Voluntary disclosure of GHG emission information by Australian Companies

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ABSTRACT

This research determines the quality of Australian public companies' disclosure of greenhouse gas emission information in annual reports and stand-alone sustainability reports for the years 2007 and 2009. Factors that have influenced these disclosures are also examined along with changes in disclosure between 2007 and 2009. Some 1,776 companies are studied for 2007 and 1,853 for 2009. These companies represent the population of ASX-listed companies in those years.

An index is used to measure the quality of those disclosures by reference to their being soft, unverifiable statements, or hard disclosures, where supporting evidence is possible. Influential factors considered for the incidence of these disclosures come from information asymmetry, agency, political cost and proprietary cost theories. Examining the disclosures from points of time on either side of the enforcement of the NGER Act 2007 (Cth) establishes how these voluntary disclosures have progressed over this time.

Ascertaining the content, motivations and progression of voluntary disclosures of greenhouse gas emission information reveals corporate commitment to the climate change agenda. It also reveals corporate attitude to society's climate change concerns. Establishing the population of ASX-listed companies' 2007 and 2009 voluntary greenhouse gas emission disclosure practices permits a firm benchmark from which future cross-sectional and temporal comparisons may be made.

Results determine that while the quality of voluntary greenhouse gas emission disclosures improves for some companies over the duration of the study, this cannot be generalised to the population. Results also suggest that greenhouse gas emission disclosures are motivated by companies that are seeking new debt finance, are more highly leveraged, participate in less competitive product-markets, are large, are currently underperforming financially but are held in good esteem in the stock market, have older assets and hold additional listing status on securities exchanges outside of Australia. Companies in the GICS sector - materials are likely to disclose more than those in other GICS sectors.

DECLARATION

This thesis is submitted to Bond University in fulfilment of the requirements of the degree of Doctor of Philosophy. This thesis represents my own original work towards this research degree and contains no material which has been previously submitted for a degree or diploma at the University or any other institution, except where the acknowledgement is made.

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