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THE UNIVERSITY OF SYDNEY

CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

Preparedness of Australian Auditors for Assuring Climate-related Disclosures

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Foreword from Auditing and Assurance Standards Board

I am pleased to support this independent research report on the preparedness of Australian assurance firms to conduct assurance engagements of Australian entities preparing mandatory climate related reports. Authored by Professor Roger Simnett, Associate Professor Shan Zhou, Dr Jean You, and Ms Yi She, this research offers timely insights for the AUASB, and stakeholders as we navigate the challenges of climate-related reporting and assurance.

Australia is among the first countries in the world to adopt mandatory reporting IFRS S2 *Climate-related Disclosures* and assurance under ISSA 5000 *General Requirements for Sustainability Assurance Engagements*, starting with the largest entities from years commencing 1 January 2025. The AUASB issued assurance standard ASSA 5000 *General requirements for Sustainability Assurance Engagements* based on the equivalent international standard, as well as a standard covering the phasing in of limited and reasonable assurance (ASSA 5010). The AUASB has an important role in providing guidance on applying ASSA 5000 under the local reporting framework and is monitoring implementation preparedness and progress.

Many of the recommendations identified in this report have been, or are in the process of being, addressed by AUASB and others. This demonstrates that the system is responding well to identified challenges in order to achieve outcomes beneficial to sustainability report users. We extend our sincere thanks to the authors for their valuable contribution, reinforcing the important role academic research plays in supporting standard-setting and implementation guidance.

Doug Niven
Chair
Auditing and Assurance Standards Board

Foreword from Chartered Accountants Australia & New Zealand

The introduction of mandatory sustainability reporting represents one of the most significant developments in corporate reporting in a generation. Confidence in climate related disclosures will depend on the quality, consistency and transparency of reporting by entities, alongside the systems, processes and governance that support it.

That's why Chartered Accountants Australia and New Zealand (CA ANZ) is pleased to present this research on the preparedness of Australian reporting entities for climate related financial disclosures. This report comes at a pivotal moment as Australia transitions to mandatory climate related reporting under AASB S2, supported by evolving assurance requirements.

This research provides timely, evidence based insights into how well assurance firms are prepared for this shift. Encouragingly, the report highlights growing awareness and progress across the market, while also identifying key challenges in the application of new reporting requirements. It is clear that continued guidance, capability building and collaboration across the system will be essential to support high quality implementation, particularly as requirements expand to a broader set of entities over time.

CA ANZ remains committed to supporting our members and the wider profession through this transition by providing guidance, tools and thought leadership to build capability, improve reporting quality, and strengthen trust in sustainability disclosures.

We thank the authors for their valuable contribution, and we commend this report to all stakeholders involved in advancing climate related reporting in Australia.

Ainslie van Onselen
Chief Executive Officer
Chartered Accountants Australia and New Zealand

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Overview

This joint research initiative[1] examines the preparedness of Australian assurance firms to conduct assurance engagements in accordance with the requirements contained in ASSA 5000, of Australian reporting entities preparing mandatory climate related reports. We focus on the key challenges encountered, potential and existing mechanisms that are perceived to enhance preparedness.

It draws on a mixed methods research approach, which first involved market mapping to identify 309 audit firms providing financial statement audits for possible AASB S2 reporting entities. Over the period November 2025 – April 2026, we then surveyed those audit firms for which we could find contact information and received usable survey responses from 23. To supplement our findings, we conducted 13 in-depth interviews with representatives from the top 20 audit firms. The audit firms interviewed provide financial statement audit services to 92.72% of our identified Group 1 entities, 84.53% of our identified Group 2 entities, and 65.64% of our identified Group 3 entities. We also undertook and report a review of the assurance reports issued for 34 Group 1 listed entities with a 31 December 2025 reporting date. This has given us sufficient evidence to outline in this research report early findings regarding the preparedness of audit firms for providing assurance in accordance with the requirements of ASSA 5000, in order to inform timely policy, regulatory, and market discussions.

Over the period that we have been preparing this report, we have shared our preliminary findings with key players, mainly ASIC, AUASB, and CA ANZ. We are pleased to observe that many of the recommendations that we have drawn from our findings are consistent with recent initiatives of these players.

10 key findings

1. The level of preparedness for the largest 20 assurance providers appears to be high. These providers conduct the financial statements audits for over 95% of identified Group 1 entities, 90% of identified Group 2 entities, but a smaller proportion (about two-thirds) of identified Group 3 entities.

2. The smaller and some mid-tier assurance providers, identified as only servicing later-phase entities (238 out of 309 identified as the auditors for Group 3 entities only), are significantly less prepared for assuring climate-related information, with some yet to communicate with their clients or start developing in-house capabilities or strategies.

3. Reporting entities have been reliant on their assurance providers to help them understand how they need to prepare, either through pre-assurance engagements and recommendations, or helping identify consultants suitable for developing related systems and processes.

4. The design and timing of mandatory climate assurance may impact the structure of the assurance market through client-assurance provider realignment, resulting in either increased market concentration for some large assurers and/or the advent of specialist climate-related assurance providers.

5. Reporting requirements of most concern to assurance providers include reporting of forward-looking information, scenario analysis, and (the reasonable assurance of) Scope 3 emissions. Assurance aspects of most concern include: the assurance of the "no material climate-related risks and opportunities" statement (issued by Group 3 entities); connectivity with the audited financial statements; using the work of others; assurance of other information in the Sustainability Report; and the auditor's assessment of materiality.

6. The assurance providers' views on how many of their clients are likely to issue a 'no material climate-related risks and opportunities' statement are varied. Most of our interviews with large assurance providers suggested that such assessments will be rare among their clients, while 75% of the assurance provider survey respondents expressed a concern about their assurance of the assessments of 'no material climate-related risks and opportunities'.

7. Assurance providers indicate a lower level of preparedness of Group 2 and 3 entities than the reporting entities' self-assessments would suggest.

8. Most groups of reporting entities (including, for Group 1, 88% of those surveyed and 100% of identified early listed entity reporters) are choosing the same firm as their financial statement auditor for their sustainability assurance provider.

9. Assurance and other services fee revenue from climate-related services is expected to be about 20–40% of financial statement audit fees. This percentage could be higher for smaller reporting entities as there is likely to be a minimum cost to conduct these engagements, regardless of entity size. Reporting entities commonly view these additional assurance fees as a compliance cost.

10. There is some confusion around independence considerations as to whether initial work provided to clients is sustainability consulting work or pre-assurance work.

10 key recommendations

Recommendations 1–2 are relevant to assurance providers, while recommendations 3–10 are intended to inform coordinated action by key institutional bodies, including ASIC, Treasury, the AUASB, and professional accounting bodies, providing concise and effective support for assurance providers.[2]

Recommendations for assurance providers

1. **Smaller assurance providers should establish whether they will be providing assurance services on climate-related information.**[3] If so, they should start developing appropriate in-house sustainability assurance capabilities or relationships that allow them to meet ASSA 5000 requirements.[4]

2. **All assurance providers expecting to provide sustainability assurance engagements should engage with their expected sustainability reporting clients at their earliest convenience to emphasise the need for them to develop appropriate systems and processes, and start on the sustainability reporting journey**. Engagement topics could include outlining the steps in the reporting journey and benefits of pre-assurance engagements, or the provision of assistance to identify suitable consultants to help develop related systems and processes (ensuring that independence and other ethical considerations are managed appropriately).

Recommendations for key institutional bodies

3. **Actively monitor assurance market capacity and concentration risks.** This should include the availability of assurance providers for later-phase entities.[5]

4. **Support assurance market readiness through targeted guidance and capability-building.** This should particularly focus on providing support for smaller and mid-tier assurance providers.[6]

5. **Continue to develop practical, implementation guidance and exemplars for reporting requirements identified by assurance providers as benefitting from further guidance.** This should include the reporting of forward-looking information, scenario analysis, and Scope 3 emissions.[7]

6. **Continue to develop practical, implementation guidance and exemplars for challenging technical assurance areas identified by assurance practitioners as benefitting from further guidance.** This should include: the assurance of the "no material climate risks and opportunities" statement (issued by Group 3 entities); connectivity with the audited financial statements; using the work of others; assurance of other information in the Sustainability Report; and auditor's assessment of materiality.[8]

7. **Strengthen coordination and signposting for key implementation guidance across standard-setters, regulators and professional bodies.** This should aim to reduce fragmentation and inconsistent messaging.[9]

8. **Continue clear communication from regulators regarding regulatory oversight and enforcement.** This should focus on education and engagement with assurance providers in the early years, whilst targeting enforcement action aimed at clear incidences of non-compliance.[10]

9. **Monitor the pricing of sustainability assurance services.** Continue to encourage separate disclosure of sustainability-related assurance fees.

10. **Work with the Accounting Professional & Ethical Standards Board (APESB).** This work should focus on independence and ethical considerations in the provision of sustainability-related services.

