

**Content:**

- Implementation material by AASB
- Highlights of ASSA 5000 and ASSA 5010
- Appendix
  1. References
  2. In-scope entities for sustainability reporting
  3. Effective dates for limited/ reasonable assurance

Dear Friends,

On 17 Apr 2025, Australian Accounting Standard Board (AASB) issued its 1<sup>st</sup> set of implementation material for AASB S2 to assist entities in preparing climate-related disclosures, including an overview of the sustainability standards and some FAQs.

Earlier this year, AUASB finalised ASSA 5000 and ASSA 5010. This newsletter will cover the standards and its phasing requirements. Hope that you will find the information useful for your ESG journey!

*AA & T Consulting*

**Implementation material by AASB**

On 17 April 2025, the AASB published the first set of materials (or knowledge hub) to assist entities with sustainability-related and climate-related financial disclosures. The [hub](#) has an overview of the Australian Sustainability Reporting Standards (ASRSs or the “Standards”) and some FAQs.

*1) The Overview of ASRSs*

This Overview covers:

- background on the development of ASRSs,
- insights on how to navigate the Standards, and
- highlights key disclosure requirements.

It highlights that:

- 1) AASB [S1](#) is voluntary while AASB [S2](#) is mandatory;
- 2) Australian specific paragraphs are marked “Aus” and omitted paragraphs are marked “[Deleted by the AASB]” as compared to IFRS S1 and S2;
- 3) Appendix D to AASB S2 sets out the general requirements applicable to disclosure of climate-related (not board sustainability-related) financial information for AASB S2, with reference to AASB S1; and
- 4) the concept of “reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort” in applying S1 and S2 allows entities with different capability and resources to tailor the disclosure to their specific circumstances.

*2) Frequently Asked Questions (FAQs) for ASRSs*

A Frequently Asked Questions (FAQ) section is also published for entities starting their journey into sustainability and climate-related financial disclosures, covering some basic questions on: What (are AASB S2, IFRS S1/S2), When (are the effective dates), Who (in-scope entities), How (audit requirements, compliance enforcement) etc.

**Highlights of ASSA 5000 and ASSA 5010***1) Australian Standard on Sustainability Assurance (ASSA) 5000: General Requirements for Sustainability Assurance Engagements*

On 28 January 2025, shortly after IAASB launched the ISSA 5000, the Auditing and Assurance Standards Board (AUASB) approved [ASSA 5000 General Requirements for Sustainability Assurance Engagements](#) for greater international alignment of sustainability assurance standards.

ASSA 5000 applies to sustainability assurance engagements for reporting periods beginning on or after 1 January 2025.

Its coverage is very similar to other assurance standards, including acceptance and continuance of engagement, evidence, planning, risk assessment, risks of material misstatement, and forming the assurance conclusion among others.

**Highlights of ASSA 5000 and ASSA 5010  
(cont'd)**

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

On 28 January 2025, the AUASB also approved [ASSA 5010](#). It sets out the phased implementation of assurance requirements for sustainability reports. This involves a gradual increase in the level of assurance required, from limited assurance to reasonable assurance, over several years.

The mandatory sustainability reporting requirements are being phased in, with different commencement dates for different groups of entities, based on their size:

1. Group 1: Reporting periods beginning on or after 1 January 2025 (mainly larger entities).
2. Group 2: Reporting periods beginning on or after 1 July 2026. (mostly medium size entities)
3. Group 3: Reporting periods beginning on or after 1 July 2027. (for smaller entities)

This phased approach allows entities time to prepare for the new reporting requirements. For more details, please refer to App. 2 and 3.

**Looking Forward**

Board members and senior management of the relevant entities should get prepared to identify, monitor and disclose the material climate-related risks of their corporates and ensure that it has exercised their best effort to “use all reasonable and supportable information that is available to the entity without undue cost or effort” in the disclosure process.

Preparer should also familiarize themselves with the concept of “reasonable and supporting information” in S1 and S2, in particular paragraphs 11 and 18 of AASB S2 and paragraphs B8-10 of its Appendix B (Application guidance) and [D]B8-10 of its Appendix D (General requirements).

