



Level 12, 201 Sussex St  
Sydney NSW 2000

t: 1300 739 119  
e: [contact@aicd.com.au](mailto:contact@aicd.com.au)  
[aicd.com.au](https://aicd.com.au)

ABN 11 008 484 197

Sub 13 ED02-25

25 November 2025

Mr Doug Niven  
Chair  
Auditing and Assurance Standards Board (AUASB)  
PO Box 204  
Collins St West  
VIC 8007 Australia

Via email [enquiries@auasb.gov.au](mailto:enquiries@auasb.gov.au)

Dear Doug,

## Proposed amendments to ASSA 5010

Thank you for the opportunity to make a submission to the Auditing and Assurance Standards Board (**AUASB**)'s Consultation on proposed amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (**ED 02/25**).

The Australian Institute of Company Directors (**AICD**)'s mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of more than 53,000 includes directors and governance leaders of not-for-profits, large and small businesses and the public sector.

With Australia being one of the first jurisdictions to introduce mandatory reasonable assurance over International Sustainability Standards Board (**ISSB**)-aligned disclosures, there is significant work in ensuring that directors, report preparers, and auditors are able to comply with these new obligations. This is critical as many climate disclosures are forward-looking, such that companies and directors are subject to heightened liability.

The AICD is committed to lifting board and director awareness, education, competency and readiness for the reporting obligations including the assurance requirements.<sup>1</sup>

### 1. Key points

#### Directors' declaration

Consistent with our previous submissions on ASSA 5010 (Timeline)<sup>2</sup> and ISSA 5000<sup>3</sup>, the AICD agrees that the directors' declaration should be subject to limited assurance in Years 2 and 3, before moving to reasonable assurance from Year 4 onwards, aligning with the expiry of the modified liability regime. This should give the assurance market the time to develop the relevant capabilities, and for standard-

<sup>1</sup> AICD, MinterEllison, Deloitte (24 September 2024). A director's guide to mandatory climate reporting – V2. Available [here](#).

<sup>2</sup> AICD (19 November 2024). Submission on the Proposed Australian Standard on Sustainability Assurance, ASSA 5010 (Timeline). Available [here](#).

<sup>3</sup> AICD (3 May 2024). Submission to the Auditing and Assurance Standards Board (AUASB)'s consultation on assurance over climate and other sustainability information. Available [here](#).

setters to provide guidance on the implementation of reasonable assurance over more challenging and nascent disclosures, such as scenario analysis and transition plan disclosures.

Providing limited assurance also provides some external assurance over the directors' declaration ideally without requiring significant unnecessary expense to be incurred.

The AICD agrees that guidance should be developed to assist auditors on how to approach the 'reasonable steps' criterion for the directors' declaration. We recommend the AUASB work with ASIC to update its regulatory guide and recent FAQs on review and auditing requirements, including expectations on process and documentation.<sup>4</sup>

### **Phased assurance for voluntary reporting**

The AICD submits entities should be encouraged to become early adopters whilst the modified liability regime is in place. The proposal to subject an entity to the same phasing in of assurance requirements as Group 1, 2 and 3 entities may discourage early adoption of reports in accordance with the full sustainability reporting requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**).

We recommend the AUASB also clarify what phasing in would apply to those voluntary reporters which are "no group" entities that choose to voluntarily report for the first time after 2027 (i.e. once Group 3 reporting commences) but before mid-2030 when mandatory assurance applies to all disclosures.

### **Proposed phasing if start and stop voluntary reporting**

The AICD agrees that the proposed phasing for 'start stop' reporting is complex. In practice, we expect it would be rare for entities to voluntarily report earlier, stop then start again, given the sustainability reporting requirements of the Corporations Act (including AASB S2) are a significant undertaking from a cost and resourcing perspective.<sup>5</sup>

## **2. Next steps**

We hope our submission will be of assistance to you. If you would like to discuss these matters further, please contact Sean Dondas, Policy Adviser at [sdondas@aicd.com.au](mailto:sdondas@aicd.com.au).

Yours sincerely,



**Christian Gergis GAICD**  
Head of Policy

---

<sup>4</sup> ASIC (March 2025). Regulatory Guide 280: Sustainability reporting. Directors' declarations. RG 280.58. Available [here](#).  
ASIC (September 2025). FAQs about auditing and assurance requirements for sustainability reports. Available [here](#).

<sup>5</sup> AICD, MinterEllison, Deloitte (September 2024). Factsheet: How is mandatory reporting an uplift from the TCFD. Available [here](#).