

Explanatory Statement

Amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*

Issued by the Auditing and Assurance Standards Board



Australian Government

Auditing and Assurance Standards Board

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Contact Details

Auditing and Assurance Standards Board
Phone: (03) 8080 7400
E-mail: enquiries@auasb.gov.au

Postal Address:
PO Box 204, Collins Street West
Melbourne Victoria 8007
AUSTRALIA

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Reasons for Issuing Auditing Standard ASSA 2025-10

The AUASB issues ASSA 2025-10 Amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010) pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB was established under section 227A of the *Australian Securities and Investments Commission Act 2001*. Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislation Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council, the AUASB is required, *inter alia*, to develop auditing standards that have a clear public interest focus and are of the highest quality.

Main Features

This Auditing Standard amends ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* to specify how the phasing in of assurance applies to voluntary sustainability reports in accordance with the amendments made to the *Corporations Act 2001* by the *Treasury Laws Amendments (Strengthening Financial Systems and Other Measures) Act 2025*.

Operative Date

ASSA 2025-10 Amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* is operative for financial years commencing from 1 January 2025 to 30 June 2030.

Process of making Australian Auditing Standards

The AUASB's Strategic Direction, *inter alia*, provides that the AUASB develop Australian Auditing Standards that:

- have a clear public interest focus and are of the highest quality;
- use the standards issued by the International Auditing and Assurance Standards Board (IAASB) as the underlying standards;
- conform with the Australian regulatory environment; and
- are capable of enforcement.

Consultation Process prior to issuing the Auditing Standard

The AUASB has consulted publicly as part of its due process in developing ASSA 2025-10. Exposure Draft ED 02/25 Amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* was issued on 23 October 2025 with a 30-day comment period.

Submissions were received by the AUASB and these were considered as part of the development and finalisation of ASSA 2025-10. A virtual roundtable was also hosted to obtain stakeholder feedback.

Impact Analysis

A Preliminary Assessment form has been prepared in connection with the preparation of ASSA 2025-10 and lodged with the Office of Impact Analysis (OIA). The OIA advised that an Impact Analysis is not required in relation to this standard.

Exemption from Sunsetting

Auditing Standards promulgated by the AUASB that are legislative instruments are exempt from the sunset provisions of the *Legislation Act 2003* through section 12 of the *Legislation (Exemption and Other Matters) Regulation 2015* (Item 18(a)). In addition, ASSA 2025-10 and ASSA 5010 only apply until years commencing 30 June 2030.

Commencement of ASSA 2025-10

ASSA 2025-10 was made on 17 December 2025 and is operative for financial years commencing from 1 January 2025 to 30 June 2030.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Legislative Instrument: **ASSA 2025-10 Amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001***

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of ASSA 2025-10

Background

The AUASB was established under section 227A of the *Australian Securities and Investments Commission Act 2001*. Under section 336 of the *Corporations Act 2001* (the Act), the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Main Features

ASSA 2025-10 amends ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* to specify how the phasing in of assurance applies to voluntary sustainability reports in accordance with the amendments made to the Act by the *Treasury Laws Amendments (Strengthening Financial Systems and Other Measures) Act 2025*.

Human Rights Implications

AUASB Standards are issued by the AUASB in furtherance of the objective of facilitating the Australian economy. The standards do not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

Conclusion

ASSA 2025-10 is compatible with human rights as it does not raise any human rights issues.