Part 1: Methodology

1.1 Population and survey sample

We identified potential reporting entities through a three-step process. As outlined in Table 1, first, we obtained lists of both ASX-listed entities from SIRCA and Australian registered proprietary companies from Orbis. Second, we identified entities likely to be subject to any of Group 1, Group 2, or Group 3 reporting requirements. This was based on the company and financial information as of 2023 and 2024 calendar years,[11] being the most recently available information before distributing the survey. Using this list of entities, we further identified their financial statements auditors for the 2024 calendar year, which then comprises our sample of assurance providers in the study. Third, we then manually searched the assurance provider websites and LinkedIn to obtain contacts for both the reporting entities and the assurance providers.

Using this process, we identified 309 assurance providers, as reported in Table 1. Of the 309 assurance providers, 238 have only Group 3 clients and 155 have only one such client. From a review of the websites of a small number of these audit firms, they are commonly regional practices and have fewer than five partners with one being a current Registered Company Auditor. We commonly did not find any indication on their website that they aim to provide sustainability assurance under the requirements of ASSA 5000.[12]

To maximize the response rate, we have taken the following measures: (i) sent emails to 430 contacts from 278 assurance providers via email addresses identified through publicly available sources; (ii) reached out to contacts in audit firms on LinkedIn via one coauthor's Professional LinkedIn subscription; and (iii) promoted this survey using the authors' professional networks, as well as the newsletter of Chartered Accountants Australia and New Zealand (CA ANZ).

Table 2 outlines the survey responses, respectively. We received 29 responses in total. After removing duplicated submissions and early exits responses, we have a final sample of 23 responses from assurance providers (two of which have indicated that they will not be providing assurance services of climate-related information).

1.2 Interviews

Independent of the survey, we interviewed 13 partners or directors from 11 assurance firms, covering all of the Big 4, as well as a range of Non-Big 4 firms (all in the top 20 assurance firms). These assurance firms covered 90% of the population of reporting entities subject to AASB S2. The interviews (between 30 to 87 minutes in duration) took place from the middle of November 2025 until the middle of March 2026.

1.3 Review of early Group 1 listed reporting entities assurance reports

We also undertook and report a review of the assurance reports issued for 34 Group 1 listed entities with a 31 December 2025 reporting date.

Table 1: Identification of assurance providers population

Panel A: Population of assurance providers with reporting entity clients	N
Assurance providers that audited the financial statements released in the calendar year of 2024	571
Less: assurance providers that do not have Group 1, 2, or 3 entity clients	(260)
Less: assurance providers that do not operate in Australia	(2)
Population of assurance providers with AASB S2 reporting entity clients	**309**
Less: contact information not available	(31)
Total assurance providers invited for the survey	**278**
The number of contacts identified	**430**

Panel B: Distribution of assurance providers with AASB S2 reporting entity clients	N
Assurance providers with ASX-listed Group 1 reporting entity clients (all also had proprietary Group 1 reporting entity clients)	13
Assurance providers with only proprietary Group 1 reporting entity clients	28
Total assurance providers with Group 1 reporting entity clients	**41**
Assurance providers with only Group 2 reporting entity clients	8
Assurance providers with only Group 2 and 3 reporting entity clients	22
Assurance providers with only Group 3 reporting entity clients	238
Total assurance providers without Group 1 reporting entities clients	**268**
Population of assurance providers with reporting entity clients	**309**

Table 2: Sample of assurance provider survey

	N
Total responses received	29
Less: duplicated IP address or permission to use response not provided	(6)
Total usable responses	**23**
Comprised of:	
Firm will not be providing assurance services of climate-related information	2
Unclear as to whether firm will be providing assurance services of climate-related information	13
Firm will be providing assurance services of climate-related information	8

Part 2: Findings from the assurance providers survey

2.1 Assurance firm profiles

Of the 23 assurance providers generating usable responses to the survey, two (8.7%) indicated that they will not be providing assurance services of climate-related information, 13 (56.5%) respondents were unclear (mainly because of incomplete responses) as to whether they would be providing such services, and eight (34.8%) were committed to providing such services. We report on the perceived readiness results for the eight audit firms that completed the survey.

Table 3 outlines the firm profiles of participating assurance providers and their demographics. More than half of the respondents are from small-to-medium-sized assurance firms,[13] and all are aware of both the disclosures and assurance requirement. Respondents report an average client portfolio of around 5 Group 1 entities, 8 Group 2 entities, and 30 Group 3 entities, suggesting that they are in a good position to provide insights into the preparedness of small-to-medium-sized assurance firms and their clients.

We also asked respondents about their role and work experience at the end of the survey. Four (50%) of assurance provider respondents are partners, two (25%) are directors, and two (25%) are managers. In terms of work experience, three (37.5%) of the respondents have more than 20 years of relevant work experience, three (37.5%) have 10–20 years of experience, and two (25%) have under 10 years of experience. More than half (5 respondents, 62.5%) are from a firm with annual revenue up to $25 million, with a client portfolio more likely focused on Group 2 and/or 3 reporting entities.

Table 3: Firm profile and participant demographics

Role (N=8)		Experience (N=8)		Firm (N=8)	
Partner	50%	More than 20 years	38%	Big 4 firms	25%
Director	25%	Between 10 to 20 years	38%	Large Non-Big 4 firms	12%
Manager	25%	Under 10 years	24%	Small firms	63%

2.2 Perceived readiness of assurance clients

Overall, the perceived readiness of reporting entities, based on the perceptions of assurance providers, is generally in line with the responses from the reporting entities (Simnett et al., 2026). All assurance provider respondents have talked to all their Group 1 entity clients, and at least a few of their Group 2 or 3 entity clients regarding the reporting and assurance of climate-related disclosures.

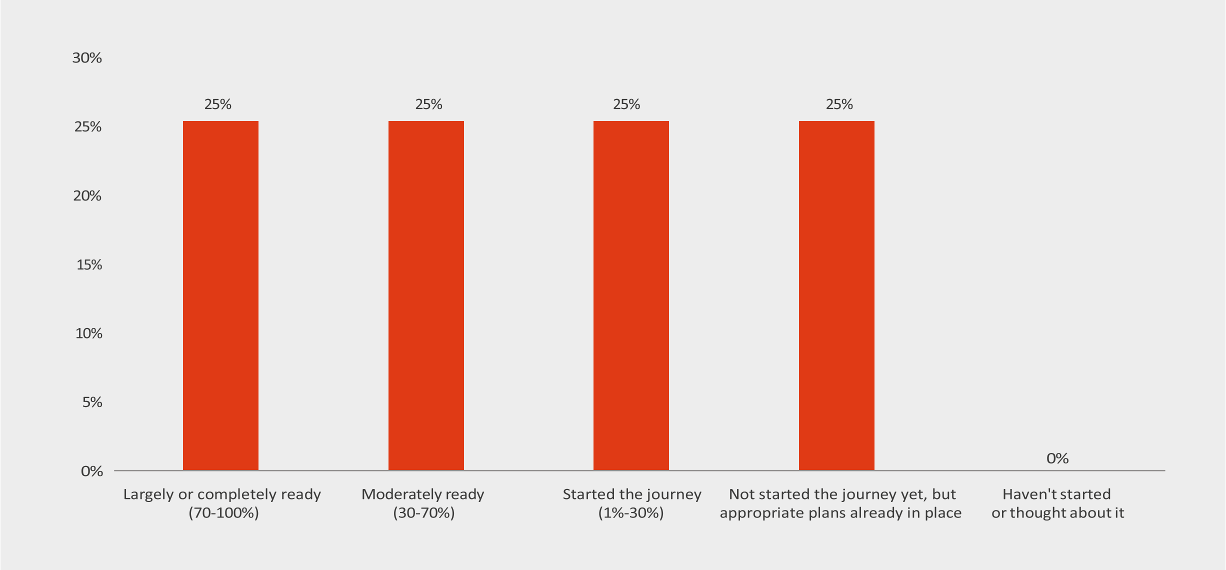
Three of the four assurance providers (75%) with Group 1 clients estimate that they have had an initial conversation with some or most of these clients about the reporting and assurance of climate-related disclosures. This compares to two of the five assurance providers (40%) with Group 2 clients and one of the seven (14%) with Group 3 clients.

Group 3 entities may issue a statement that there are no material financial risks or opportunities relating to climate for the entity, exempting them from preparing a sustainability report in accordance with AASB S2. The statement is required to be audited. Six of the seven assurance provider respondents (85.7%) with Group 3 clients believe that at least one of their Group 3 entities may issue such a statement, while one (14.3%) believes that none of their Group 3 entity clients will issue this statement.

