly accountable to the wider society for their environmental impacts (and their actions aimed at negating them) (O' Dwyer, forthcoming). Recent evidence of environmental reporting practice in Ireland suggests that there is also much room for improvement in this vein. The results of this research are outlined in the next section.

Table 1

Average Volume and Incidence of Environmental Disclosure among the Top 50 Irish listed companies 1991-1995

	1991	1992	1993	1994	1995
Average Volume	0.18	0.21	1.41	1.10	0.27
% Disclosing	(26)	(16)	(22)	(22)	(20)

[Source: O' Dwyer (2000a)]

Environmental Reporting in Ireland

There are no mandatory environmental reporting requirements in Ireland. The apparent complacency among companies and individuals regarding environmental issues up to the recent economic upsurge is reflected in the evidence of environmental reporting by Irish companies in the first half of this decade (see Table 1). O' Dwyer and Gray (1998) found that, among the largest Irish listed companies, environmental reporting (through the corporate annual report) lagged significantly behind levels in much of Western Europe. For instance, there was no evidence of the separate production of environmental reports and over the five-year period examined, the maximum proportion of companies making

environmental disclosures in any one-year was 26 per cent (in 1992).⁸

Disclosing companies tended to concentrate mainly on general environmental policy, with disclosures relating to products and waste recycling being the second most popular disclosure category (see Table 2). With regard to the latter, companies were keen to emphasise the environmental

⁸ The sectors included in the study were as follows: exploration/extractive; manufacturing/ processing; financial and other; retail and leisure; printing; and food and drink. The top 50 companies listed on the Irish Stock Exchange at 31 December 1995 were selected for the study.

benefits (however debatable) of their products and/or processes, reflecting the generally positive nature of disclosure overall. Environmental audit disclosures were virtually non-existent and primarily

focused on the results of *internal* audits without delineating any substantial quantitative data. Only one company made any reference to sustainable development.

Table 2

Average Volume and Incidence of Disclosure in the Two Main Environmental Disclosure Categories

	1991	1992	1993	1994	1995
Environmental Policy	0.13 (12)	0.10 (10)	0.61 (14)	0.22 (14)	0.22 (12)
Environment-Waste, Packaging, Pollution etc.	0.15 (12)	0.21 (10)	1.83 (12)	0.68 (8)	0.10 (8)

Figures in brackets represent the percentage of companies making the relevant environmental disclosure.

[Source: O' Dwyer (2000a)]

While there were some notable exceptions to the overall trends, there was an absence of consistency among companies who actually engaged in environmental disclosure. For example, a number of companies outlined (often brief) environmental policies (particularly those in the exploration/extractive sector) in one year but failed to do so in subsequent years. One company even espoused environmental commitments as part of their corporate objectives in one year but subsequently dropped this disclosure.⁹

Significant differences in disclosure volumes (at the 5% level) between industry sectors were not reported in any year.¹⁰ Over the five years, companies in the exploration/extractive sector undertook the largest volume of disclosure, followed closely by the manufacturing/processing sector. The former sector also showed signs of an increase in both the incidence and volume of disclosure from 1991 to 1995. Nonetheless, as with most disclosures, the quality of much of these disclosures was quite poor. In line with recent UK evidence (Burritt, 2000), the banking sector neglected to make any disclosures in three of the five years.

⁹ In contrast with most prior research, the O' Dwyer and Gray (1998) study found no significant correlation between company size and the level of environmental disclosure in any of the five years, and in 1995 reported an apparent *negative*, although not significant, association between company size and environmental disclosure.

¹⁰ However, there were significant differences at the 10 per cent level in 1992, 1993 and 1995.

Concluding Comments

The recent concerns of the EPA and IBEC regarding environmental impacts may lead to greater concentration on accounting for these impacts by Irish companies in the near future. However, anecdotal evidence suggests that in the latter part of the decade there has not been a substantial improvement in these disclosures.¹¹ This may change with the advent of greater awareness of environmental problems and more public pressure for action to be taken regarding corporate environmental impacts. Given that IBEC have instigated a number of environmental schemes, greater concentration could be placed on ensuring that companies account for their environmental impacts by publicly reporting in this vein. However, a perceived tendency towards secrecy (Barrington, 1993; Barker, 1992) within the Irish business sector suggests that it may take some form of legislative guidance for industry to commence reporting in a more systematic and comprehensive fashion. The increasing risks posed to the environment by further economic development and the apparent increased interest in the environment by business (evidenced by IBEC's developments), indicate that this could represent a logical next step in order to encourage business to account for their increasingly substantial environmental impacts. Recently completed research has investigated managerial perceptions of environmental reporting in Ireland and these perceptions may also be helpful in formulating some policy initiatives in the environmental reporting arena (O' Dwyer, 2000b).

