

ENVIRONMENTAL ACCOUNTING: A MAP OF ENVIRONMENTAL REGULATIONS AND POLICIES OF THE INDONESIAN CENTRAL GOVERNMENT

Eko Ganis Sukoharsono

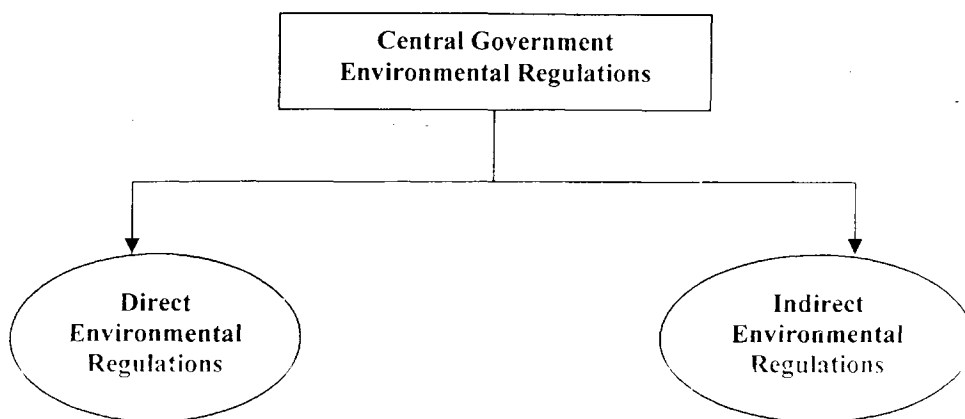
Accounting Department, Brawijaya University, Indonesia

Abstract

This paper is mapping the environmental regulations and policies of the Indonesian Government. The regulations and policies are analyzed into the area of the environmental accounting. There are four direct regulations relating to environmental concerns: Code Number 23/ 1997 about Environment Management, Code Number 19/2004 about Forestry, Government Decree Number 74/ 2001 about dangerous and poisonous material management, and Environmental Minister Decree Number 113/ 2003 on Water Pollution Quality Standard of the businesses and/ or Coal Mining Activities. The regulations have potentials to support the development of environmental accounting to be implemented in the business activities in Indonesia.

Introduction: The Central Government Environmental Regulations And Policies Classifications

This paper is mapping and justifying a feasible reference of Companies' Environmental Accounting Reporting on the case of central government environmental regulations. The regulations are categorized into two important aspects: direct and indirect environmental regulations.



The two categorizations above demonstrate the division of the central government environmental regulations wherein the definite establishment to preserve environment recognized as the exclusive requirement of direct environmental regulations with classification below: National Scope: (1) Perundang-Undangan (Code), (2) Peraturan Pemerintah (Government Decree), (3) Keputusan Presiden (Presidential Act), (4) Keputusan/Peraturan Menteri (Minister Decree).

The Indirect Environmental Regulations indicate the central government policies and regulations which are considered as “formless” environmental regulation because they are not stood as the original preserving environmental regulation since they are mostly integrated into the other non-environmental field. However, those formless environmental policies by some means are having the enormous and well-built efficacy in helping the environmental preservation factual practicing. The Table below is indicating two classifications of direct and indirect government environmental regulations and policies in relation to environmental accounting.

The Central Government Environmental Regulations And Policies Classifications	
Direct Environmental Regulations	Indirect Environmental Regulations
<ul style="list-style-type: none"> • UU No 23 Tahun 1997 (Code Number 23 Year of 1997) about Environmental Management • UU No 19 Tahun 2004 (Code Number 19 Year 2004) about Forestry 	<ul style="list-style-type: none"> • UU No 32 Tahun 2004 (Code Number 32 Year 2004)
<ul style="list-style-type: none"> • Peraturan Pemerintah No 74 Tahun 2001 (Government Decree 	

Number 74 Year 2001) on dangerous and poisonous material management	-
	<ul style="list-style-type: none"> • Keputusan Presiden No 2 Tahun 2002 (Presidential Act Number 2 Tahun 2002) • Keputusan Presiden No 4 Tahun 2002 (President Act Number 4 Tahun 2002)
<ul style="list-style-type: none"> • Keputusan Menteri Lingkungan Hidup No 113 Tahun 2003 (Environmental Minister Decree Number 113 Year 2003) on Water Pollution Quality Standard of the businesses and/ or Coal Mining Activities 	<ul style="list-style-type: none"> • Keputusan Menteri Perdagangan Republik Indonesia Nomor 35/KP/II/1995 (The Indonesian Republic Commerce Minister Decree Number 35/KP/II/1995) • Keputusan Menteri Industri No 250/M/SK/10/1994 (Industrial Minister Decree Number 250/M/SK/10/1994)

After mapping the regulations, this paper starts by analyzing some examinations of central government environmental regulations by various means of theoretical framework integrated points. How is the paper supposed to analyze then? As what been mentioned before about the regulation classification, here, the paper analyze a systematic study to maintain the logical main system in the analyzing process of describing, representing portrays, and clarifying problems. The paper is concerned with the direct environmental regulations only.