2.3 Assurance provider readiness

Question 4

Provide an initial assessment of your assurance firm's overall readiness to undertake the mandatory assurance engagements on climate-related financial disclosures. (N=8)

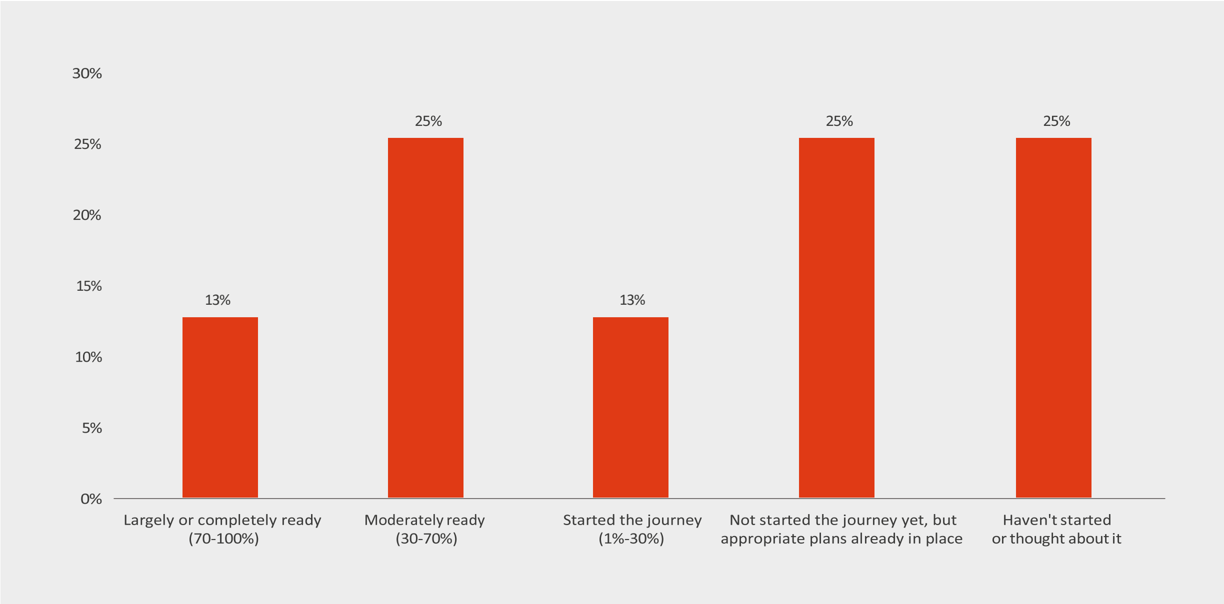


The same percentage of assurance providers (two of eight respondents, 25%) believe they are “largely or completely ready”, “moderately ready”, or “started the journey”, indicating an overall low level of perceived readiness for assurance. Nevertheless, two respondents (25%) suggested they have not yet started preparing for mandatory assurance engagements but have plans in place.[14]

Requests were made for further guidance on the regulators’ expectations regarding the knowledge and/ or qualifications required by small-to-medium-sized assurance firms to undertake mandatory assurance engagements of climate-related financial disclosures. We calculate that the Australian Government’s (2026) proposed budget reforms increasing reporting thresholds, if legislated, will not only reduce the number of Group 3 entities required to report, but also mean that 101 of the identified 309 (32.7%) potential assurance providers will no longer have clients submitting sustainability reports and, therefore, will not have to develop this assurance capability.

Question 5

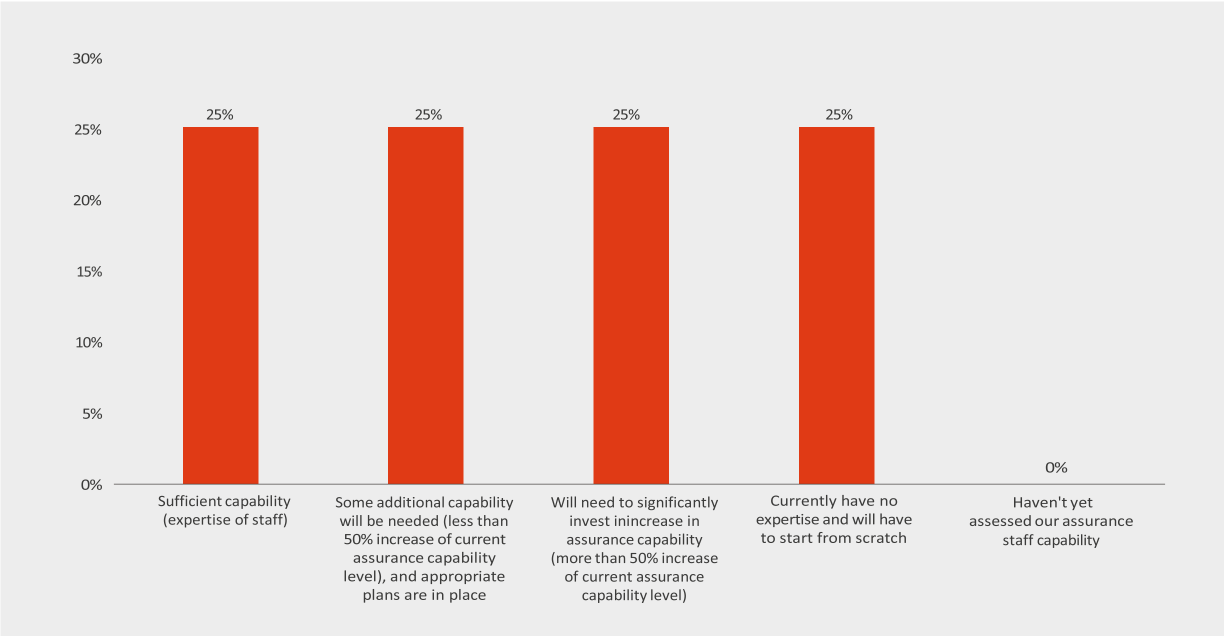
Provide an initial assessment of your assurance firm's quality management system's readiness to undertake the mandatory assurance engagements on climate-related financial disclosures. (N=8)



With a focus on quality management, fewer assurance firms are confident that their quality management system is largely or completely ready for mandatory assurance engagements on climate-related financial disclosures. Four (50%) of the assurance firms have not started assessing or thought about the readiness of their quality management system.

Question 6A: Assurance staff capability

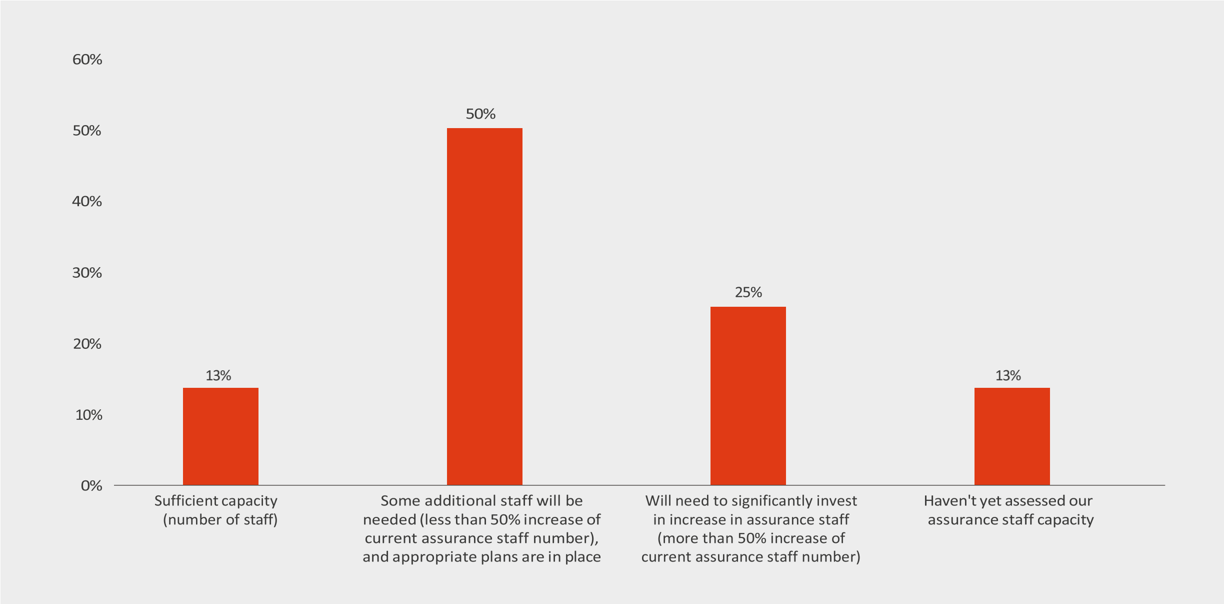
What is your assessment of the capability of the current assurance staff to undertake the mandatory assurance engagements on climate-related financial disclosures? (N=8)



Regarding staff, the percentage of respondents is equal across different levels of assurance staff capability (2 respondents each, 25%). Two respondents (25%) currently have no in-house climate-related assurance expertise.