In summary, this article indicates one of the dilemmas of a rapidly expanding economy. Material gains often impose a threat to the environment and increased vigilance and awareness is required. In the Irish context, up to the 1990s, there has been little pressure on businesses to be environmentally aware. Consequently, this may have manifested itself in poor environmental reporting practices by companies. Recent developments suggest this may be about to change and that companies are going to have to consider acting in a more responsible vein. Demands for *accounts* of these actions may also be forthcoming and this may eventually lead to increased environmental reporting in this context.

¹¹ Unpublished research by post-graduate students working with the author along with regular perusals of Irish corporate annual reports form much of this anecdotal evidence.

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CYANIDE SPILLS – AURUL S A –

GOOD NEWS AND BAD NEWS

Mr. Roger Burritt **The Australian National University**

As outlined in the News Journal of APCEA (Andrews, 2000, p.7) Aurul S A is a joint venture company owned by Esmeralda Exploration Ltd (50%) from Australia and the Romanian state owned company, Renmin, set up to reprocess old tailings from remaining gold deposits. The process involves use of cyanide and when, on 30 January 2000, a cyanide rich tailings dam overflowed at the company's Baia Mare Treatment Facility, Esmeralda Exploration was implicated in environmental problems occurring in the Tisza and Danube river basins.

With compensation threats from the Hungarian government to the fore Esmeralda Exploration went into voluntary liquidation with a balance sheet showing total shareholders' equity of \$9,093,311 at 30 June 1999.

Since the earlier report there has been some good news and some bad news for Esmeralda Exploration. On 13 June 2000, the administrators of Esmeralda Exploration reported that Aurul S.A. has received approvals from government and environmental authorities and strong local support to recommence operating the tailings retreatment project at Baia Mare. In a media release it was suggested that recommencing operations was in all stakeholders' best interests:

“Aurul has reviewed the various options and believes that this is the best outcome for all stakeholders in Baia Mare. The company has decided to recommence operations on 13 June 2000 for the following reasons:

1. The Aurul project was established as an environmental clean up operation - there is a continuing need to fulfil this role.
2. The company will be better placed to proactively manage any environmental issues with the project up and running, than by suspending or discontinuing it.
3. The people of Baia Mare have indicated in the strongest terms that they support and expect Aurul to resume operations.
4. All appropriate reviews have been undertaken and conditions imposed upon start-up by regulatory authorities have been satisfied.”

Esmeralda argues (<http://www.esmeralda.com.au/index6a.html>) that the shutdown of the Aurul operation was initiated to investigate the circumstances surrounding the accident of 30 January, 2000, and to implement measures to prevent any recurrence of the accident. “The plant did not fail. A tailings dam overflowed due largely to extraordinarily adverse weather conditions. The Romanian Expert Committee established to review the accident and subsequent remediation have imposed a number of additional monitoring, technical and safety requirements, which have been implemented and completed to the satisfaction of all the relevant authorities.

All those concerned in the exercise are confident that the plant can restart safely.”

Given these reassurances, Esmeralda continues with the argument that the pollution *in situ* cannot be left there. If it is left, the pollution will “prevent future development in the area” and “pose an ongoing hazardous environmental problem due to the risk of overflowing....It is far safer and better for the environment and the local and international community that Aurul apply improved its environmental performance and continues its operations.”

Prior to the renewed start-up there has been a change of Directors at Aurul, although no perceptible change in direction. The three Esmeralda directors on the Board of Aurul - Mr. James Taylor, Mr. Max Montgomery and Mr. Brett Montgomery - have resigned. They have been replaced by Esmeralda representatives, Mr. Martyn Churchouse, Managing Director, Mr. Ioan Hudroa, former Director General of Remin (the local joint venture partner in Aurul), and Mr. Kim Strickland of accountants Hall Chadwick (the Administrator of Esmeralda). A management team led by Mr. Churchouse, Mr. Hudroa and Mr. Iuliu Chioreanu (Operations Manager) has been appointed to Aurul to maintain and operate the project.