Direct Environmental Regulations

Direct environmental Regulations are regulations released by the Indonesian Government intentionally and directly by means to preserve and protect environment in Indonesia. It could be indicated by explicitly giving the words of environment in the titles of the regulations and its meaning in association to the environmental management (see the table above).

Undang-Undang Republik Indonesia No 23 Tahun 1997 (The Indonesian Code Number 23 Year 1997)

The general content of the *UU RI no 23 Tahun 1997 Tentang: Pengelo-laan Lingkungan Hidup* is about Environmental Management, which classifies into those general points below:

1. *Lingkungan hidup Indonesia yang dianugerahkan Tuhan YME kepada rakyat dan bangsa Indonesia merupakan karunia dan rahmatNya yang wajib dilestarikan dan dikembangkan kemampuannya agar dapat tetap menjadi sumber dan penunjang hidup bagi rakyat dan bangsa Indonesia serta makhluk hidup lainnya demi kelangsungan dan peningkatan kualitas hidup itu sendiri.*
2. *pembangunan sebagai upaya sadar dalam mengolah dan memanfaatkan sumber daya alam untuk meningkatkan kemakmuran rakyat, baik untuk mencapai kemakmuran lahir maupun untuk mencapai kepuasan batin. Oleh karena itu, penggunaan sumber daya alam harus selaras, serasi, semibang dengan fungsi lingkungan hidup*
3. *UU ini memuat norma hukum lingkungan hidup. Selain itu, uu ini akan menjadi landasan untuk menilai dan menyesuaikan semua peraturan perundang-undangan yang memuat ketentuan tentang lingkungan hidup yang berlaku, yaitu peraturan perundang-undangan mengenai pengairan, pertambangan dan energi, kehutanan, konservasi sumber daya alam hayati dan ekosistemnya, industri, permukiman, penataan ruang, tata guna tanah, dan lain-lain.*
4. *upaya pengendalian dampak lingkungan hidup tidak dapat dilepaskan dari tindakan pengawasan agar ditaatinya ketentuan peraturan perundang-undangan di bidang lingkungan hidup. Suatu perangkat hukum yang bersifat preventif berupa izin melakukan usaha dan/atau kegiatan lain. Oleh karena itu, dalam izin harus dicantumkan secara tegas syarat dan kewajiban yang harus dipatuhi dan dilaksanakan oleh penanggungjawab usaha dan atau kegiatan lainnya. Apa yang dikemukakan tersebut di atas menyiratkan ikut sertanya berbagai instansi dalam pengelolaan lingkungan hidup sehingga perlu dipertegas batas wewenang tiap-tiap instansi yang ikut serta di bidang pengelolaan lingkungan hidup*
5. *pemerintah memiliki asas yaitu tanggungjawab negara, dimana negara menjamin pemanfaatan sumber daya alam akan memberikan manfaat bagi kesejahteraan dan mutu hidup rakyat saat ini dan masa datang, dan juga negara mencegah pula dilakukannya kegiatan pemanfaatan sumber daya alam dalam wilayah yuridiksinya yang menimbulkan kerugian terhadap wilayah yuridiksi negara lain, serta melindungi negara terhadap dampak kegiatan di luar wilayah negara. Selain itu, pemerintah juga punya asas keberlanjutan yang bermakna bahwa setiap orang memikul kewajibannya dan tanggungjawab terhadap generasi mendatang dan terhadap sesama dalam satu generasi.*

Untuk terlaksananya kewajiban dan tanggungjawab tersebut maka kemampuan lingkungan hidup harus dilestarikan. Terlestarikannya kemampuan lingkungan hidup menjadi tumpuan terlanjutkannya pembangunan.

6. *audit lingkungan hidup merupakan suatu instrumen penting bagi penanggungjawab usaha dan kegiatan untuk meningkatkan efisiensi kegiatan dan kinerjanya dalam menaati persyaratan lingkungan hidup yang ditetapkan oleh peraturan perundang-undangan. Dalam pengertian ini, audit lingkungan dibuat secara sukarela untuk memverifikasi ketaatan terhadap peraturan perundang-undangan lingkungan hidup yang berlaku, serta dengan kebijaksanaan dan standar yang ditetapkan secara internal oleh penanggungjawab usaha dan atau kegiatan yang bersangkutan.*

The comprehensive passage above brings the essence of environmental management regulation, which identifies the fundamental point of environment existence based on the environmental philosophies that are social contract proponents and social ecologist labeling. These labeling mentions that “an attitude that companies and other organizations exist at society’s will bring effects of creating social and environmental problems and therefore they are responsible for giving respond to that society”. In general, this labeling means about label works for the need of equal correlation between Indonesian environment as the God bless and the development as the existent efforts in utilizing natural resources on the land of Indonesian environment for society prosperities (physical and mental). Further, this view tries to focus on the conservation and competencies development in order to maintain the capability of supplying the human needs and heaving up men’s worth of life. Moreover, general contexts of UU No 23/1997 also bring the matter of environmental legal norms as the fundamental toward environmental regulation derivations for mining and energy, forestry, natural resource and ecosystem conservation, industries, hospitality, land, irrigation.