Question 6B: Assurance staff capacity

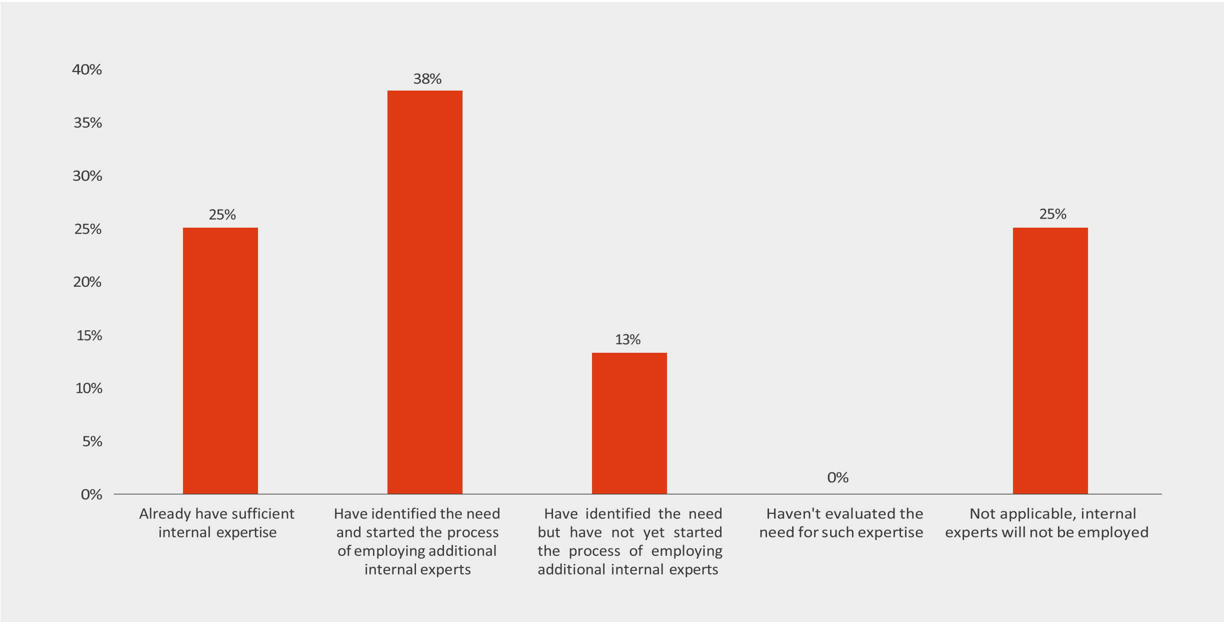
What is your assessment of the capacity of the current assurance staff to undertake the mandatory assurance engagements on climate-related financial disclosures? (N=8)



Six (75%) assurance provider respondents indicate that they will need to hire additional staff, with two (25%) believing that they will need to increase their current assurance staff numbers by more than 50%. Only one (12.5%) believe that they have sufficient capacity, while one (12.5%) is yet to assess their assurance staff capacity.

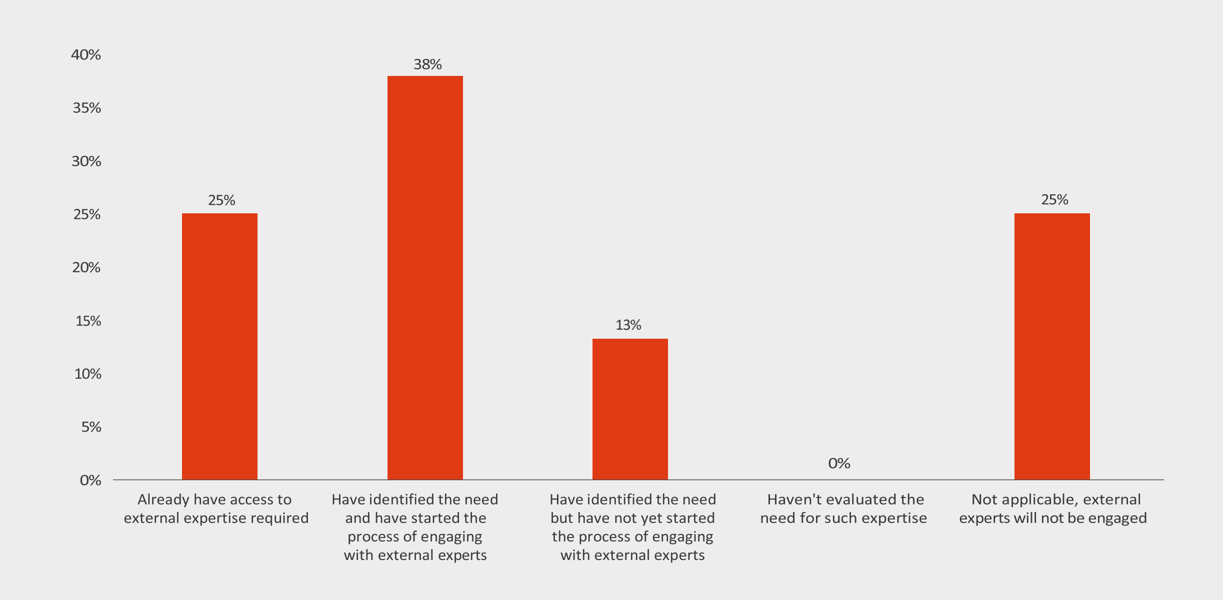
Question 7A: Access to internal experts (current staff)

What is your assessment of having access to internal experts (current staff) needed to undertake the mandatory assurance engagements on climate-related financial disclosures? (N=8)



Question 7B: Access to external experts (consultants)

What is your assessment of having access to external experts (consultants) needed to undertake the mandatory assurance engagements on climate-related financial disclosures? (N=8)

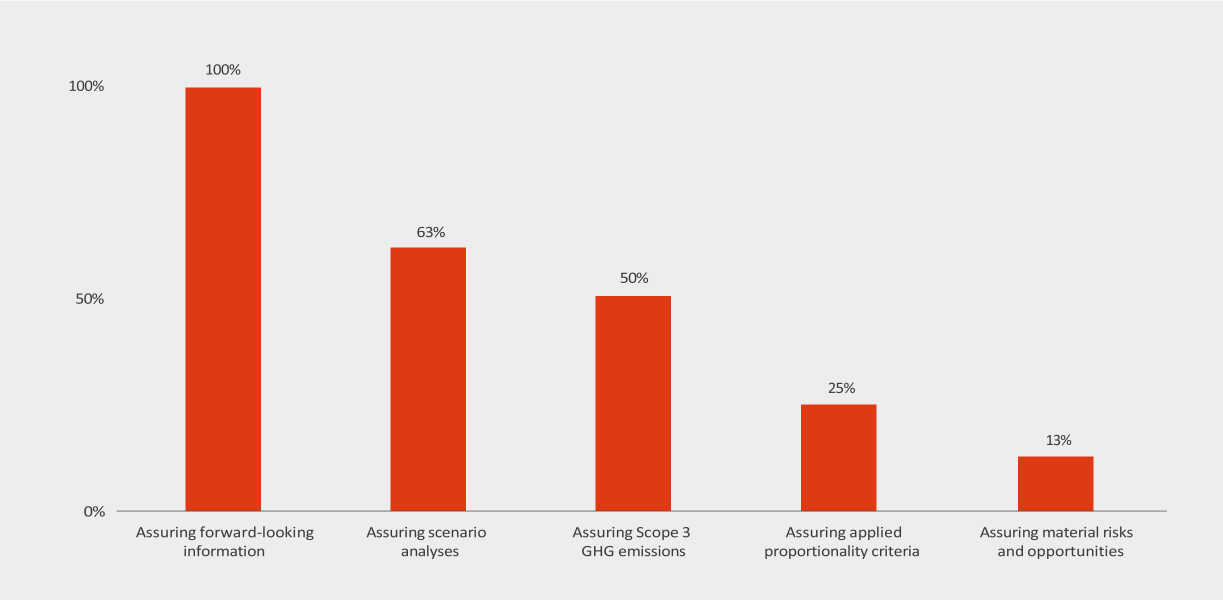


In terms of access to internal experts, three (37.5%) assurance provider respondents identified the need and started the process of employing additional internal/external experts. Two (25%) respondents indicated they will not employ internal experts. One suggests they will outsource their climate-related assurance services to other firms and have started their process to engage external experts. Six (75%) respondents identified a need to engage with external experts, and five (63%) have started some processes. The two (25%) respondents, both with only later phase reporting clients, that indicated they will not employ internal experts also indicated that they will not engage external experts.

2.4 Concerns and potential support mechanisms

Question 8A: Concerns about assuring the reporting requirements

Which aspects of the reporting requirements are you most concerned about assuring? (Select the top 3) (N=8)



The top 3 areas of most concern for assurance providers are "assuring forward-looking information" (eight respondents, 100%), followed by "assuring scenario analyses" and "assuring scope 3 GHG emissions". Assurance provider respondents' comments received indicate that forward-looking information is not typical in their assurance engagements and that this "will be a new framework of thinking". As forward-looking information has high inherent uncertainty, it is difficult for assurance providers to assess climate impact in each of their clients' geographic locations, as well as questioning and challenging management assumptions. Some also raised concerns about a possible expectation gap; they are expected to assess the reasonableness of management assumptions, rather than provide assurance of the outcome of the forward-looking information. Having said this, it is recognized that CA ANZ (2026a) recently issued a case study on estimates and forward-looking information, providing illustrative limited and reasonable assurance procedures for GHG emissions disclosures under ISSA (ASSA) 5000.

