



Sustainable Governance, Finance and Accounting

About the Australian Centre for Sustainable Business and Development (ACSBD)

The ACSBD is a research centre of the University of Southern Queensland (USQ).

Mission statement

The mission of the ACSBD is to accelerate sustainable development by proving the business case for sustainability.

Overview

Accelerating the industrial and commercial utilisation of sustainability innovation is the focus of the newly established ACSBD. The centre is based at USQ Springfield on Brisbane's south western outskirts and at USQ's main campus at Toowoomba.

The ACSBD's research is grounded in high quality research projects involving partners from industry, government and other research centres. Platforms for collaborative research and development exist in sectors as diverse as energy and water, agriculture, tourism and urban design and development.

ACSBD works with its partners providing a range of products and services including research, teaching, training, consultancy, public policy debate, and community and industry extension activities.

This capability statement outlines our expertise in the field of Sustainable Governance, Finance & Accounting. Capability statements for other areas we work in are available from our web site.

Our Sustainable Governance, Finance and Accounting Work

Governance, finance and accounting are vital to achieving sustainable business and development outcomes. We believe that business can be profitable and good for the world: delivering in a socially responsible way that protects our natural environment and achieves the financial bottom line target. Our researchers work with government, businesses, NGOs, not-for-profits, regulatory authorities, industry and other associations to develop innovative governance, finance and accounting solutions.

What we offer

We offer expertise across a broad range of sustainability governance, finance and accounting areas.

In the area of **sustainability governance**, we have substantial expertise related to both corporate governance and collaborative governance systems involving broad stakeholder groups.

Our **corporate governance** expertise spans the structure and processes of boards of directors, innovative approaches to the management of risks and opportunities related to climate change and other sustainability impacts, as well as the detection and reduction of fraud.

In the area of **collaborative governance systems**, we assist clients to ensure that any development occurs in a sustainability context of meaningful participation and productive deliberation between stakeholders/interested parties/participants.

Sustainability finance covers a plethora of areas including the financing of sustainability innovations, responsible investing, and the capital market implications of sustainability innovations and performance of corporations.

Financial sustainability is an important aspect of organisational sustainability that can often best be achieved through innovations that also enhance environmental and social sustainability. We have substantial expertise in the area of financial sustainability as it pertains to organisational sustainability innovations.

Sustainability accounting also represents an area where we have a broad range and depth of expertise. Particular areas of strength include sustainability and climate risk reporting, sustainability performance measurement and accounting systems.

In the area of **sustainability and climate risk reporting**, our researchers have an extensive track record in the area of corporate disclosure and an intricate knowledge of sustainability reporting initiatives including the Global Reporting Initiative and the Climate Disclosure Standards Boards.

Accounting systems that capture and measure sustainability performance are an important tool for assisting with sustainability management and reporting. These systems include but are not limited to carbon accounting systems. We also assist our clients with sustainable product and resource pricing.

Recent successes:

Some examples of recent or current projects are provided here. Details of other projects can be found on our web site.

“Carbon Reporting in the Queensland Public Sector: The state of play, trends and better practices”

This is a joint project between the ACSBD, BDO and Carbon Planet. This report identifies the current state of reporting on GHG emissions (or carbon footprints, measured in terms of carbon dioxide equivalents or CO₂e) across the Queensland public sector, including by departments, government owned corporations (GOCs), local governments and statutory bodies. The survey found that a number of port and electricity GOCs are the most advanced in reporting their GHG emissions, albeit with further improvements being implemented to meet mandatory reporting requirements; a small number of local governments have started reporting emissions; in this first year of reporting by budget sector agencies, all departments have started reporting on their emissions, although significant gaps in scope and data limitations are evident; few statutory bodies are yet in a position to report their emissions; none of the disclosures have yet been audited, although one GOC has provided an ‘independent limited assurance report’.