The next important contexts of this regulation include about government functions as the mayor who is responsible for guaranteeing and preserving the worse explorations toward natural resources utilizations. Further, government also has obligation in maintaining sustainability development related to the environ-mental conservation responsibilities. Moreover, this regulation states about business permission that certify by government as the preventive legal norm form contained of obligations, requirements toward the business institution. This matter shows how government opens for the institutional consolidation in conserving environment. Environmental Audit recognized as the government effort in maintaining business institution especially on compliance efficacy toward policies and regulations establish by

government. This paper also finds the derivation of rights and obligations between citizen and government such as UU no 23 Tahun 1997 formulations about government and civil rights and obligations toward the environmental preservation, which derive as:

- Civil Rights: *Hak atas informasi lingkungan hidup, (2) hak berperan dalam pengelolaan lingkungan hidup berdasarkan pada keterbukaan*
- Civil Obligations: *memelihara kelestarian fungsi lingkungan hidup, (2) mencegah dan menanggulangi pencemaran dan perusakan lingkungan hidup*
- Government Right: *penguasaan terhadap sumber daya alam*
- Government obligations: *(1)mengatur dan mengembangkan kebijaksanaan dalam rangka pengelolaan lingkungan hidup, (2) mengatur penyediaan, peruntukan, penggunaan, pengelolaan lingkungan hidup dan pemanfaatan kembali sumber daya alam, termasuk sumber daya genetika, (3) mengatur perbuatan hukum dan hubungan hukum antara orang dan subjek hukum lainnya serta perbuatan hukum terhadap sumber daya alam dan sumber daya buatan, termasuk sumber daya genetika, (4) mengendalikan kegiatan yang mempunyai dampak social, (5) mengembangkan pendanaan bagi upaya pelestarian fungsi lingkungan hidup.*

Those derivations of rights and obligations above are merely suitable to the structure theory by Giddens (1986) who affirmed that social sciences nowadays focus on analyzing the interactive association between the structure and agency not on the gradational focus anymore. Suparlan (2002) stated that the mix analyzes by Giddens and Gramsci with his Hegemony Theory found that the equality of government and citizens' rights and obligations are always adapted and developed for the purpose of the society by the indicators of democratization, legal supremacy, and civil right esteem. For that particular theory, UU no 23 Tahun 1997 hopes that clearly deriving rights and obligations among citizen and government can improve the democratic system in Indonesia also maintain the legal supremacy existence.

Content Analysis of Indonesian Code Number 23 Year of 1997

UU no 23 Tahun 1997 distresses on the general to the specific important policies about environmental preservation actions which about consider as the important matter in helping the harmonization between human and environment.

a. Transparency

Section 5 (2) and (3) UU No 23 Tahun 1997 mentions the importance in disclosing the environmental information as the logic consequence due to the right in supervising the environment based on the transparency framework:

- (2) “Setiap orang mempunyai hak atas informasi lingkungan hidup yang berkaitan dengan peran dalam pengelolaan lingkungan hidup”,
- (3) Setiap orang mempunyai hak untuk berperan dalam rangka pengelolaan lingkungan hidup sesuai dengan peraturan perundang-undangan”.

Roles involve in this statement are considered as the roles in the process of decision taking (public hearing) specifically on the process of analytical assessment which discusses about environmental effects and policies by transparency principle. It hopes that this principle could raise the efficacy of environmental implementation and environmental accounting reporting up. Buritt (1997) mentioned that doing environmental transparency was important because environmental matters were always complex which about it was not only somehow bound to environmental effect, policies, but also the financial interest achieved by surroundings.

*The essence of environmental accountability and transparency is that **environmental matters are too complex and crucial to be left entirely** in the already overburdened hands of corporations. Two reasons are provided in support of Gray et al's (1993) view. First, they claim that it is “unreasonable” to expect corporations to add to the number of decisions they make affecting the welfare of individuals because of the lack of appropriate information about ecological impacts that corporate activities make. Second, they protest that financial markets have shown an “awesome indifference” to the social and environmental activities of the companies they own, unless there are financial gains to be made from these activities. The clear message is that without (and perhaps even with) regulation corporations will ignore the environment, if it is not in their **financial interest to do so***

b. Environmental Disclosure Substances

UU no 23 Tahun 1997 Section 5 (2), 6 (2), 7 (2e), 15 (1) formulate the importance on disclosing the reliable, accurate, and true environmental report in

order to assess the responsible group compliance toward government policies and regulations. According to Section 5(2), it is stated that;

Informasi lingkungan hidup sebagaimana dimaksud pada ayat ini dapat berupa data, keterangan, atau informasi lain yang berkenaan dengan pengelolaan lingkungan hidup yang menurut sifat dan tujuannya memang terbuka untuk diketahui masyarakat, seperti dokumen analisis dampak lingkungan hidup, laporan dan evaluasi hasil pemantauan lingkungan hidup, baik pemantauan penataan maupun pemantauan perubahan kualitas lingkungan hidup, dan rencana tata ruang.