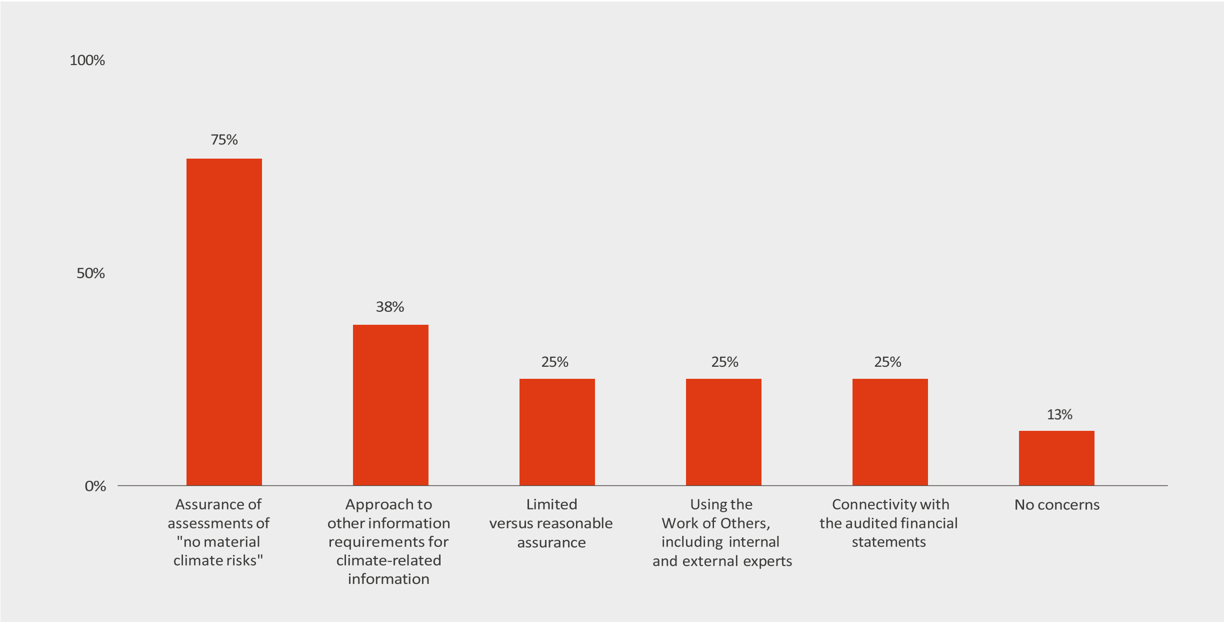
In addition, five (62.5%) of the assurance provider respondents identified assuring scenario analysis as one of the biggest challenges. Like forward-looking information, scenario analysis is also future-oriented. Some concerns about assuring forward-looking information are also applicable to assuring scenario analysis, including issues of inherent uncertainty and expectation gaps. Further, assurance providers are concerned that their clients may not be able to appropriately conduct scenario analysis, which increases the challenge of assurance engagements. Some assurance providers are also unclear as to how assertions used in the financial statement audits should be applied to aspects of climate-related assurance. For example, providers request more guidance on how they should address the completeness assertion for scenario analysis disclosures.

With reporting entities identifying Scope 3 emissions as a challenging area (Simnett et al., 2026), four (50%) of the assurance providers also identify it as difficult to assure. Assurance providers identify it as challenging in terms of how they should apply a materiality lens to audit assertions, in particular completeness, when assuring Scope 3 emissions. Also, because Scope 3 emissions data are sourced from outside their clients, they are concerned about a high reliance on information from other parties who may not need to comply with the same reporting requirements. Some assurance providers also raised questions concerning how Scope 3 emission reporting, in accordance with AASB S2, and assurance, in accordance with ASSA 5000, interact with the reporting and audit requirements of the National Greenhouse and Energy Reporting (NGER) Act.

Moreover, two (25%) assurance providers raised concerns about assuring how proportionality criteria are applied. They indicated that application of the proportionality criteria involves a great deal of judgment and that stakeholders are likely to have different interpretations of the requirements. One (12.5%) assurance provider also identified a concern regarding assurance of material risks and opportunities, specifically about assessing the completeness of their clients' identification of material risks.

Question 8B: Concerns about assurance

Which assurance aspects are you most concerned about? (Select the top 3) (N=8)

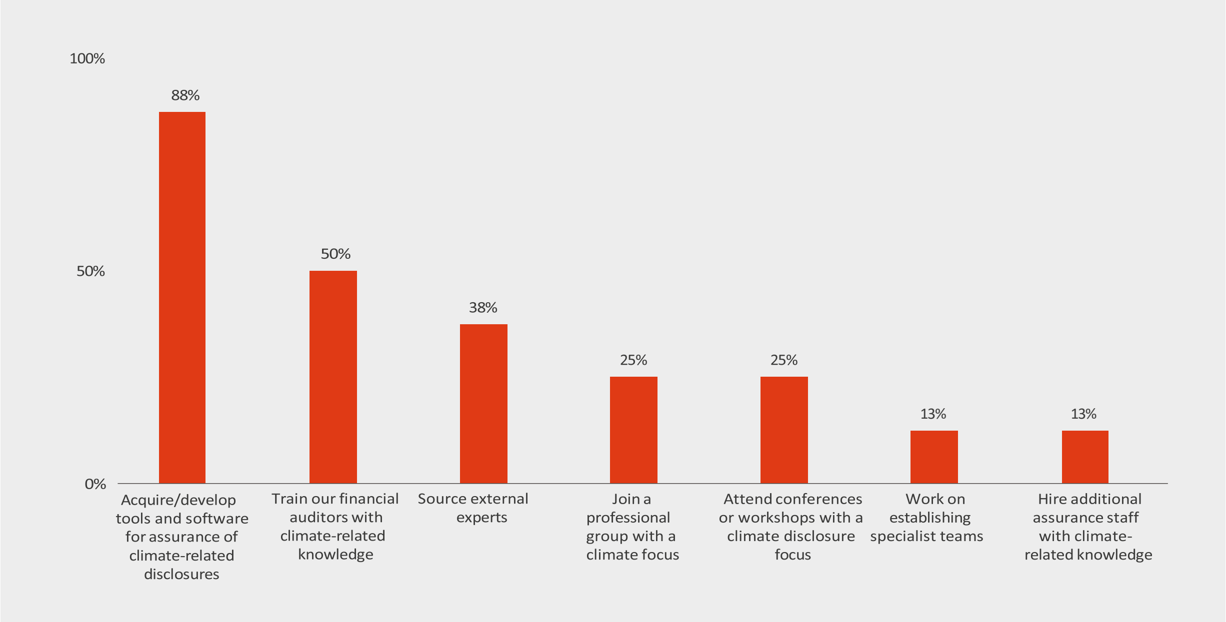


Regarding assurance requirements, the most cited concern (6 respondents, 75%) involves assuring clients' assessments of "no material climate risks". It was commented that it is inherently challenging to provide assurance of absence, rather than existence. They called for more guidance on how assurance providers should decide materiality in determining climate-related risks and opportunities (CRROs), how to assess the completeness of CRROs identified by the clients, what assurance evidence they are expected to document, and what conclusions they can issue on this matter.

In addition, three (37.5%) assurance providers identified concerns with the approach to considering other information requirements for climate-related information, connectivity with climate-related information and audited financial statements, and their use of the work of others. Concerns regarding other information are especially acute where climate-related assurance is undertaken by a different team or different firm to that undertaking the financial statement audit. It was noted that it is not clear in the standards or legislation regarding the extent to which one team should be able to or is required to have access to and/or review the working papers of other teams. It likely affects climate-related assurance providers' use of the work of others, as well as connectivity with audited financial statements. Two (25%) assurance providers also requested guidance, perhaps in the form of case studies, on how they should assess experts, especially when clients engage a reporting expert, and the amount of other information they are expected to cover. Two (25%) assurance providers also asked for more guidance and case studies on the differences between limited and reasonable assurance of climate-related information. In response to these concerns, we note that CA ANZ (2026a) recently issued a case study on estimates and forward-looking information, providing illustrative limited and reasonable assurance procedures for GHG emissions disclosures under ISSA (ASSA) 5000.

Question 9: Actions

What actions have your assurance firm taken, is taking, or planning to take, to prepare for the mandatory assurance of climate-related disclosures? (Select top 3 most important ones) (N=8)



The top action to be undertaken by seven (87.5%) of the assurance providers to get ready to assure climate-related disclosures involves acquiring or developing tools or software. The second ranked action involves the development of knowledge and expertise, i.e., training financial auditors with climate-related knowledge (four respondents, 50%), with the third being the sourcing of appropriate external experts (three respondents, 37.5%).

Part 3: Findings from interviews with assurance providers

Table 4 outlines the semi-structured interviews conducted with 13 representatives from 11 audit firms (the 4 Big 4, and 7 of the next largest 15 assurance providers). The client portfolio of responding firms covered more than 90% of the population of Group 1 entities, 85% of Group 2 entities, and 66% of Group 3 reporting entities.