“Improving farm productivity and competitiveness in the Australian macadamia industry” This is a joint project between the University of Southern Queensland, Department of Employment Economic Development and Innovation, and Industry & Investment NSW. This five year project starting in February 2010 is funded through Horticulture Australia Limited and the Australian Macadamia Society. This project will examine how the Australian macadamia industry can continue to develop and grow sustainably into the future. A key part of this project is financial and agronomic benchmarking of farms as well as the refinement of investment appraisal and farm management software from previous research by the joint project partners. A key goal of the research is to refine objective planning and management tools such as the Financial Planner for Macadamia and MacMan(TM) software to assist existing stakeholders and potential investors to objectively assess and improve the financial and operational performance as well as the sustainability of farms in the industry.

“GRI Sustainability Disclosure Guidelines and the quality of sustainability disclosures by Australian companies” This research is funded by the Accounting and Finance Association of Australia and New Zealand. The proposed research will examine the quality of sustainability reporting for a sample of Australian companies. A new metric of sustainability reporting quality based on the Global Reporting Initiative’s (GRI) latest guidelines will be developed as part of the research. The proposed research will commence by mapping the sustainability reporting guidelines set out by the GRI on to other Australian regulatory requirements for corporate reporting. This will allow us to determine the extent of overlap as well as how the guidelines complement and enhance mandatory reporting requirements. We will then assess the quality of the sustainability disclosures made by a sample of Australian companies. Finally, differences in disclosure quality and compliance levels across sectors will be analysed and reported.

“BDO Not-for-Profit Fraud Survey 2010” This is a joint project between the ACSBD and BDO. The not-for-profit (NFP) sector is quite significant to the economy and recent reported cases have raised questions about the extent of fraud in this sector. There are over 700,000 NFPs across Australia and New Zealand, with a combined income of \$76 billion, holding approximately \$138 billion in assets and contributing approximately 4.1% to GDP. The main lessons for the NFP sector coming out of this report are for the Board to practice strong governance and risk management, establish a fraud control policy, implement and promote a strong ethical culture through a code of conduct, establish a whistle-blower policy and establish and monitor internal controls. Responses were received from 272 organisations in Australia and New Zealand. Eighty-nine percent of respondents see fraud as a problem for the NFP sector. However, only 14% see fraud as a problem for their own organisation.

“To what extent has institutional investor activism influenced carbon disclosures by ASX200 companies?” This research is funded by the Accounting and Finance Association of Australia and New Zealand. This research investigates whether the activities of institutional investors are driving corporate disclosure about carbon risk in Australia. The research provides insights about the extent to which investor demand for information about corporations’ climate risk and green house gas emissions has impacted voluntary corporate disclosure in this area. It is the contention of this research that demand for carbon risk information by the investment community, spearheaded by institutional investors, is driving corporate disclosure in this area.

Our research team

Professor Julie Cotter - From January 2010, Professor Julie Cotter was appointed as Deputy Director of the Australian Centre for Sustainable Business and Development at The University of Southern Queensland. Professor Cotter is recognised nationally for her research into corporate reporting and governance. Current research interests include carbon disclosure, the Global Reporting Initiative, and the capital market impacts of sustainability reporting. Julie has recently been awarded two Accounting and Finance Association of Australia and New Zealand (AFAANZ) grants to work on projects in the corporate sustainability reporting area. In addition to conducting her own research, Professor Cotter is passionate about supervising PhD students and supporting the research endeavours of her colleagues. She has supervised eleven PhD, Masters and Honours students to completion and is currently supervising a large group of research students; the majority of whom are studying sustainable business topics. Professor Cotter is a Chartered Accountant and has worked as an academic for almost twenty years. She has been an active contributor to the governance of the University of Southern Queensland and has provided leadership to her colleagues in the Faculty of Business through roles including Acting Head of School and Director of Research in the School of Accounting, Economics and Finance.

