

ABSTRACT

THE IMPACT OF REVOCATION OF FINANCIAL ACCOUNTING STANDARD (PSAK) NO. 32 FOR FORESTRY ACCOUNTING TO ENVIRONMENTAL PERFORMANCE

(EMPIRICAL STUDY ON FORESTRY COMPANIES LISTED ON THE STOCK EXCHANGE INDONESIA)

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This research generally aims to provide empirical evidence that there is an influence on environmental liability after revocation Statement of Financial Accounting Standards (PSAK) 32 on forestry companies in Indonesia in 2007-2013. The main problem of this study is that there is a change in the regulations on environmental disclosure, so that there is government regulations binding on the level of disclosure of environmental information in Indonesia.

Operational variables in this study are the quality environmental proxied by level of environmental disclosure and environmental funding proxied by the allocation of environmental costs. This study used secondary data obtained from the annual report of forestry companies in Indonesian Stock Exchange (IDX). There are 105 samples in this study during the period of 2007-2013. Then, hypothesis testing was done by using Independent Sample T-test.

The results show that the first hypothesis stated is not supported because there is no difference and the increase of the level of environmental disclosure after the ban of PSAK 32 on forestry companies in Indonesia, and supported the second hypothesis stated that there is a difference and a significant reduction in the environmental cost allocation of forestry companies in Indonesia after revocation of PSAK 32, about accounting for Forestry. This study also uses additional analysis that is the sensitivity analysis to clearly determine and prove hypothesis testing being done. The contribution of this research is that the regulation will determine the compliance of the company to disclose any environmental information required. These findings confirm that environmental disclosure could be increased, but not accompanied by the increase in the allocation of environmental costs, so the researcher wants to prove despite the increased level of environmental disclosure, but not accompanied by the allocation of environmental costs which experienced a decrease after the existing change in regulations in Indonesia.

Keywords: Environmental Performance, Revocation Statement of Financial Accounting Standards (PSAK) 32 Accounting for Forestry, Environmental Disclosure Level, Environmental Cost Allocation.