Above passage explain the UU no 23 Tahun 1997's elements of environmental reporting which about classify into AMDAL report, environmental monitoring report and evaluation (UKL, UPL) and space arrangement plan. Moreover, AMDAL is considered as the preemptive policies in which it works on the base of planning and decision taking term. However, AMDAL is only acquired by the business doers, which fulfill the requirement on claiming their positive and negative effects below the dangerous extent. Assessing and formulating those positive and negative effects are mapped into: (a) the amount of human who will get the impact by some activities action, (b) the spread areas in which those effect multiply, (c) intensity and duration, (d) cumulative effects, (e) reversible and irreversible effects.

c. Environmental Accounting Disclosure Substances

UU no 23 Tahun 1997 give no clear explanation about the possibility in involving the environmental accounting on the reporting term. It consider as acceptable because Undang-Undang is the general policies which can be widely derived more into Peraturan Pemerintah, Keputusan Presiden, Keputusan Menteri, and etc. Moreover, this paper finds that actually clauses integrated on this Undang-Undang No 23 Tahun 1997 are having the environmental costs and benefits enclosed, such as the AMDAL clause. Further, environmental costs consider as impact incurred by society, an organization, or an individual resulting from activities that affect environmental quality which can be expressed in monetary or non-monetary terms. However, the focus on monetary term can includes any such costs, *direct or less tangible*, with short or long-term financial consequences for the firm. These monetary costs are often not tracked by or are hidden in overhead accounts within traditional management accounting systems, but they can be a significant component of a firm's overall cost structure. The failure to include them in financial analyses has the effect of sending the wrong financial signals to managers making process improvement, product mix, pricing, capital budgeting, and other routine decisions.

In the other word, environmental costs expose the correlation between the activity of the corporate dealing with its environmental attach and the possibility to perform the monetary aspects of the environmental reporting as their responsibilities to the surround. One general form of enclosing environmental costs toward companies report is possible such below (by the monetary and non monetary term):

- *identify environmental management cost*
- *prioritize and select the costs to investigate in more detail*
- *quantify and qualify the costs*
- *allocate costs to products or processes responsible for their generations*
- *integrate costs into facility decision-making (Writar, 1997)*

By those explanations and example above, this paper would like to convince that environmental cost by the clauses of environmental preservation in UU no 23 tahun 1997 will finally be gathered on the focal point of environmental accounting reporting. However, it should be emphasized that the scope of UU no 23 tahun 1997 in establishing the environmental preservation regulations is not in form of detail and specific, hence this paper finds no clue about complex detail form in disclosing or even reporting.

Undang-Undang Republik Indonesia Nomor 19 Tahun 2004 (Indonesian Code Number 19 Year 2004 About The Establishment of Government Decree Substitution Over The Code Number 1 Year 2004)

The Undang-Undang Republik Indonesia Nomor 19 Tahun 2004 and Peraturan Pemerintah Nomor 1 Tahun 2004 regulations work for the same concentration; which is concerned about forestry and mining association-management correlation. Both of those regulations are established by the fact that there was no collection of legal authorization or mining agreement existed in the previous policies on the same concentration. Moreover, those absences cause the uncertainty among mining activities inside forest areas especially for the investors, which already got the legal authorizations before this regulation occupied. That is why, these two regulations are orderly purposed to institute the legal supremacy in mining activities inside forests, support investors' enthusiasm and to return investors' trust toward the Indonesia's investment condition.

Content Analysis of Indonesian Code Number 19 Year 2004

Those two regulations above, unfortunately mention nothing about environmental accounting reporting, because they are only talked about the magnitude of legal authorization commitment in the mining activities within the forestry areas. There are no clauses about transparency or environmental reporting, and even environmental accounting reporting enclosed on the Undang-Undang Republik Indonesia Nomor 19 Tahun 2004 and Peraturan Pemerintah Nomor 1 Tahun 2004. However, these regulations need to be considered as practicable form of legitimacy premise in general, wherein it is nothing to do with legitimacy in reporting matter. According to Buritt (1997), he said that legitimacy theory dealt with the companies' ways in preserving its right to be existed in society by integrating society values inside the companies. In the other word, this premises carries same value as what legitimacy in reporting also has which are social values' substances for the sake of social perception forming and credible performance upholding.

Peraturan Pemerintah Nomor 74 Tahun 2001 Tentang Pengelolaan Bahan Berbahaya dan Beracun (Government Decree Number 74 Year 2001 About the B3 Management)

A growing phase of development activities in every part of business elements especially in trades and industries bring a tendency of the rising number of the dangerous and poisonous materials, which are widely utilized. Nowadays, there is no regulation concerned on the management operation of those dangerous and poisonous materials especially on the matter of pollution prevention and environmental quality reduction-minimization. That is why, this policy is trying to prevent the increasing number of negative impacts, which cause environmental disaster, and men's health by provoking the management system of poisonous and dangerous chemicals as what been well informed by the science and technology. Moreover, this "*Peraturan Pemerintah Republik Indonesia Nomor 74 Tahun 2001 Tentang Pengelolaan Bahan Berbahaya dan Beracun*" is also established to answer factual odd event which is about partial management system of companies in organizing the B3 toxic wastes in a well management process such as; production process, storage, packaging, symbolizing and labeling, carriage, consuming, importing, exporting and removing.