Table 4: Interviewees from assurance providers

Panel A: interview information

Interviewee	Firm type	Duration	Position
AP1	Big 4	78 minutes 20 seconds	Partner
AP2	Big 4	86 minutes 38 seconds	Partner
AP3	Big 4	71 minutes 58 seconds	Partner
AP4	Big 4	59 minutes 20 seconds	Partner
AP5	Big 4	Around 45 minutes^	Director
AP6	Non-Big 4	56 minutes 9 seconds	Partner
AP7	Non-Big 4	56 minutes 53 seconds	Partner*
AP8	Non-Big 4	57 minutes 02 seconds	Partner*
AP9	Non-Big 4	29 minutes 57 seconds	Partner
AP10	Non-Big 4	59 minutes 00 seconds	Partner
AP11	Non-Big 4	43 minutes 20 seconds	Partner
AP12	Non-Big 4	61 minutes 11 seconds	Partner
AP13	Non-Big 4	47 minutes 58 seconds	Partner

Panel B: Market share (number of clients) held by interviewee firms

Interviewee firm group	Group 1 clients†	Group 2 clients†	Group 3 clients†
Total Big 4	84.34%	69.48%	39.16%
Total Non-Big 4	8.38%	15.05%	23.48%
Total	92.72%	84.53%	65.64%

^ The interview was not audio recorded according to the participant's request.

* Two partners participated in the same interview.

† The percents are calculated by the number of audit clients in the corresponding group scaled by the total number of reporting entities in the corresponding group. *Source: SIRCA and Orbis*.

3.1 Preparedness for the assurance requirements

Interviewees were asked whether their assurance firm was prepared for the new assurance requirements in ASSA 5000 and ASSA 5010, including methodology and quality management systems. They were also asked how they were going about developing capacity and capability, if needed. The Big 4 assurance providers mainly discussed upskilling financial auditors and building the capabilities of one team to provide a more seamless financial statement audit and sustainability assurance engagement experience. The Non-Big 4 placed greater emphasis on purchasing additional capacity, in addition to building internal capacity.

> *"… I'm going to qualify my answer in terms of I'll say capacity for beyond Group 1 at this stage. So, at this stage […] from an assurance perspective, our focus is very much around Group 1 and upskilling the audit teams to co-deliver… I think the capacity constraint will be within the sustainability team and so I think that will then impact the structure… overall capacity [I am] not concerned with, it's the blending of, or having sufficient capability within every engagement at the right time."* (AP 1 Big 4 Audit partner)

> *"… what I think is going to happen in the next, say, 12 months is that we will get somewhat skills capacity constrained… I'm lucky. I've got a big team and I've got access to a whole bunch of auditors and I've got access to a whole bunch of climate reporters as well. So, I will, depending on what my capacity needs are, I can pull in some others, shall we say, out of my reporting team or out of my assurance financial reporting teams to bolster up to give whatever the short term capacity needs are...I'm not worried about Group 2 or Group 3 at all… mainly because even though there's a fixed amount of work, the amount of revenue that we get from Group 1 will be bigger than Group 2s and Group 3s because of the size of the organisations. So, you then turn that back into hours, the capacity is lower. So, I think we will have a peak in Group 1 demand and… then it will be flat at best … actually the biggest thing it will go up for is actually the increasing assurance scope in year 2… Yeah, so it's Group 1 capacity once we get through Group 1 it is plain sailing for Group 2 and Group 3."* (AP 2 Big 4 Audit partner)

> *"We're not trying to gouge margin wise on this stuff. It's not, you know, there's no value in that. You'll just burn relationships… but there's that balancing act… There'll be quite a few requests that come through. You'll have an initial conversation with the client and look, you know we're not, we've got to be careful because we are somewhat capacity constrained in people with the right combination of skills and that's technical and general consulting skills, yeah, because you do need to have that really right combination of people to do this right for a client. So, yeah, we know that there's a market that's bigger there, but we need to make sure that we've just got to make sure we're delivering quality and that sometimes means we're going to say no."* (AP 3 Big 4 Audit partner)

> *"So, we've been spending a lot of time on this for the last few years…we've grown our sustainability reporting and assurance core team to over (a certain number of) people now. Now a lot of those people, they're a combination of people that have come out of audit in the past who we've trained up in things like emissions, this standard and some people that have had more expertise in climate or sustainability as well. My observation is it's typically easier to teach an auditor how to do this work than it is to teach a sustainability or a climate change practitioner how to do an audit. We've run a development training program for all of our auditors."* (AP 4 Big 4 Audit partner)

> *"I'm pretty bored of the narrative that this is all going slow because the auditors aren't ready. Clients aren't ready. We'll audit it. We know how to audit. And yes, there may be some elements which are a bit more technical, but we'll get by. But the clients are not ready. That's the inconvenient truth."*
> (AP 9 Non-Big 4 Audit partner)

3.2 Assurance issues raised by the assurance providers

The auditors were asked about the main assurance issues for which further guidance would be beneficial. There was general agreement on the following issues.

3.2.1 Reasonable assurance, especially of Scope 3

Many assurance provider respondents raised the difficulty of the phasing requirements from limited to reasonable assurance, especially for qualitative and Scope 3 information.

> *"How on earth are we going to do that? In some cases that becomes very complicated … the reason why you report Scope 3 isn't because we need an absolutely perfect measurement of what the Scope 3 number is, but it's a good measure of transition risk. And so, I think it's that kind of confidence that the market needs to be able to appreciate what is this information actually trying to tell us and, you know, trying to solve for… let's not let perfection be the enemy of progress."* (AP 1 Big 4 Audit partner)

> *"… the move to reasonable assurance in the future. I just can't see the value in it, if I'm honest. You know, it's noble, noble concept, noble thought, but the cost versus the benefit of this, particularly [with regard] qualitative or forward-looking in nature moving to reasonable assurance. The cost impost will be significant, I suspect, but … I'm not convinced that the value will be there."* (AP 3 Big 4 Audit partner)

These concerns were especially around Scope 3.

> *"… many of our larger clients have been doing Scope 3 for a while, so they understand the complexity. I think there is a concern in the market that people need to go knock on the doors of all their suppliers and get the data when that's not necessarily the case. So, I think the explanation of the methodology you can use, then factors, needs to be clearer. I think if the standards said these are the factors you should use for these jurisdictions would be helpful."* (AP 4 Big 4 Audit partner)

> *"I think Scope 3 is definitely, you know, I think, you know, where do I get the emissions factors from? And it's very simple questions like this, that or where do I get this emissions factor for […] Do I use spend data? Do I use activity data? What will be the best practice? Which database do I use for these emissions factors? … I think it's that Scope 3, when you tell people it's upstream, downstream, through the 15 categories and all the assumptions, that's what they look at you like, "it's just going to be useless data." … A lot of people don't know what they need to do."* (AP 10 Non-Big 4 Audit partner)

Therefore, assurance providers are asking for more concise and clear reporting guidance on Scope 3.

> *"I would say Scope 3 needs a lot more guidance because the stuff that's available online is, just there's too much noise out there. There's so much information out there. I think the ISSB have tried really hard to give as much information as possible, but I don't know why you have to prepare a 200 page document for something you can say in 2 pages and actually just be more to the point and be more practical."*
> (AP 11 Non-Big 4 Audit partner)

3.2.2 The role, responsibilities, and qualifications of the assurance provider

Issues were raised around the role and responsibilities of the lead auditor, including how they see themselves as being the major information source for the reporting entities.

> *"The communication [to the reporting entities] it all comes through the firms, which is kind of counter-intuitive to the whole premise of what we're trying to do and be independent…" (AP 9 Non-Big 4 Audit partner)*

> *"I think there is an absence of what the obligations are for the lead auditor…But what is the role of that lead auditor? And do they need to know anything about this topic, or could they delegate it all entirely to another person or another group or another firm? Or do they actually have to know enough to be able to, you know, a bit like the way the guidance we would have on group audits, where the group auditor can't delegate any of that down to their subsidiary auditors anymore?... I do think the guidance in ASA 600, the group audit standard, puts a huge amount of clarity on what the obligation is [should be]."*
> (AP 2 Big 4 Audit partner)

> *"I think the big question that still hasn't been answered, even as of today, is whether an engineer who has assurance accreditation can be accredited as a registered company auditor for the narrower purpose of signing a sustainable report."* (AP 2 Big 4 Audit partner)

Concerns were also raised around the fact that many small assurance providers may be drawn into the assurance of climate-related information, and whether they are appropriate signing partners.

> *"I find it ironic that somebody who's been signing off and doing this work for 20 years can't sign this off, yet the suburban accountant can, who doesn't even know what climate is."* (AP 2 Big 4 Audit partner)

3.2.3 No material climate-related risks and opportunities (CRROs)

Discussions relating to no material CRROs indicated that this was not a major issue for reporting entities to date, although it is expected to become so as the phasing moves to Group 3. It is also expected that it will be more of an issue for unlisted compared to listed entities.