The bad news for Esmeralda and its directors is that, according to the Sydney Morning Herald (11 July 2000), the Hungarian government is persisting with its

claim for compensation (<http://www.smh.com.au/breaking/0007/11/A65188-2000Jul11.shtml>). On 11 July Hungary announced a claim of 29.37 billion forints (\$A181.7 million) against Esmeralda Exploration for the January cyanide spill that devastated its rivers. Once again, Esmeralda has “shrugged off responsibility and claimed the damage had been exaggerated”. The claim includes direct Hungarian costs of averting immediate damage - including fishing out and getting rid of hundreds of tonnes of floating dead fish – and damage assessment, and repercussion costs - long-term losses in the area's wildlife, expected rehabilitation costs and further economic disadvantage caused by the damage (see Burritt and Gibson 1993, p.17 for further details of these cost classifications). In addition, Hungarian private claims filed by small enterprises and lawyers are being separately collected, and have totalled about 4 million Euro (\$A6.46 million).

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GREEN INDEXES: A NEW BENCHMARK IN SOCIAL AND ENVIRONMENTAL PERFORMANCE

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Late last year, the SAM Sustainability Group, an independent asset management company headquartered in Zurich, Switzerland, in conjunction with the Dow Jones Indexes, launched the first stock-exchange-listed vehicle to invest in line with sustainable criteria. The Sustainability Group Index, attracted over US\$1.5 billion in investments, and investors achieved on average a 4% higher returns than standard global indices (Investors buy the rights to the indexes, and can trade on their movements).

The procedure the Dow Jones Sustainability Group Index (DJSGI) used was to select the largest 2000 companies, in 73 industry groups in the 33 countries covered by the Dow Jones Global Index (DJGI), and list the top 10% of companies in each sector that passed strict “triple bottom line” tests of economic, social and environmental sustainability (see Table 1). Triple bottom line represents economic, social and environmental sustainability.

Companies included in the index include consumable giant Unilever, German carmaker BMW, the Credit Suisse Group, and Fujitsu Ltd to name just a few. The index reviews the list annually, with the next review being finalised this September. The well-known Laspeyres' formula is used to calculate the DJSGI.

At the end of June 1999, the market capitalization of the Dow Jones

Sustainability Group World Index exceeded 4.3 trillion USD. The DJSGI family includes five indexes overall:

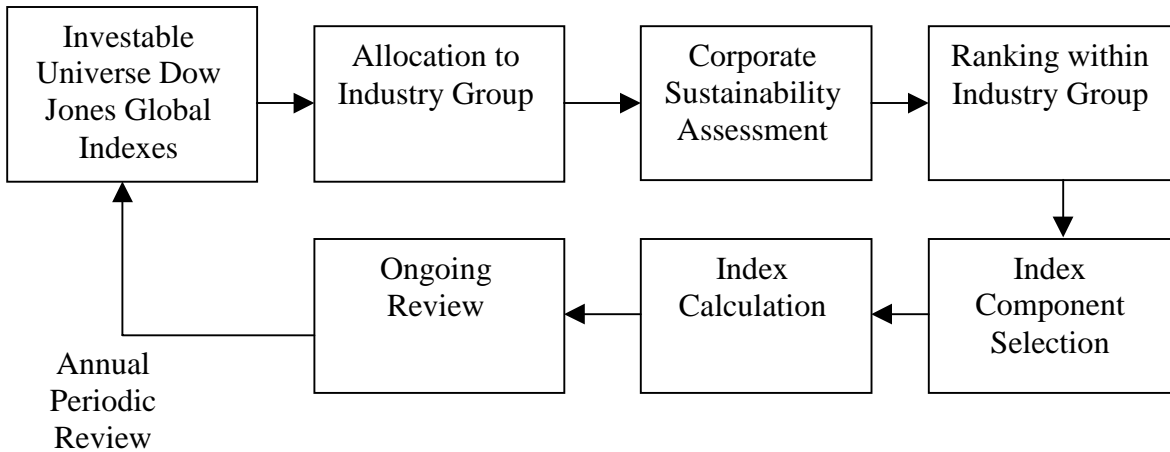
1. Dow Jones Sustainability Group World Index
2. Dow Jones Sustainability Group Europe Index
3. Dow Jones Sustainability Group North America Index
4. Dow Jones Sustainability Group Asia/Pacific Index
5. Dow Jones Sustainability Group USA Index.

Each of these five broad indexes has four narrower, specialized sustainability indexes, for a total of 25 indexes, all of which exclude the tobacco, alcohol, and gambling.