Further, this paper finds many clauses consider as the action which about essential as substances in disclosing for the need of comprehensive reporting. The items below will focus only on the actions of poisonous and dangerous management system:

1. Section 4 "*Setiap orang yang melakukan kegiatan pengelolaan B3 wajib mencegah terjadinya pencemaran dan kerusakan lingkungan*", this clause brings the image of democratization and civil right esteem. These 3 items represent the Hegemony and Structural Theories' existence in a term of citizens' and state's rights and obligations. Democratization and civil right esteem explain how citizens with the responsibility on doing the B3 supervision get their extensive obligation and right to help in preserving environment. Generally, the democratization and civil right esteem could be extensively be done if there is legal supremacy existed. That is why, the detail and comprehensive items or clauses of B3 supervision need to be established.
2. Section 1 (2), (3), (4), (5), (6), (7) distress on the substances of B3 (Bahan Berbahaya dan Beracun-Poisonous and Dangerous Material) management, registration, storage, packaging, symbolization, labeling, consuming, importing, exporting and removing which in general, those activities above seem only focusing only on the stage of production process through the stage of removing. However, it understandable to say that those clauses above concern on the items of environmental preservation, such as: B3 storage define about method in placing the B3 in order to maintain its qualities and quantities, as well, and to prevent the spread of negative impacts toward environment, men's health, and other living creatures. Furthermore, it should be comprehend that the other clauses, even those that are not having any correlation to the need of environmental preservation are recognized as important in a term of disclosing substances.

Content Analysis of Government Decree Number 74 Year 2001

The Government Policies Number 74 Year 2001 is established by the cause of partial government monitoring on B3 management which then it is finally decided to set up policy for the comprehensive procedures of productions, storages, packaging, labeling, carriages, utilizations, import, export and waste. Moreover, in its clauses, it clarifies about practical actions for preserving the environment, which are disclosed below:

- (1) Section 2 : "*Pengaturan pengelolaan B3 bertujuan untuk mencegah dan atau mengurangi resiko dampak B3 terhadap lingkungan hidup, kesehatan manusia dan makhluk hidup lainnya.*" This clause explains about the action in managing B3 in order to diminish the impact risk of B3 toward the environment, men's health, and other living creatures. It hopes that companies will finally disclose those particular actions.
- (2) Section 5 concerns about the classification of B3 which are: explosive, oxidizing, extremely flammable, highly flammable, flammable, extremely

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toxic, highly toxic, moderately toxic, harmful, corrosive, irritant, dangerous to the environment, carcinogenic, teratogenic, and mutagenic which here, in this policy, there is no specific form of disclosing those classification. Moreover, this paper hopes that this categorization would help to inform society about their knowledge for the sake of their awareness toward the (a) utilizable B3, (b) un-utilizable of B3, (c) moderate utilizable of B3.

(3) Section 6 concerns on the B3 authorization facilitates the harmonization of environmental preservation among companies through the important determined actions included in clauses of Government Policy Number 74 Year 2001. Here, this paper will also enclose the authorization's system which are divided into:

- (a) Producers and importers must register their B3 elements,
- (b) the obliged B3 authorizations are only applied for one chance toward the first moment for the imported or produced items,
- (c) The institutions, which are responsible for authorizing B3, must supply copy of its B3 pollution to the other institutions, which are directly or indirectly in charge of it.

(4) Section 11 and 12 are about the action to attach the "Material Data Sheet" to input all the information about production, labeling, storage, transfer/transportation, and distribution. To be noticed that those items which are included in "Material Data Sheet" are based on the real completing of companies' preservation.

(5) Section 19 tries to prevent the possible emergency actions of B3 storage management, which in Section 25 it is again disclosed about step-by-step movement to overcoming the accidents because of emergency conditions such as:

- (a) Isolating the place of accident are occurred,
- (b) Solving case by the fix procedures of accident management,
- (c) Forwarding the report of incidents or emergency case to the governmental staffs in order to fulfill the system of governmental supervision.

(6) Section 27 is about the companies' responsibilities in resolving the environmental quality, which are already in-devastated state or polluted condition.

- (7) Section 32 clarifies about the action to improving societies' awareness toward the B3 impacts within environment, men's health and the other living creatures.

Those 7 items mention about the environmental actions which are escorted to the need of environmental reporting harmonization, with that intention, it really hopes this government policy will amplify companies' capability in disclosing its environmental actions by the substance which to be mentioned above.

Down to the focus of item, which been brought by Sukoharsono (2002), this paper in fact, finds that there are no specific clauses included in Government Policies Number 74 Year 2001, which directly concern on environmental cost;

Environmental accounting will also serve as a solid foundation for an environmental management system (EMS), or increase the effectiveness of an existing one. In addition, having an environmental accounting system in place allows firms to: better manage environmental cost,, more accurately cost products and processes, include potential environmental costs in appraisal processes and investment analyses

Somehow, it does state about the item of "discover new opportunities to offset or minimize environmental costs through environmental thinking" which talks about an enforcement to show companies' action in classifying environmental opportunities with straight correlation to environmental cost. Therefore, it would not be mistaken for saying that actually the environmental cost are the major issues which being a groundwork toward the clauses of harmonizing the companies environmental reporting especially in reporting their environmental accounting actions through each company's unique substances.

Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003 (Environmental Minister Decree Number 113 Year 2003)

The water quality supervision and water contaminated prevention is the general item of Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003 Tentang Baku Mutu Air Limbah Bagi Usaha dan Atau Kegiatan Pertambangan Batu Bara which then, this policy defines two division items such as; mining, and processing/washing. This particular policy also suggests the qualities extent of coal water pollution wherein imply on the limitation

capacity or pollutant elements rate or the amount of pollutant elements contain on the coal waste water which are going to be washed out into the surface water.

This policy further comes up with items of actions, which this paper believes in helping the reporting mapping. Below, there will be figures of actions, which finally prolonged into reporting matter;

1. Section 3(2) "*apabila baku mutu air limbah batu bara sebagaimana dimaksud dalam ayat (1) terlampaui karena keadaan tertentu dan atau kondisi cuaca tertentu maka penanggungjawab usaha dan atau kegiatan wajib melaporkan dan menyampaikan kegiatan penanggulangan pencemaran kepada Bupati/Walikota dengan tembusan kepada Gubernur/Menteri*". The previous clause considers as the action of preventing the quality extent of coal water waste as in its normal rate, however, if certain cases happen by the cause of the overrate number in coal waste water, it is obliged by companies in reporting and launching the action of preventing those pollutions toward the responsibility government. This important event needs to be published in companies' environmental accounting reporting, mostly in the matter of costs and benefits substances.
2. Section 5 "*apabila hasil kajian AMDAL, UKL, UPL dari usaha dan atau kegiatan pertambangan batu bara mensyaratkan baku mutu air limbah lebih ketat dari baku mutu air limbah sebagaimana dimaksud dalam Section 4, maka diberlakukan baku mutu air limbah sebagaimana yang dipersyaratkan oleh AMDAL atau UKL, dan UPL*", this clause talks about the companies prevention actions which are obliged by government in order to maintain the environmental life's qualities. It is important to understand some stiff qualities control toward some businesses, which AMDAL do not confess on it, and UKL also UPL must be employed by companies with the new other complex requirements. This clause considers as important value because it is good outcomes which are; environmental preservation, environmental reporting harmonization, and environmental accounting reporting synchronization. In some line, somehow, it contains of environmental preservation clause, further, it also helps in harmonizing and synchronizing environmental accounting reporting by its practical form involved.
3. Section 6 shows the companies' compulsion activity in managing coal wastewater for the need in avoiding the pollution spread over the society in overrate number of the usual normal waste water-quality extent. This action, over more should be clearly disclosed in environmental accounting reporting, because it is supposed to clarify companies' actions in preserving environment with its costs and benefits matter.

4. Section 8 (1) and (2) mention about companies' action in having the point of compliance study about coal wastewater. This move, once again, should be disclosed because it involves costs and also future benefits values toward companies, as what had been mentioned in Section 8 (2) "*Lokasi titik penataan sebagaimana dimaksud dalam Section (1) harus berada pada saluran air limbah yang: (a) keluar dari kolam pengendapan air limbah..... tidak terkena pengaruh dari kegiatan lain dan atau sumber lain..., (b) keluar dari unit pengelola air limbah tidak terkena pengaruh dari kegiatan lain dan atau sumber lain.*" This paper believes those move which is mentioned by Section 8 (2) somehow brings not only to the effect in elevating up companies' costs, but also increasing companies' efficacy in their progress of operation and management companies' projects. Moreover, Section 10 (2) also mentions items of companies' obligation which deal with coal mining activities such as: (a) *melakukan swapantau kadar parameter baku mutu air limbah....., (b) mengambil dan memeriksa semua kadar parameter baku mutu limbah sekurang-kurangnya satu kali dalam satu bulan... , (c) menyampaikan laporan tentang hasil analisis air limbah....* Those three projects above in general mention about companies' duties in successfully facilitated the environmental green's missions by doing observation, monthly assessment, and reporting. Below there will be performed the form of "*Baku Mutu Air Limbah Kegiatan Penambangan Batu Bara—Mining Waste Water-Qualities Extent*" which this Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003 expects to be complied by companies for the need of reporting synchronizations.

<i>Parameter (Parameter)</i>	<i>Satuan (Amount)</i>	<i>Kadar maksimum (maximum rate)</i>
pH		6-9
Residu Tersuspensi	Mg/l	400
Besi (Fe) total	Mg/l	7
Mangan (Mn) Total	Mg/L	4

Baku Mutu Air Limbah Pengolahan/Pencucian Batu Bara – Coal Waste Water of The Production and Wash Process – Qualities Extent

<i>Parameter (Parameter)</i>	<i>Satuan (Amount)</i>	<i>Kadar maksimum (maximum rate)</i>
pH		6-9
Residu Tersuspensi	Mg/l	400
Besi (Fe) total	Mg/l	7
Mangan (Mn) Total	Mg/L	4
Volume air limbah maksimum 2m ³ per ton produk batu bara		

