

ASSA 5010
(January 2025)

Explanatory Statement

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

Obtaining a Copy of this Explanatory Statement

This Explanatory Statement is available on the Auditing and Assurance Standards Board website:
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Reasons for Issuing ASSA 5010

The Auditing and Assurance Standards Board (AUASB) issues Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010) as required by s1707E(2) of the *Corporations Act 2001* (the Act).

The AUASB is a non-corporate Commonwealth entity of the Australian Government, established under section 227A of the *Australian Securities and Investments Commission Act 2001* (ASIC Act). Under paragraph 227B(1)(a) of the ASIC Act and section 336 of the Act, 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.

Purpose of ASSA 5010

The purpose of ASSA 5010 is to specify the information in sustainability reports prepared in accordance with Chapter 2M of the Act that is to be subject to audit and/or review for each financial year commencing before 1 July 2030.

Main Features

ASSA 5010 specifies the information in a sustainability report that is to be audited and/or reviewed in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) for each financial year commencing before 1 July 2030.

New Standard on Assurance over Sustainability Information

This Standard is a new pronouncement of the AUASB and does not supersede a pre-existing Standard. It applies in conjunction with ASSA 5000, which was approved and issued at the same time as ASSA 5010.

Operative Date

ASSA 5010 is operative for financial years commencing 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 International Standards on Auditing of 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 Australian Standard

The AUASB has consulted publicly as part of its due process in developing ASSA 5010. Exposure Draft ED 02/24 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* was issued on 17 September 2024 with a 60-day comment period.

Submissions were received by the AUASB and these were considered as part of the development and finalisation of ASSA 5010.

Impact Analysis

An Impact Analysis has been prepared in connection with the preparation of ASSA 5010. The Impact Analysis has been cleared by the Office of Impact Analysis.

Exemption from Sunsetting

Auditing Standards promulgated by the AUASB that are legislative instruments are exempt from the sunsetting provisions of the *Legislation Act 2003* through section 12 of the *Legislation (Exemption and Other Matters) Regulation 2015* (Item 18(a)).

ASSA 5010 is operative for assurance over information in sustainability reports under Chapter 2M of the Act until financial years commencing from 1 January 2025 to 30 June 2030 when the AUASB's authority to make ASSA 5010 under section 1707E(2) of the Act ceases. If it applied, a ten-year sunsetting regime would have no practical application to ASSA 5010.

Commencement of ASSA 5010

The instrument was made on 28 January 2025 but is operative for financial years commencing 1 January 2025 to 30 June 2030. The sole purpose of ASSA 5010 is to reduce the requirements that would otherwise apply under ASSA 5000. Therefore, the retrospective commencement is not expected to disadvantage any person.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

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

Legislative Instrument: **Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (ASSA 5010)**

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 the Legislative Instrument

Background

The Auditing and Assurance Standards Board (AUASB) is an independent statutory committee of the Australian Government 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*.

Purpose of ASSA 5010

The purpose of ASSA 5010 is to specify the information in sustainability reports prepared in accordance with Chapter 2M of the Act that is to be subject to audit and/or review for each financial year commencing from 1 January 2025 to 30 June 2030. The AUASB is required by s1707E(2) of the Act to make an auditing standard that meets this purpose.

Main Features

ASSA 5010 specifies the information in a sustainability report that is to be audited and/or reviewed in accordance with Australian Standard for Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* for each financial year commencing before 1 July 2030.

Human Rights Implications

ASSA 5010 is issued by the AUASB in furtherance of the objective of facilitating the Australian economy. The standard does not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.