



Sub 3 - ED 02-25

Mr Doug Niven
The Chair, Auditing and Assurance Standards Board
PO Box 204, Collins Street West, Victoria 8007

Email: enquiries@auasb.gov.au

21 November 2025

Dear Mr. Niven,

Subject: Submission on Exposure Draft ED 02/25 (October 2025) – Amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ED 02/25)

Thank you for the opportunity to comment on ED 02/25. We support the AUASB's efforts to provide clarity on assurance requirements for sustainability reporting under the *Corporations Act 2001* (the Act).

Our responses to the specific questions within ED 02/25 are set out below.

Directors' declaration

1. *Do you agree that the directors' declaration should be subject to assurance for Years 2 and 3?*

Yes, we agree to the provision of assurance over the directors' declaration in Years 2 and 3.

2. *Would there be any significant challenges for auditors in obtaining sufficient appropriate evidence that the entity has taken "reasonable steps" for periods commencing 1 July 2026 to 31 December 2027?*

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There may be challenges if entities have not clearly defined, documented, and/or have supporting evidence for the “reasonable steps” taken; however, early planning by entities and auditors should enable auditors to obtain sufficient appropriate evidence within the relevant timeframe.

3. *Should guidance be developed to assist auditors on how to approach the “reasonable steps” criterion, noting the meaning of “reasonable steps” for entities is not within AUASB’s remit?*

While the question concerns the auditors' approach to the “reasonable steps” criterion, we believe that guidance on the interpretation and implementation of “reasonable steps” is best developed within the Director community. Clear articulation by Directors regarding their governance, processes, and controls will in turn provide auditors with more robust and transparent evidence to support assurance over the directors’ declaration.

Voluntary reporting

4. *Do you agree with the proposed amendments on phasing for entities that choose to comply with the Act voluntarily?*

We are generally supportive of the proposed phasing amendments for entities voluntarily choosing to comply with the Act, as they provide a clear and structured timeline to facilitate compliance while balancing operational considerations.

5. *Views on resetting the phasing where entities opt out after voluntarily reporting; likelihood of opt in/out behaviour.*

Based on current observations, entities have not expressed a clear intention to voluntarily report under the Act prior to the proposed ASSA 5010 implementation timeline, suggesting a limited likelihood of opting in early or opting out after voluntary reporting. Consequently, resetting phasing in response to opt-out behaviour does not appear necessary at this stage.

Other comments

Our other comments are in relation to the proposed amendments to ASSA 5010 paragraphs 10(b) and (c) and specifically the use of the phrase “*all information in the sustainability report*”.

There is a possibility that this wording might lead to confusion and an expectation gap if entities include additional information in the sustainability report that is not required to be prepared under, nor assured in accordance with, the Act. Users may infer that such ancillary information is within the scope of assurance.



To mitigate this risk, we suggest:

- Clarifying the language to “*all information in the sustainability report required to be prepared in accordance with the Act*” (or similar).
- Encouraging entities that choose to obtain assurance over additional information, outside the scope of the Act, to disclose the criteria applied and to clearly identify that such assurance is separate and subject to its own engagement terms.

We appreciate the AUASB’s priority to promote clarity and consistent application of assurance requirements in this rapidly evolving area. We would welcome opportunities for clarification discussions and are available to engage further on practical implementation considerations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Horlin', with a stylized flourish extending to the right.

Sue Horlin

Managing Partner, Assurance