Content Analysis of Environmental Minister Decree Number 113 Year 2003

Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003 has some important points about environmental reporting, which about needs to be widely expanded in a term of environmental accounting, wherein this paper purposely intended about. Further, clauses engage in this policy have lot of imperative things to be analyzed in this forth section below.

a. Transparency

Section 10 (2c) mentions “*menyampaikan laporan tentang hasil analisis air limbah dan debit harian sebagaimana dimaksud dalam huruf a dan b sekurang-kurangnya tiga bulan sekali kepada Bupati/Walikota, dengan tembusan Gubernur dan Menteri serta instansi lain yang terkait sesuai dengan peraturan perundang-undangan yang berlaku*”, which clarifies the clauses of transparency among companies’ activities which directly correlate to the society. Based on [http://www.transparansi.or.id/majalah/edisi4/4 berita_2.html](http://www.transparansi.or.id/majalah/edisi4/4%20berita_2.html) about PROPER, this paper tries to explain transparency value which is embedded on Section 10 (2) by giving the PROPER analogy wherein it deals with practical implementation of environmental preservation. As the illustration, PROPER here believes as media of transparency formalization and also the society entangling, wherein PROPER in the other form, can be suggested as democratization in controlling the environmental catastrophes that are actively supported by society. Moreover, PROPER as the environmental preserving actions supposes to be legitimate by applying Good Environmental Governance (GEG) which is: transparency, fairness, accountable, and stakeholders participations. By that illustration above, this paper hopes that Section 10 (2) could be somehow in the same direction as what PROPER has, especially in their term of transparency, fairness, accountable, and stakeholders participations. Since, transparency is a matter of disclosing or even the all-inclusive reporting about what factual happening, events, actions toward the social element of world, which here considers as the society. Action includes in Section 10 (2c) about exposing the result of wastewater study by some means, are the way in entrapping the society to fully maximize their role in preserving environment and the way in formalizing the transparency into an obligation which specifically related to the legal ascendancy. Moreover, this compulsory is related to the basic theory of jurisdiction as the tools in helping companies to comply at policies, here, in which, specifically focus on environmental policies to finally demonstrate their credible performance to achieve social recognition and to continue their existence. Once more, it wishes that legal ascendancy could somehow boost up the efficacy of transparency and fairness implementation among environmental policies and regulations.

b. Environmental Reporting

According to the earlier content analysis above, this Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003 mention so many clauses about environmental actions which are directly related to environmental reporting. Those clauses are: Section 3(2) as the clause of action in preventing the quality extent of coal waste water as in its normal rate, Section 5 which talks about companies' prevention actions which are obliged by government in order to maintain the environmental life's qualities, Section 6 which shows the companies' compulsion activity in managing coal waste water for the need in avoiding the pollution spread over the society in overrate number of the usual normal waste water-quality extent, Section 8 (1) and (2) mention about companies' action in having the point of compliance study about coal waste water. Those important clauses above generate the environmental action in which become substances in environmental reporting. This Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003 also mentions the form of (1) "*Baku Mutu Air Limbah Kegiatan Penambangan Batu Bara—Mining Waste Water-Qualities Extent*" and also (2) *Baku Mutu Air Limbah Pengolahan/Pencucian Batu Bara – Coal Waste Water of The Production and Wash Process – Qualities Extent*.

(1) "*Baku Mutu Air Limbah Kegiatan Penambangan Batu Bara—Mining Waste Water-Qualities Extent*"

<i>Parameter</i> (Parameter)	<i>Satuan</i> (Amount)	<i>Kadar maksimum</i> (maximum rate)
Ph		6-9
Residu Tersuspensi	Mg/l	400
Besi (Fe) total	Mg/l	7
Mangan (Mn) Total	Mg/L	4

(2) *Baku Mutu Air Limbah Pengolahan/Pencucian Batu Bara – Coal Waste Water of The Production and Wash Process – Qualities Extent*

<i>Parameter</i> (Parameter)	<i>Satuan</i> (Amount)	<i>Kadar maksimum</i> (maximum rate)
pH		6-9
Residu Tersuspensi	Mg/l	400
Besi (Fe) total	Mg/l	7
Mangan (Mn) Total	Mg/L	4
Volume air limbah maksimum 2m ³ per ton produk batu bara		

This paper believes that those clauses above contain of social values which about companies can somehow use to reduce social pressure as what had been mentioned by Patten (2002) cited from Jupe (2005) and also to educate and inform about changes in companies' performances and activities, seek to change relevant public's perception, seek to change external perception of companies' performance as what had been mentioned by Jupe (2005). Moreover, it should be considered that those activities and actions above could not be separated from the costs, which directly emerge as the actions are executed. The more comprehensive analysis about environmental cost will be explained in the next sub-sub chapter.

c. Environmental Cost

Before discussing the environmental cost, this paper would like to firstly show the environmental accounting definition based on Glenn- Lange (2003) of her journal "*Policy Application of Environmental Accounting*", that environmental accounting is used as a mean or device in providing policy with indicators and descriptive statistics to monitor the interaction between environment and economy, and progress toward the meeting the environment goals. The underlined word above represents the environmental actions which in some way bring matter of costs which being the logical analogy to correlate the environmental cost and environmental accounting. Further, environmental costs emerge among companies' environmental actions, which directly or indirectly affect environmental quality in monetary or non-monetary term expression. Moreover, environmental costs also deal with direct or less tangible, with short-term or long-term financial outcomes for companies, themselves. According to Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003, mostly all of clauses which are included are considered as actions contain of environmental cost matter. Section 3(2), Section 5, Section 6, and Section 8 (1), and (2) are clauses of environmental actions' general context wherein each of it encloses costs with the impact of efficacy in companies' operation and management progress and also fine upshot of environmental preservation.