Prior to the introduction of the DJSGI, the American market already had a similar index, which monitored movements on socially responsible companies (although this was limited entirely to U.S stocks. The Domini 400 Social Index (DSI), reflects the behavior of stocks of companies that the socially responsible investor might purchase. The Domini Index was established in 1990, and consists of exactly 400 companies. Occasionally when companies deemed are removed from the index due to “non-ethical” behavior or because they are taken over, then it is replaced by another company deemed ethical, and similar in size. In terms of performance, the index is on par with that of the Standard and Poors 500.

Table 1

DJSGI Index Methodology



[Source: Dow Jones Indexes, <http://indexes.dowjones.com/djsgi/>]

EarthIndex, a Melbourne based company has also forged a relationship with the Swiss based company with an eventual aim to introduce a similar index here in Australia, termed the “Australian Sustainability Leaders Fund”. The fund hopes to be operational next year.

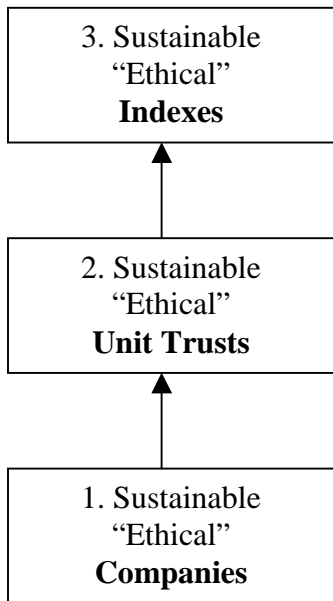
What we are now witnessing, with the introduction of “sustainable” indices, is a more formalised structure to the whole concept of ethical investment. At the base level are the companies themselves who are in the business of protecting the environment. Most of these are private companies. However one company, Earth Sanctuaries Ltd, is Australia’s first listed Environmental Conservation company. It was launched on the Australian Stock Exchange in April of this year. Its core business is the protection and breeding of endangered Australian Native species. However there are many other companies displaying similar levels of commitment to the environment, from an Industrial perspective.

At the next level are Ethical Investment Trusts (unit trusts that specifically invest in companies which have strong social and environmental records such as Earth Sanctuaries). They have been operational in Australia since the 1986 formation of Australian Ethical Investment Limited. The largest managed investment scheme to date is Hunter Hall’s “Value Growth Trust” with a fund size of over \$114 million (<http://www.hunterhall.com.au/>). Australian Ethical (<http://www.austethical.com.au/>) has over \$72 million under funds management, and the Tower Financial Services Group (<http://www.toweraustralia.com.au>) approximately \$28 million under management. These unit trusts currently command over \$200 million in shareholder funds, and are made-up of income, capital, and superannuation based products. These unit trusts represent a more managed form of ethical investment than an individual investing in ethical companies directly.

This new stage, raises ethical investment into index form as a means by which to

track and record for the broader market, companies adhering to specific ethical criteria. This third stage reflects an acceptance at a societal level, of the need for such ethical criteria in overall investment decision making.

Figure 1: Levels of Ethical Investment



In an era when governments are often criticised for doing little or nothing to curb corporate excesses, or where large corporations are seen as having captured the political process, a market based mechanism such as an index, which provides a measure of the performance of specific ‘ethical’ companies, is a way to promote both social and environmental accountability.

These indexes also provide a greater awareness about what sustainability is all about. Although these indexes do not as yet have the same name impact as “the NASDAQ”, “the DOW”, or “the ALLORDS”, they do indicate that important social and economic criteria are being tracked alongside general market (DOW) and technology (NASDAQ) factors.

More details about the Dow Jones Sustainability Index can be found at: <http://indexes.dowjones.com/djsgi/>

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VICTORIAN GOVERNMENT INQUIRY INTO ENVIRONMENTAL ACCOUNTING AND REPORTING

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In June 2000 the Public Accounts and Estimates Committee of the Victorian Parliament in Australia published an Issues Paper entitled 'Follow-up Inquiry into Environmental Accounting and Reporting'. A full copy of the paper is available on the Internet at

<http://www.parliament.vic.gov.au/paec/Issues%20Paper%20EAR%20Follow-Up%20Inquiry.pdf>.

This Paper is a Follow-Up to the Interim Report published by the Committee in 1999 (see review in Burritt, 1999). The Interim Report received broad support and that this has led to progress being made in two areas – State of Environment Reporting and the establishment of the position of Commissioner for Ecologically Sustainable Development. In addition, the Committee is seeking to address the following matters in greater detail:

- The most appropriate and cost effective means of implementing state of the environment reporting;
- An appropriate legislative framework for the Commissioner for Ecological Sustainable Development;
- The relationship between the Australian Bureau of Statistics satellite accounts and the Victorian state of environment report;
- What issues should be involved in the development of standards, training and accreditation of

environmental auditors and verifiers?; and

- What role should environmental levies and taxes play in public environmental management?.