Professor Peter Best – Professor Best is the Head of the School of Accounting, Economics and Finance at the University of Southern Queensland. Professor Best's research interests lie in the areas of auditing, information systems governance, enterprise systems and forensic accounting. Of particular interest are discovery of fraud, automated methods for monitoring of controls and fraud detection in enterprise systems. In addition, he initiated and collaborated with other researchers in three successful grant applications: \$50,000 with SAP Australia for the project 'Fraud detection in open and heterogeneous environments', \$106,000 with the Smart Internet Technology CRC for the project 'Automated detection and analysis of entity and account linkages in financial institutions for detecting money laundering', and an ARC Linkage Project grant of \$255,000 (2006-9) plus \$180,000 from SAP Australia for the project 'Integrated financial fraud detection in enterprise applications'. He has supervised one honours student in this area, who graduated with first class honours. He is currently supervising two research students working in fraud-related areas.

Professor Chandra Krishnamurti - Professor Chandra Krishnamurti joined USQ (School of Accounting, Economics, and Finance) in November 2009. He has published three edited books in Finance. Professor Krishnamurti is an active researcher and has published his research in the Journal of Banking and Finance, Financial Management, Pacific-Basin Finance Journal, Journal of Financial Research, International Review of Economics and Finance, Review of Quantitative Finance and Accounting Quarterly Journal of Business and Economics and Journal of Multinational Financial Management. He has supervised doctoral research in all his areas of interest. Professor Krishnamurti has been engaged as the principal consultant in the Financial Institutions Reform and Expansion (FIRE) project funded by USAID. He has also been a consultant for several firms in the corporate sector and government. He has organised and conducted executive courses in the areas of Investment Strategies, Derivative products, and Advanced Corporate Finance in India, Singapore and Australia.

Dr Geoff Slaughter - In 2004 Dr Slaughter was invited to undertake consultancy work for the Commonwealth Productivity Commission. He reviewed the Commission's economic/financial data on the impact of a tree clearing ban in Murweh Shire in Western Queensland. Findings from this work are contained within the Productivity Commission's Report, 'Impacts of Native Biodiversity Regulations'. Dr Slaughter was a chief investigator on an invited project from the Queensland Department of Natural Resources and Mines to undertake a review of the economic/financial and environmental sustainability of Mulga fodder harvesting in south west Queensland. This review was a key source of information used by Queensland Department of Natural Resources and Mines and

the Qld Environment Minister in the revision of the mulga fodder harvesting codes in line with the State's vegetation management legislation.

Dr Tim Cadman - Dr Cadman specialises in the analysis of governance quality in the field of sustainable development. He has worked previously on forest governance, and his findings are to be published in a book under the Palgrave Macmillan International Political Economy Series, titled *Quality and legitimacy of global governance: case lessons from forestry*. He is also working with the responsible investment sector in Australia and overseas to identify the challenges and solutions to the governance issues confronting this emerging area of economic activity and sustainable development. Active projects at present also include an investigation into the UN climate change initiative REDD+ (reducing emissions from deforestation and forest degradation in developing countries). Previous research undertaken by Dr Cadman has demonstrated that the governance of carbon 'offset' mechanisms is questionable, and can lead to perverse outcomes, such as deforestation. He is therefore collaborating with international financing mechanisms, global agencies and stakeholders to track and monitor developments in this important international policy arena. Dr Cadman's analytical approach can be applied to institutions functioning at multiple levels (local, national, global, public and private).

Benefits of working with ACSBD

Ways we can help

Working in creative partnerships with business, communities, and government, the centre brings expert knowledge and leading edge research to projects that prove the business case for sustainability.

Apart from delivering on USQ's plan to be a leading contributor to sustainable futures for communities and regions, the centre strives to be an international leader in providing high quality research, education, training and advice on subjects as varied as:

- business strategy and governance for sustainability,
- innovation for sustainable development,
- roles and opportunities for new technology systems, and
- managing, accounting and reporting organisational sustainability performance.

Publications

Our researchers pride themselves on a successful track record of publications of which we share the results via the ACSBD website.

Contact us

If you would like more information about the Australian Centre for Sustainable Business and Development (ACSBD) please contact us:

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