Section 3 (2), Section 5, Section 6, and Section 8 (1), (2) in simple word; they talk about action in preventing the quality extent of coal water waste as in its normal rate for maintaining the environmental life's qualities-principle by some detail points of the process and management coal waste-water. By comprehending the simple words above into the practical actions in factual world, then those items could be deduced into the environmental actions with costs carriage.

d. Environmental Accounting Disclosure Substances

Before moving forth into the content analysis of Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003, the paper would also picture a practical form of environmental accounting reporting according the Fujitsu Green Management in Fiscal 1999. This knowledge is important to help readers in understanding comprehensively about environmental accounting in its term practical and theoretical qualifications.

Item of Effect	Scope
Direct costs	Cost of environmental protection activities at manufacturing plants (costs of introduction and maintenance of environmental facilities)
Indirect costs	Costs of ongoing environmental protection activities (personnel expenses) and acquisition/maintenance of ISO 14001-series certification
Energy saving	Cost of energy-saving measures
Recycling	Costs of product collection, recycling and reuse Cost of waste treatment
R&D	Cost of R&D for eco-conscious products and environmental technologies
Social activities	Costs of greenery programs, environmental activity report production and environment-related publicity, etc.
Other costs	Cost of tackling environmental risks posed by ground water and other contamination
	Total

Item of Benefits	Scope
Value-adding effects on manufacturing	Contribution of environmental protection activities to the value added by manufacturing activities*4
Energy-saving effects	Cost savings from reductions in consumption of electricity, oil and gas
Recycling effects	Sales value of recycled and reused products Cost savings from reductions in waste volumes
Risk management	Savings from avoidance of losses caused by plant non-operation due to non-observance of environmental laws and regulations*5 Savings from avoidance of payment of insurance premiums and compensation to residents as a result of ground water contamination

Environmental business activities	Sales contribution of environmental products (environmental solutions and Green Products)
Efficiency improvements	Cost savings from paperless operations and use of management systems from environmental activities
Environmental education activities	Effects of in-house training of environmental ISO consultants and auditors
	Total

*4: Calculated as the sum of proportions of product value-added at each plant, depending on the proportion of environmental protection activities undertaken at each site

*5: Estimate of risk avoidance assuming such events arise

Based on the table above, it shows the readers how broad the environmental accounting scope in its term of cost and benefits in which it is fundamental to clarify those items to comprehend analyze government environmental policies and regulations. Moreover, as the theoretical qualifications, Gray, Babbington (2001) cited from Swanson (2006) states that actually there was a big expansion on environmental accounting reporting in the area practice and thought in which those two elements are important in deriving the comprehensive clauses about environmental accounting reporting matter. That is why; there are so many evidence inflame nowadays, that many companies try to make various environmental accounting reporting based on management board's authorities. Rubenstein (1994) cited from Swanson (2006) in his journal of *"A System View of The Environment of Environmental Accounting"* states about; *"....comprehensive abstraction of entire eco system be valued by various estimation procedures and risk analysis"* which means that various possibilities in environmental accounting reporting which carries eco system's abstraction are happened by the reason of various estimation procedures and risk analysis. The association between those researchers' views above about environmental accounting reporting progress and our government environmental policies and regulations are that on the risk of performing the environmental accounting reporting in various manners, which about probable to be employed as companies' trick in playing the hypocrite games of complying policies with anything but name on it. Finally, this paper tries to expose a really grievous fact which is found in Keputusan Menteri Negara Lingkungan Hidup Nomor 113 Tahun 2003 about there are only essential point of environmental actions existed which can not be denied that some of them enclose the costs and benefits matter, but unfortunately there are none of it which are straightforwardly instructed by government as environmental accounting items. Therefore, this paper over more, declares that this policy is not quite enough in facilitating companies for achieving substances of environmental accounting reporting, because it only strolls in the matter of

environmental actions reporting only, without gives the major detailed criterions of which ones are the items of costs and benefits belong to environmental accounting reporting. Additionally, this paper discovers a fact that environmental accounting is actually not fairly known in companies' practical scope because it is not socialized enough. Then, who should be blamed on?

Conclusions

It concludes that there are four direct regulations concerning the aspect of environmental accounting. The regulations are Code Number 23/ 1997 about Environment Management, Code Number 19/2004 about Forestry, Government Decree Number 74/ 2001 about dangerous and poisonous material management, and Environmental Minister Decree Number 113/ 2003 on Water Pollution Quality Standard of the businesses and/ or Coal Mining Activities. The regulations have potentials as the basis of the implementation of environmental accounting for the business activities in Indonesia.

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