> *"So, you're auditing the negative, which means like that makes it harder for the auditors necessarily. So, you need the regulator to say, 'Preparers. If you're going down that path, you need to have a body of evidence to support that'."* (AP 4 Big 4 Audit partner)

> *"The message we've had to give them is to push them harder on or demonstrating the appropriate analysis to support it. So, because many might start from the position of, 'we have no material risks and opportunities' and then go back and say, well, here's why [you do] without necessarily saying, OK, well, have you considered what the definition of a CRRO is? It could reasonably be expected to affect your prospects: that's different to the residual risk of this, which is really low for us. So… what have you done? Have you looked at your value chain?… Have you considered, you know, what… others in the industry do, etc. So, I think we will see a number of those. I suspect it'll be far more likely that it'll be unlisted subsidiaries."* (AP 3 Big 4 Audit partner)

> *"I usually kind of take it a little bit head on and say it's not actually about material risk and opportunities, it's about risk and opportunities that are expected to reasonably impact your business over the short, medium, and long term."* (AP 6 Non-Big 4 Audit partner)

> *"… some have brought it up and I've just gone, no…I can't even think of theoretical business who'd fall into that category because… if you're exposed to legislators, then… you've got at least some sort of transition risk. I just think you need to spend about 10 minutes reading about it… I can't even think of a theoretical business who would not be exposed to any climate risks or opportunities in a, let's say 3 degree warming scenario."* (AP 11 Non-Big 4 Audit partner)

3.2.4 Other information and phasing

The Australian approach of placing the sustainability report in the annual report means that the other information in the annual report for the financial statement audit has expanded significantly. Likewise, so have the other information assurance considerations for the sustainability assurance engagement as outlined in ASSA 5000.

> *"I keep on saying to clients, let's say you've got the same auditor for the financial report and sustainability assurance, that auditor has requirements under other information. So, they have to read the whole annual report. They have to read the whole sustainability report, [and consider] all the other aspects of AASB [standards] too. If they see obvious things that are weirdly off, as in you've used the wrong scenarios, et cetera, they have to say something about that [not only in the sustainability assurance report, but the other information section of the auditor's report on the financial statements]. And I think often they don't. There's an expectation gap there.* (AP 6 Non-Big 4 Audit partner)

The phasing of the assurance requirements also raised a potential concern around the assurance of other information. Disclosure items not requiring assurance in earlier years (such as scenario analysis or scope 3 emissions) may be potentially disclosed as other information in year 1, but need to be assured in later years. Clients may take some comfort that their disclosures are appropriate in these pre-assurance years, knowing that the auditors have an obligation to read the other information, yet they did not raise any concerns. In the following year, when other information is now required to be assured, clients justify their approach based on the auditor's lack of concern about what was disclosed as other information in the prior report.

> *"… the auditor's got to read the whole thing and this implies well, you're happy with that the way we disclose that thing, even though we didn't audit it. Next year we're going to audit it... So that phased audit approach… may or may not be helpful in the end. And clients go, well, this company said this and you were the auditor of that, you accepted it there, we can flex. So, it's just there'll be a lot of things we'll need to figure out because each client will be different… the other information concept is interesting in this space… Particularly when it's all new, and the obligation we have is if we think the client's clearly not complying with a section that's not in our scope, what does that mean?"* (AP 4 Big 4 Audit partner)

3.3 The assurance market from the perspective of assurance providers

The auditors were asked about how they see the assurance market evolving in response to the regulation. This included: how they were positioning themselves with respect to the aligning of financial statement audits with the sustainability assurance engagements; the potential for picking up new clients; and assurance fees.

3.3.1 The close alignment of financial statement audits with sustainability assurance engagements

Nearly all assurance firms interviewed expected close to full alignment of financial statement audits with sustainability assurance engagements, with the financial statement auditor and the sustainability assurance provider coming from the same firm. They saw the economic rationale strongly supporting this, for the reasons spelled out by ASIC (2026b). As outlined in Part 4 of our report, this is mainly how it is playing out with the early (December 31) Group 1 entities.

> *"... the signing off is not a huge consideration for us. It's really like, how do we best serve our client and get to an agreed outcome, and that's why we'll always have an audit partner and a [sustainability] partner."* (AP 1 Big 4 Audit partner)

It was recognised that part of this reason may have been because the explanatory memorandum accompanying the legislation suggested that the sustainability assurance provider had to be from the same firm as the financial statement auditor.

> *"… I must say because initially we and the big four have read it that you have to be the same auditor, … all that drama and then they changed it that it could be any financial report auditor or [Registered Company Auditor]… But when ASIC clarified in their FAQ that it can now be different auditors, group ones were already locked in."* (AP 6 Non-Big 4 Audit partner)

The other information requirements for both the financial statement audit and the sustainability report were seen as driving much of this alignment. There are the potential economies from knowing the other information better, especially when both engagements are undertaken by an integrated team.

> *"I keep on saying to clients, your auditor, let's say you've got the same auditor for the financial report and the assurance that auditor has requirements under other information. So, they have to read the whole annual report. They have to read the whole sustainability report, all the other aspects of AASB too, if they see obvious things that are weirdly off, as in you've used the wrong scenarios, et cetera, they're going to say something about that."* (AP 6 Non-Big 4 Audit partner)

Given this strong incentive to align, the criteria by which auditors/assurance providers are to be selected or evaluated will change. Previously, the audit client would choose the most appropriate financial statement auditor for their circumstances. However, entities that need to also report climate-related information will need to also consider the relative climate-related assurance expertise of the assurance provider.

3.3.2 The chance to increase market share by engaging with new clients

We also asked whether these new assurance requirements were a chance to increase market share by identifying new clients. None of the Big 4 saw it as a significant opportunity to pick up new clients. With the phasing requirements, they saw that the additional work required in later years may give rise to potential capacity constraints, which would affect their ability to pick up new clients. But they did recognise that there may be some movement in the market from realigning with required skills – there may be some new client opportunities they would consider if picking up both the financial statement audit and the sustainability reporting assurance.

Two of the Non-Big 4 firms interviewed did see this as a market opportunity to build up their firm's capacity and clients.

> *"It is a market opportunity. I would like to see [our] partners be a bit hungry on this opportunity. I think we're still a bit behind the eight ball [compared with] other competitors like the xxx of the world. I think they've invested a lot in this area. I think for a while they were not making a lot of money because there wasn't enough to sustain the groups that they had and that was the concern that [we] had… we don't want to over invest in partners and resources for not enough return on investment."*
> (AP 10 Non-Big 4 Audit partner)

3.3.3 Assurance work versus consultancy work.

Many reporting entities are still at the stage of looking for support in building their systems and processes. Thus, there is the opportunity to build capacity in climate-related consulting rather than assurance, with much of this consulting work, which is viewed as being substantial in the early years of required reporting, being off-limits to the assurance provider.

> *"Every single one of those organizations also needs to prepare a report and so the other side of it, the help of the preparation, the assistance report prep effectively or whether we call it climate strategy or climate risk, whatever you want to call the actual preparation process is as big, if not bigger."*
> (AP 10 Non-Big 4 Audit partner)

3.3.4 Fees for assurance work

We also asked about the reasonableness of assurance fees for climate-related reporting. Although there is a lack of evidence due to the various categorisations that have been historically used for related fee disclosures, assurance fees for voluntary sustainability reporting have been commonly viewed as being subsidised by the main assurance providers, typically, the Big 4, trying to build market share and capacity in this area. Voluntary sustainability assurance engagement fees are very rarely separately disclosed. Anecdotally, the fee for an assurance engagement against GRI standards (the most common sustainability reporting framework) is suggested to be 15–30% of financial statement audit fees.

Regarding the approximation of sustainability assurance fees, we have heard (more than once) that they are approximately 20–40% of financial statement audit fees. However, some may still also report more broadly in accordance with frameworks such as the GRI, or as a separate engagement, or as an extension to the AASB S2 engagement, sustainability increasing assurance fees paid. However, there were also views that it is hard to quantify sustainability assurance fees (especially in some industries) as a percentage of financial statement audit fees.

> *"The audit fee is a is a pretty good benchmark, but that goes up quite significantly as the organisation gets smaller. There's a fixed amount of work in this type of work."* (AP 2 Big 4 Audit partner)

There were also disparate views expressed that the fees in the first year will not be representative of fees going forward. On the one hand, the view was that the engagement in year one was more of a compliance engagement, with that being lower in fees than an assurance engagement. On the other hand, a lot of work is expected in the first year of an assurance/compliance engagement, with expectations of a fee reduction in later years.

> *"[Regarding fees] we are seeing a different disparity. In terms of year one, from what we're seeing on quotes, seems to be more a compliance analysis and as you're obviously getting into the limited and then reasonable as you're moving along the scheme, it's how that then plays out."* (AP 8 Non-Big 4 Audit partner)

> *"With the law, you've taken reasonable steps to support your very first director's declaration. I think you'd be crazy if you were on a board and didn't get the full reporting done. Now, whether you make all of that public… Lots of different decisions on that, but… That's why… I would suggest a lot of large entities will probably go [assuring] for the whole report because you'd be crazy not to. The other end of the spectrum, they just want to get through this as a compliance report. You're still going to charge them at least XXX grand to do the basic governance and risk and [operations] piece."* (AP 2 Big 4 Audit partner)

There is also a concern that the inability to charge reasonable fees for this work will lead to a number of assurance firms exiting the market.