The Issues Paper addressed each of these matters and is seeking submissions from interested parties by 31 July 2000 (full details are available on the above web site). For many involved in environmental accounting the Follow-Up Inquiry will be a disappointment, if for no other reason than the fact that progress with implementing environmental accounting is so slow. For example, Chapter 5 on Environmental Accounting notes that the Victorian government has advised that they will initiate discussions with peak bodies in the accounting profession to ensure environmental factors are considered in reporting business performance. Given the poorly drafted s. 299(1)(f) of the Company Law Review Act 1999 requiring certain corporate environmental disclosures, and the tenuous position of that section since the Parliamentary Joint Committee on Corporations and Securities recommended removal of the section, 'command and control' regulation over environmental disclosures appears to be weakening in Australia rather than growing in strength. The accounting profession may wish to take up the challenge to promote voluntary environmental reporting, but the lack of standardisation evident to date is unlikely to

be removed through such voluntary initiatives.

Six issues arising from Chapter 5 on environmental accounting are:

D1 How can the government encourage the accounting bodies to develop methods to incorporate environmental costs in the prices of goods and services?

A critical question, but one that is preceded by the need for environmental costs to be defined and identified by organizations in the first place, before any links with pricing can be assessed – the clear distinction between environmental accounting and environmental pricing not in evidence in the above question. The secondary question is can accounting bodies voluntarily get their members to adopt full cost accounting, or to adopt an accounting for environmental costs that reflects environmental impact added by corporate activities. Unfortunately, there seems to have been no progress with this issue since the 1999 report.

D2 What initiatives could government implement to encourage organisations to scrutinize their operations to determine hidden environmental costs and to put in place mechanisms to determine the financial benefits that might arise from environmental protection measures?

The links between environmental management accounting information and ways for government to promote the development and use of environmental management accounting systems is being examined in the international arena and, although these efforts are not mentioned in this chapter, it is not obvious that it is desirable for the Victorian government to undertake its own research, rather than to

contribute to international efforts such as those being undertaken by the United Nations and the federal government (see <http://www.un.org/esa/sustdev/estema1.htm> for the UN initiative).

D3 What information on environmental management accounting would accountants need on an Internet site?

The links between environmental management accounting information and disclosure on an internet site have also to be examined in the international arena. The Victorian government may wish to ‘go it alone’, but, once again, international efforts in this area need to be encouraged. Development of an internet site on environmental management accounting, as recommended in the 1999 report, requires that the need for this type of public site be established. Environmental management accounting is concerned with providing environmental information to help managers with decisions. Disclosure of such information may not be desired (commercial in confidence) or may be attractive (reputation enhancing, or to legitimise corporate activities), but the case remains to be made before detail of desired disclosures can be addressed.

D4 How should the concepts of: materiality, assets, liabilities, revenues and expenses be developed to incorporate environmental matters into accounting?

These questions have been addressed before. Do they need to be revisited? Has earlier research provided no answers and, if not, how will future research make progress with these issues?

The final two questions, D5 and D6, are encouraging because of the need for broader

education of corporate staff and their stakeholders on these matters, but it is surprising that action channels and interested stakeholders have not yet become apparent in the democratic process that has led to these two reports being published.

D5 Which government body should sponsor the proposed series of workshops on environmental accounting?

D6 What categories of stakeholders should be involved in these proposed workshops?

All members of APCEA are encouraged to make a direct submission to the Committee, through the web site set up for the issues relating to each chapter of the Report.

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WWF ENVIRONMENTAL REPORT SCORECARD

Roger Martin **The Grove, Tasmania**

The WWF has produced the first of a planned series of annual commentaries on the quality of environmental reports by the Australian mining industry. This one is based on reports received up until 31 March 1999.

This is a part of the WWF "actively participating in constructive debate and projects with the mining sector and other organisations. Our goal is for the mineral exploration and extraction industries to improve their environmental and social performance and so contribute to ecologically sustainable development."

In December 1996, the Minerals Council of Australia (MCA) released its Australian Minerals Industry Code for Environmental Management

(www.minerals.org.au/media/code.htm).

The environmental reports evaluated were developed in response to this code. The "WWF developed this Scorecard on the companies' reports in response to the MCA's refusal to assess in any way the quality (including integrity) of the environmental reports submitted".