**How can AA & T Consulting help?**

If you need any help on your ESG journey or clarification on regulatory matters, feel free to contact us by phone (+852 9181 8659 (HK); +61 452 371 753 (Aus.)), or by email [advisory@aathk.com](mailto:advisory@aathk.com)

**Appendix 1 – References**

1. AASB S2 Knowledge Hub published by Australian Accounting Standards Board (AASB) on 17 April 2025:  
<https://aasb.gov.au/research-resources/knowledge-hub/aasb-s2-knowledge-hub/>
2. An overview of Australian Sustainability Reporting Standards (ASRSs) by AASB (April 2025)  
[https://aasb.gov.au/media/xpilzp2e/overviewofasrs\\_04-25.pdf](https://aasb.gov.au/media/xpilzp2e/overviewofasrs_04-25.pdf)
3. Australian Sustainability Reporting Standard AASB S1, *General Requirements for Disclosure of Sustainability-related Financial Information [voluntary]* (September 2024)  
<https://standards.aasb.gov.au/aasb-s1-sep-2024>
4. Australian Sustainability Reporting Standard AASB S2, *Climate-related Disclosures* (September 2024)  
<https://standards.aasb.gov.au/aasb-s2-sep-2024>
5. Approval of Standards on Sustainability Assurance on 28 January 2025:  
<https://auasb.gov.au/standards-guidance/auasb-standards/standards-on-sustainability-assurance/>
  - a) Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (Jan 2025)  
<https://auasb.gov.au/media/zjwnghou/assa5000.pdf>
  - b) Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (Jan 2025)  
<https://auasb.gov.au/media/wf5frdj0/assa5010.pdf>
6. Sustainability reporting webpage of Australian Securities & Investments Commission (ASIC)  
<https://asic.gov.au/regulatory-resources/sustainability-reporting/>

**Appendix 2 In-scope entities for sustainability reporting**

In-scope entities that satisfied the following criteria will commence their climate-related disclosures on the respective first reporting periods specified below:

	Meet two of three reporting thresholds below:				
Reporting periods	Consolidated gross revenue (for the year)	Consolidated assets (at year end)	Employees (at year end)	National Greenhouse & Energy Reporting (NGER) Reporters	Registered schemes, Registrable Superannuation Entities and retail Corporate Collective Investment Vehicles
<b>Group 1</b> First reporting period beginning on or after <b>1 Jan 2025</b>	\$500 million or more	\$1 billion or more	> 500	Above NGER publication threshold in s 13(1)(a) of the NGER Act 2007	N/A
<b>Group 2</b> First reporting period beginning on or after <b>1 Jul 2026</b>	\$200 million or more	\$500 million or more	> 250	All other NGER reporters	\$5 billion assets under management or more
<b>Group 3</b> First reporting period beginning on or after <b>1 Jul 2027</b>	\$50 million or more	\$25 million or more	> 100	N/A	N/A

(Source: Australian Securities & Investments Commission (ASIC) Media release (18 Sep 2024): *ASIC urges businesses to prepare for mandatory climate reporting* <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-205mr-asic-urges-businesses-to-prepare-for-mandatory-climate-reporting/>)

**Appendix 3 Effective dates for limited/reasonable assurance**

The timeline for phasing of assurance on different climate-related information areas required by ASSA 5010 are as follows:

Reporting period / Area	1st*	2nd	3rd	4th	5th	6th**
Governance	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Strategy – Risks and Opportunities	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate Resilience Assessments / Scenario Analysis	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Transition Plans	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Risk Management	None	Limited	Limited	Reasonable	Reasonable	Reasonable
Scope 1 and 2 Emissions	Limited	Limited	Limited	Reasonable	Reasonable	Reasonable
Scope 3 Emissions	N/A	Limited	Limited	Reasonable	Reasonable	Reasonable
Climate-related Metrics and Targets	None	Limited	Limited	Reasonable	Reasonable	Reasonable

\* Group 1 – Years commencing 1 January 2025. Group 2 – Years commencing 1 July 2026. Group 3 – Years commencing 1 July 2027. For criteria classifying Groups 1/2/3, please refer to Appendix 2. Group 1 entities with years commencing 1 January (to 30 June) will be subject to the Year 1 provisions twice (i.e. once in 2025 and again in 2026, e.g. years ending 31 Dec 2025 and 31 December 2026)

\*\* Group 3 is to be subject to reasonable assurance across all disclosures by years commencing 1 July 2030. From that time reasonable assurance is required for all mandatory climate disclosures.

Note: The information contained this document is general in nature and is not intended to address any particular circumstances of individuals or entities. Although we endeavor to provide accurate and timely information, there is no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.