



**ASIC**  
Australian Securities &  
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Sub 13 ED03 2025

The Chair  
Auditing and Assurance Standards Board  
PO Box 204  
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**By email only:** [dniven@auasb.gov.au](mailto:dniven@auasb.gov.au)

3 December 2025

Dear Doug

**ASIC submission in response to the Auditing and Assurance Standards Board's  
(AUASB) exposure draft ED 03/25 (Exposure Draft)**

ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator.

ASIC is responsible for administering, and where appropriate enforcing, the sustainability reporting & assurance requirements under Chapter 2M of the *Corporations Act 2001* (Cth) (**Corporations Act**).

From 2026, ASIC will undertake its first review of sustainability reports lodged with ASIC. Over time, ASIC will also review the auditor's reports on the sustainability reports that are lodged with ASIC. ASIC will publicly report on its findings to drive continued improvement in reporting & assurance practices.

Our focus is on ensuring that users are provided with high-quality, consistent and comparable climate-related financial disclosures that comply with the Corporations Act and AASB S2: *Climate-related Disclosures* ([AASB S2](#)): see paragraph 20 of ASIC Regulatory Guide 280: *Sustainability reporting* ([RG 280](#)).

We welcome the opportunity to provide officer-level submissions to the AUASB on its Exposure Draft relating to proposed changes to ASSA 5000: *General Requirements for Sustainability Assurance Engagements* (**ASSA 5000**).

**Submission on Exposure Draft**

Our submission is focused on the AUASB's proposal to combine the words required under s309A(1) and s1707F(2) of the Corporations Act with the words expressed in paragraph 190(c)(vi) of ASSA 5000 (**the Proposal**). This is described at paragraph 9 (in relation to reviews) and paragraph 14 (in relation to audits) of the Exposure Draft.

These combined words are proposed to be reflected in illustrative assurance reports that are proposed to form part of ASSA 5000.

We note that the AUASB has an alternative proposal, at paragraphs 10 to 12 and 15 to 17 of the Exposure Draft, which does not involve combining these words. We prefer this alternative approach. This is because:

- the requirements in s307AA, s309AA and s1707F of the Corporations Act prescribe what the auditor's report on the sustainability report must include. These are strict legal requirements that must be complied with. For example, s307AA(c) of the Corporations Act requires the auditor of the sustainability report to form an audit opinion about whether the entity that has prepared the sustainability report has kept sustainability records sufficient to enable the sustainability report to be prepared and audited. The requirements in s307AA, s309AA and s1707F of the Corporations Act also contribute to a consistent standard of audit quality in Australia by requiring auditors to consistently turn their minds to these matters in the auditor's report on the sustainability report; and
- the proposed combined words could be read as suggesting (incorrectly) that the concept of fair presentation applies to compliance with Division 1 of Part 2M.3 of the Corporations Act, so that in some circumstances it may be permissible to depart from these requirements. Paragraph 190(c)(vi) of ASSA 5000 includes the concept of fair presentation which ASSA 5000 defines elsewhere as involving going above, or departing from, the requirements of the relevant sustainability-related framework (see page 14 of current ASSA 5000).

We note that the requirements in the Corporations Act and ASSA 5000 are generally intended to operate together to the extent that ASSA 5000 is not inconsistent. For example:

- the auditor's report on the sustainability report could still comply separately with the requirement in paragraph 190(c)(vi) of ASSA 5000, notwithstanding the separate legal requirements under s307AA, s309A and s1707F of the Corporations Act. Both s309A(4) and 1707F(4) of the Corporations Act permit the auditor's report on the sustainability report to include any statements or disclosures required by the auditing standards (which would include paragraph 190(c)(vi) of ASSA 5000); and
- ASSA 5000 currently provides a mechanism to address the situation where law (such as the Corporations Act) or regulation prescribes a layout or wording in the auditor's report on the sustainability report that is different from the requirements of ASSA 5000. Paragraph 84 of ASSA 5000 requires the auditor to consider whether additional explanation in the auditor's report on the sustainability report could be included to mitigate any possible misunderstanding by intended users.

ASIC welcomes the opportunity for a further discussion with the AUASB on this submission. Please contact Claire LaBouchardiere at 02 9911 2226 or [claire.labouchardiere@asic.gov.au](mailto:claire.labouchardiere@asic.gov.au) should you wish to discuss this feedback further.

Yours sincerely,



**Claire LaBouchardiere**

Senior Executive Leader

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