Ten assessment criteria used were external verification, input from stakeholders, identification of relevant environmental and social issues and related performance, environmental policy, environmental management processes, quantitative data, compliance with regulations, stakeholder consultation, environmental performance targets, and Format, dissemination & feedback. Overall, WMC received the

highest score (77 out of a possible 100), followed by RGC (66) and BHP (54). The reports that scored poorly were Mt Lyell (26), Powercoal (36) and Rio Tinto (37).

The WWF emphasize that they were scoring the reports and not the performance. This is demonstrated in WMC's latest report (2000) – while continuing to add to earlier efforts (for example adding data per tonne of output as well as per tonne of ore), the report indicates that often environmental performance has not matched targets nor shown much overall improvement.

I received the report in MS Word format (about 800k) from Michael Rae (mrae@wwf.org.au). The complete report is available on my website in HTML format <http://www.vision.net.au/~rmartin/env/summary.htm>

or as a downloadable zip file (40k, HTML documents):

<http://www.vision.net.au/~rmartin/env/wwfsc.zip>

For further information Roger can be contacted by email on:
rmartin@vision.net.au

ENVIRONMENT EXTRA!

South Korean Catfish farmer paid damages

In Pochon, South Korea, a fish farmer has been awarded over 5 million won in damages (AUD\$7500) by the State Central Environmental Disputes Coordination Commission (CEDC), for noise arising from nearby factories. The damages were compensation for noise levels emitted from a nearby transformer and gas alarm manufacturer, which stunted the growth of fish at Lee Po-Jong's catfish farm. Catfish farmed under normal conditions can grow to over 60cm, however those at Lee's farm were around 29-40cms, a direct result of exposure to noise exceeding 60 decibels.

China to close 800 firms in Three Gorges Area

The Chinese Government has recently announced that 800 enterprises within the Three Gorges area will be shut down within three years due to their non-viability economically, and because of their heavy production of pollution. The state-owned enterprises and collective-owned companies, employ a total of over 90 000 people. The shut downs coincide with the 1500 enterprises and 1 000 000 people that already are to be relocated to make way for the dams construction.

Jakarta to receive Pollution Index Displays

Indonesia's Environmental Impact Management Agency (BAPEDAL) has recently announced the introduction of four new electronic pollution index displays,

each displaying levels of five air pollutants. The aim of the displays are to raise public concern regarding the air pollution levels in the nation's capital, which has a reputation for enduring high levels during weekdays. The display's will show the levels of dust particles (PM10, Sulphide (SO₂), Carbon Monoxide (CO), Ozone (O₃) and Nitride (NO₂). BAPEDAL can be accessed at:

<http://www.bapedal.go.id/>

Whaling Sanctuary Fails to Materialize

A concerted effort by Australian representatives at the annual International Whaling Commission (IWC) meeting in Adelaide in July, to create a South Pacific sanctuary for the mammals, failed to gain the required two-thirds majority needed to succeed. The vote of 18-11 in favour of the sanctuary, which was to stretch from Australia to Chile, means that large-scale commercial whaling may resume within international waters within the South Pacific. Whale sanctuaries already exist in the Indian and Southern Oceans (the boundary being the 40° parallel of latitude). At the moment, the hunting of whales for commercial purposes is subject to a moratorium. The IWC decided at its meeting in 1982 that there should be a pause in commercial whaling on all whale stocks from 1985/86. Currently, Japan is allowed to slaughter 'minke' whales for scientific purposes, and as a result of the meeting, 50 brydes whales and 10 sperm whales have been added to this quota.

Environmental tribunals on the Sub-Continent

Both India and Pakistan have recently announced that Environmental Tribunal's will soon be established to ensure implementation of national environmental quality standards, and to look into cases involving environmental pollution. In both countries the head of the tribunals will be a judge from the High Court.

Fuji-Xerox Australia wins UNEP Environmental Award

In June, the United Nations Environmental Programme announced that Fuji Xerox Australia was one of 14 individuals and organisations throughout the world to receive an annual Environmental Award. The award was presented in Adelaide on World Environment Day on June 4, 2000. The award recognised the significant achievement made by the company in developing a recycled copy paper to precise specifications for use in digital equipment. Previous sales of recycled paper were deemed to be of low quality. It is made up of 50%-recycled waste from Australia's cotton industry and 35% content from wood pulp from sustainably managed forests. Fuji Xerox will now become part of the UNEP's "Global 500 Role of Honour". The Global 500 Role of Honour can be accessed at:

<http://www.global500.org>