

Advancing sustainability management accounting in the Asia Pacific region

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Introduction

The Asia Pacific region is the fastest-growing source of greenhouse gas emissions and natural resource consumption. The impact of climate change and rapid natural resource consumption is visible in the region. Significant droughts and floods have caused serious disruption and volatility in these economies. Sustainability challenges contribute to high material costs, high transportation costs, and rising energy and commodity prices. There is a risk that the Asia-Pacific region is consuming more resources than its ecosystems can replenish, threatening the region's self-sustaining mechanisms.

Companies operating in the Asia-Pacific region experience sustainability-related problems without recognizing potential opportunities of sustainability management. In particular, local sustainability challenges in the region require different sustainability management approaches to minimize environmental degradation, carbon impacts and social impacts. To develop operational and strategic approaches, how and to what extent do environmental and sustainability management accounting (EMA) practices contribute to sustainability management? Also, what are the effects of sustainability management and integrated reporting in the Asia-Pacific region?

The contributions to the special issue

The purpose of this special issue entitled "Advancing Sustainability Management Accounting in the Asia-Pacific Region" is to discuss a wide range of findings from research conducted in the region. The five articles included in this special issue achieve this purpose.

The first article "Carbon Emission Risks and Management Accounting: Australian Evidence" by Dr Kumarasiri and Professor Jubb investigates the effect of the National Greenhouse and Energy Reporting Act 2007 and carbon tax regulations on the use of management-accounting techniques for information for internal decision-making and carbon emissions management. Regulatory requirements have played a vital role in encouraging companies to use management-accounting techniques for carbon emissions management. Their findings suggest that in this post carbon tax period, there is a need for alternative economic instruments legislation because effective industry-based emissions management is questionable. However, there is evidence of

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Professor John Sands, University of Southern Queensland; Dr Ki-Hoon Lee, Griffith University; and Professor K.B.M. Fonseka, University of Sri Jayewardenepura-*Guest Editors*.

accounting information, providing feedback and feed-forward information of companies' performance.

The benefit of EMA information is a motivation for the development of a model in the second article "An Empirical Investigation on the Links Within a Sustainability Balanced Scorecard (SBSC) Framework and Their Impact on Financial Performance" by Professor Sands, Dr Rae and Professor Gadenne. Their study investigates the feasibility of integrating the social, environmental and innovational processes within the four SBSC perspective models. Using an Australian corporate survey sample, evidence supports the voluntary embracing of sustainable practices by organizations into their internal processes and financial performance. The findings support the need to integrate environmental- and social-performance measures as a means of facilitating SBSC implementation. Furthermore, this study supports the integrated EMA approach and financial benefits association.

The third article "Fostering Corporate Social Sustainability through Industrial Safety in the Mining Sector: A Stakeholder Theory Perspectiv" by Dr Lee, Mr Gunarathne, Dr Samudrage and Mrs Wijesinghe continues the theme of the special issue. The findings of these researchers support the need by the mining sector to identify the usefulness of safety controls and accounting in corporate social sustainability management. Safety accounting and safety control system are underdeveloped sustainability accounting areas. With an in-depth case study in the Sri Lankan mining sector, the findings demonstrate the usefulness of safety accounting and safety management control from a stakeholder perspective. The findings support the safety control and social sustainability performance association.

The fourth article "Hard and Soft Sustainability Disclosures: Australia's Resources Industry" by Associate Professor Djajadikerta, Ms Ong, and Dr Trireksani moves the discussion focus from the use of EMA for internal reporting purposes to external reports of sustainability disclosure practices. The authors have developed a new measuring tool for all three aspects of sustainability by integrating the fundamental principles of the hard- and soft-disclosure items from Clarkson *et al's* (2008) environmental index into the social and economic aspects of the newer GRI G3.1 framework. By comparing companies' hard and soft sustainability disclosures, findings support that companies report more soft than hard disclosure items in their sustainability disclosures. Also, the findings demonstrate companies in Australian resource sector report mainly economic aspects of sustainability information.

The final article "Using External Sustainability Reporting to Embed Sustainability into Organizational Practices" by Dr Biswas and Dr O'Grady encapsulates the use of accounting information and sustainability management practices (SMP). They report their New Zealand case study findings about the relationship between external sustainability reporting (ESR) and internal strategies, processes and activities (ISPA) to understand the role ESR plays in embedding sustainability into organizational practices. The discussion provided in this article highlights the "double looping" effect of sustainability performance measures, which not only identifies the associate between external reporting of sustainability performance measures and ISPA but also supports implicitly the use of EMA to provide accounting information for both strategic and operational decision-making and information for future external reporting of sustainability performance.

Concluding remarks

The articles in this special issue have explored various types and approaches of EMA, the use of new external reporting tools and sustainability-management practices to support corporate decision makers to develop and advance sustainability management. The introductory article provides evidence of accounting information, providing feedback and feed-forward information, while the subsequent articles supply model-based, archival-based, or case study-based empirical evidence with sustainability or management practices and performance as a common theme in each article. These applications and practices to manage sustainability challenges and issues may be used differently in different countries. The articles have shed some new light on the areas of EMA and sustainability management practices by providing new theoretical lenses, different methodological approaches and empirical evidence using different frameworks from different schools of thought. We believe that the findings from the papers in this special issue provide new insights into EMA and sustainability management practices in developing and developed countries and also raise new issues that warrant future research.

John Sands

School of Commerce, University of Southern Queensland, Toowoomba, Australia

Ki-Hoon Lee

Griffith Business School, Griffith University, Gold Coast, Australia, and

K.B.M. Fonseka

*Jayewardenepura Faculty of Management Studies and Commerce,
University of Sri, Nugegoda, Sri Lanka*

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