> *"… the directors who don't know about this, don't understand it, then get tabled an account to do ESG work, which is sometimes bigger than the financial statement audit fee. And they don't like it. But we're not charities. We're not doing it for nothing. That's why I think the number of firms who end up doing this seriously is going to get quite skinny after a spell because others have said we can't make money on this."*
> (AP 9 Non-Big 4 Audit partner)

Part 4:
Findings from the review of assurance reports for Group 1 listed entities with a 31 December 2025 reporting date

We have reviewed the AASB S2 reports of Group 1 listed entities with a 31 December 2025 reporting date. At the time of undertaking this step (end of March 2026) there were 34 listed entities that had publicly disclosed their reporting in accordance with AASB S2 reporting requirements. We do not include details on the report content as we are aware that ASIC (2026c), KPMG (2026), PwC (2026), Purpose Bureau and Monash Business School (2026), and others are examining reporting aspects and publishing observations. We do note that ASIC (2026c) identified 34 listed entities that had lodged with them as of 6 May 2026.

4.1 Assurance opinion

The review of the assurance conclusions indicates a high level of alignment with standard wording of an unmodified review conclusion/unmodified assurance opinion, consistent with the findings of ASIC (2026c) and PwC (2026). Of the 34 review conclusions examined, 31 entities (91.2%) applied wording consistent with the AUASB (2026b) standard unmodified review conclusions example report.

The other three conclusions in the assurance reports were unmodified, with:

- one entity providing an expanded form of reporting that extended beyond standard wording (covering additional reporting requirements),
- one entity not referencing the relevant AASB S2 disclosure requirements (Subparagraphs 29(a)(ii) to (v)) in relation to Scope 1 and Scope 2 emissions, and
- one entity not including a table mapping sustainability disclosure to AASB S2 requirements and their corresponding location within the report.

Overall, assurance reports for 31 December Group 1 entities demonstrate no concerns about the reporting capabilities of these entities in accordance with AASB S2 reporting requirements, and the audit firms were able to assure in accordance with ASSA 5000 and ASSA 5010. Under ASSA 5000, limited assurance needs to be provided in year one of phasing for governance, strategy (risks and opportunities), and Scope 1 and 2 emissions.

4.2 Types of assurance procedures disclosed

Under ASSA 5000, the auditor is required to insert a summary of the nature and extent of procedures performed, which, in the auditor's judgement, provides additional information that may be relevant to the users' understanding of the work performed to support the auditor's conclusion and the level of assurance obtained (AUASB 2026b). We coded these assurance procedures into those focused on governance, climate-related disclosures, strategy (risks and opportunities), specified sustainability disclosures, and reporting criteria.

Assurance procedures related to **governance** were disclosed within the *Summary of Work Performed* section in all 34 assurance reports. These procedures typically involved enquiries of management regarding the entity's governance structures and oversight arrangements, as well as the methodologies, processes, and internal controls used to collect, collate, and report sustainability information. Assurance providers also reviewed supporting governance documentation, including board and committee charters, policies, meeting minutes, terms of reference, and risk management frameworks.

Assurance procedures related to **climate-related disclosures** represented another major area of focus and were included in 32 of the 34 assurance reports (94.1%). These disclosures primarily related to greenhouse gas emissions, particularly Scope 1 and Scope 2 emissions. Assurance procedures commonly involved enquiries of management regarding the organisational boundary, sources of emissions, measurement methodologies, assumptions, conversion factors, emission factors, and underlying activity data used in emissions calculations. Assurance providers tested emissions calculations, reconciled activity data to supporting documentation, and performed analytical procedures to assess the completeness and accuracy of reported emissions. While most engagements focused on Scope 1 and Scope 2 emissions, one entity also included procedures for Scope 3 emissions. Another entity extended its procedures to reconcile the emissions intensity metric to total revenue reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Assurance procedures related to **strategy-related disclosures** were included in 31 of the 34 assurance reports (91.2%). Assurance work in this area primarily involved enquiries of management regarding the processes used to identify CRROs and determine material information for disclosure under the strategy requirements. In some engagements, assurance procedures extended beyond understanding management's process to evaluating whether the CRROs disclosed were complete, appropriately described, and accurately classified.

Assurance procedures related to **specified sustainability disclosures** were another recurring type of assurance work (21/34, 61.8%). Procedures generally focused on evaluating the presentation and disclosure of the selective sustainability information against the requirements/alignments of AASB S2.

Assurance procedures related to **reporting criteria** were less frequently reported (13/34, 38.2%), but typically involved assessing the suitability and application of the reporting criteria used to prepare sustainability disclosures. This included evaluating whether management had appropriately applied relevant reporting frameworks and methodologies, such as AASB S2, the Greenhouse Gas Protocol, methodologies prescribed under the Australian National Greenhouse and Energy Reporting (NGER) scheme, and assessing the application of the other Criteria (not specified) in respect of the specified Sustainability Disclosures.

A small number of entities disclosed additional assurance procedures beyond these common categories. For example, one entity included assurance procedures over voluntary subject matter disclosures, another considered the work of external experts and equity-accounted investments, and another included procedure relating to progress against the entity's Climate Action Plan. These additional disclosures appeared in three of the 34 assurance reports (8.8%).

4.3 Other assurance issues: other information

All assurance reports reviewed were generally consistent with the standard wording for the Other Information section in the Sustainability report. Six entities (17.6%) provided additional disclosures. These disclosures primarily explained that the assurance providers had issued separate limited assurance conclusions on selected sustainability information outside the scope of the mandatory AASB S2. The additional disclosures also clarified that the scope of the review engagement did not extend to the remaining information included in the Sustainability Report, the Financial Report, the Remuneration Report, or the respective audit reports. In addition, there are two reports disclosing connection between the review engagement and the separate limited assurance engagements performed on other sustainability information, as well as assessing and reporting whether there are materially inconsistencies on the selected Sustainability Disclosures.

Appendix

Guidance on mandatory sustainability assurance under ASSA 5000

ASIC	FAQs: Review or audit of sustainability reports
AUASB	Sustainability Assurance
CA ANZ	Sustainability Assurance Illustrative AASB S2 Climate-related disclosures

Reference list

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Endnotes

1. This research is funded by Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB) and Chartered Accountants Australia and New Zealand (CA ANZ).

2. The authors note the recent initiatives that are consistent with the recommendations contained in this report. In particular: the website developed by CA ANZ (2026b) that pulls together links to illustrative climate-related disclosures and checklists published by accounting firms, to support Australian entities preparing climate-related disclosures in accordance with AASB S2; ASIC (2026c) publishing their early observations on sustainability reporting ahead of 30 June 2026, and the continued educational and support material on specific topics of assurance interest published by ASIC (2026a) and AUASB (2026a).

3. The Australian Government (2026) has recently announced in the May 2026 Budget that it proposes to commence consultation on reforms to reduce reporting burden, by doubling the reporting thresholds for consolidated assets and consolidated revenue, while maintaining core sustainability reporting requirements. As well as the anticipated 1,500 reporting entities that will no longer need to lodge a sustainability report, we calculate that 101 (32.7%) of the 309 potential assurance providers will no longer have clients submitting sustainability reports (or needing to lodge an annual audited financial report).

4. AUASB (2026c) outlines some capacity and capability-building steps that assurance providers can undertake.

5. If the Australian Government's (2026) recently announced proposals aimed at reducing reporting burden are legislated, this will relieve many assurance providers from having to build sustainability assurance capabilities or otherwise servicing these clients.

6. We note that there is increasing sustainability assurance education material becoming available, including the initiatives of AUASB (2026d) and CA ANZ (2026b).

7. We note the continued educational and support material on specific reporting topics of interest published by ASIC (2026a) and AASB (2026a, 2026b).

8. The AUASB (2026d) has provided education materials on some of these topics and indicated at the time of publishing this report that web pages covering other topics are currently under development.

9. At the time of writing this report we note increased co-ordination and cross-referencing of material from the major key regulators, standard-setters, and professional and industry bodies. We also note the development of the Sustainability Resource Centre by CA ANZ (2026b), which provides a repository of resources to support sustainable business practices and sustainability reporting and assurance.

10. We welcome ASIC (2026d) media release on their sustainability focus areas for FY 2026–27.

11. We include the reporting entities based on the two years of their financial information to mitigate concerns about companies on the margin of group thresholds.

12. As outlined in endnote 3, we recognize that the Australian Government (2026) has recently announced in the May 2026 Budget that it proposes to commence consultation on reforms to reduce reporting burden, including by doubling the reporting thresholds for consolidated assets and consolidated revenue, while maintaining core sustainability reporting requirements. As well as the anticipated 1,500 reporting entities that will no longer need to lodge a sustainability report, we calculate that 101 of the 309 (32.7%) potential assurance providers will no longer have clients submitting sustainability reports (or needing to lodge an annual audited financial report).

13. Small-to-medium-sized assurance firms refer to accounting firms with up to AU$25 million in annual revenues.

14. A useful starting resource is the CA ANZ (2022) sustainability assurance playbook.

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