



12 April 2026

Dr Keith Kendall  
Chair  
Australian Accounting Standards Board  
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Submitted via email: [standard@asb.gov.au](mailto:standard@asb.gov.au)

Dear Dr Kendall

### **AASB ITC 57 AASB 2027-2031 Agenda Consultation**

The Institute of Public Accountants (IPA) welcomes the opportunity to provide comments on Invitation to Comment 57 (ITC 57).

#### **OVERARCHING COMMENT**

IPA appreciates the Australian Accounting Standards Board (AASB) undertaking an agenda consultation for the 2027-2031 financial reporting standard-setting program. However, we question the timing and effectiveness of the content and approach of the ITC. Further, we are concerned that more urgent matters may have been overlooked, such as progressing the “AASB 2 Proportionality” project. As the AASB transitions to being an integral part of the External Reporting Australia (ERA), it is imperative that agenda considerations are undertaken in a more holistic and integrated manner to achieve the functions and powers of the new standard-setting entity. On this basis, the agenda consultation appears premature and uncoordinated with the other standard-setting functions of the ERA.

#### **1. New standard-setting structure**

The *Treasury Laws Amendment Bill (Financial Reporting System Reform) 2026* introduces a new standard-setting regime under the ERA. Under the ERA, the standard-setting functions of the existing AASB are likely to remain substantially similar. However, how the “new AASB” Board members and staff are resourced, the Board’s charter and work program may vary, all of which may affect the work program of the “new AASB”. It is, therefore, likely that the “new AASB”, once operational, will review its current and future work program to align with its resources (including funding, staff and Board members) and undertake its own agenda consultation.

IPA notes that the ITC 57 states that

“... the Treasury has consulted on a potential restructure of the AASB; however, this Agenda Consultation remains focused on identifying priority topics to guide our standard-setting activities and Work Plan. The outcome of this Agenda Consultation will help the AASB plan for the future and shape the Work Plan over its five-year cycle ...”

While we applaud the AASB in undertaking agenda consultation to assist the “new AASB”, given the impending commencement of the new standard-setting regime in the coming months, we question the effectiveness of the timing of ITC 57. This is especially with the brevity of the content of ITC 57 (refer to our comments below). Given these considerations, ITC 57 appears ill-placed and premature.

## **2. Content of ITC 57 and stakeholder consultation**

### ***Content of ITC 57***

We find the content of ITC 57 differs considerably to previous agenda consultation documents, which contain more targeted projects and questions for which the Board is seeking stakeholders’ comments. That is, previous agenda consultation documents have provided the AASB, with its technical expertise as a standard-setting body, has reviewed the reporting environment in Australia and internationally and assessed the possible projects that warrant stakeholder feedback to guide its future work program. Previous agenda consultation documents also outline the reasons why the AASB is considering the projects as part of its work program. This approach was adopted, for example, in ITC 46 *Agenda Consultation 2022-2026*, which comprised 37 pages.

In contrast, ITC 57 (comprising of eight pages) essentially reproduces the AASB’s Work Plan as at 16 December 2025 and seeks stakeholder input on which projects the AASB should:

- continue prioritising
- discontinue and
- begin exploring.

We find the brevity of ITC 57 opens the AASB to criticism that it lacks thought leadership and is relying on stakeholders to undertake its role and function.

### ***Stakeholder consultation roundtables***

The ITC 57 roundtables were initially in the form of one in-person session at each of the major Australian capital cities. The AASB later added virtual “drop-in” sessions of thirty-minute durations. This contrasts with the two-hour in-person sessions.

IPA acknowledges that there are benefits of in-person consultations compared to virtual sessions and that the AASB may be exploring other avenues to increase stakeholder engagement and input. However, not all stakeholders can attend the in-person sessions. This was the case with IPA, who could attend but not in the available capital cities. However, we were able to participate in the virtual “drop-in” session, which comprised two stakeholders and AASB staff. IPA appreciates that the small forum meant we could provide one-on-one feedback to AASB staff for most of the session duration. However, an important part of stakeholder engagement is not only for the AASB to gather input from its stakeholders but also for stakeholders and the AASB to ventilate collective ideas to better inform ERA’s forward-looking agenda. Further, the role and function of ERA are broader than accounting standard-setting and need to integrate with its other standard-setting functions. In this sense, a meaningful agenda consultation should have considered a more holistic and integrated approach to better coordinate the overall forward-looking agenda of ERA. This should have included a combination of all relevant stakeholders at each agenda consultation session, in which each in-person session should have enabled virtual participation.

### **SPECIFIC COMMENT**

Overall, IPA supports the projects outlined in the “Appendix – AASB Work Plan” of ITC 57 and offers comments on the following projects:

### **“AASB S2 Proportionality” project – elevate project from medium to high priority**

IPA acknowledges that the current priority is to support Group 1 and 2 entities in implementing the AASB S2 and S1<sup>1</sup>. IPA also understands that the first mandatory climate-related disclosures for Group 3 entities are for reporting periods commencing 1 July 2027.

However, Group 3 entities are the group of entities that require the most assistance in preparing their first mandatory climate report. This is because Group 3 entities, unlike Groups 1 and 2 entities, are currently not involved in preparing climate reporting and would need to implement AASB S2 from a zero base. Group 3 entities are also the group to have the least resources (both technical and financial) to do so, and therefore are likely to require more lead time to implement AASB S2. Consequently, it is imperative the “AASB S2 Proportionality” project be elevated from medium to high priority.

### **Research projects**

The AASB’s research activities play an important role and function in meeting its standard-setting objectives. This is stated in the *AASB Evidence-Informed Standard-Setting Framework*, in particular, paragraph 5, which states:

- “5. AASB has an evidence-informed approach to setting standards as a key enabler of its strategy .... The AASB’s evidence-informed approach is to:
- (a) obtain appropriate evidence for all key projects to improve the relevance and timeliness of information available to AASB for its decision-making activities; and
  - (b) encourage and/or produce research that will clarify, illuminate and provide leadership in national and international thinking on standard-setting issues.”

IPA notes that the “Appendix – AASB Work Plan” of ITC 57 consists of two sections. The first section lists the existing projects and their priorities, and the second section lists the international projects that the AASB is commenting on and monitoring. The appendix does not include any research projects for consideration. We encourage the existing and new AASB to ensure research activities remain an integral part of standard-setting.

For any questions relating to this submission, please contact Vicki Stylianou, Group Executive Advocacy and Professional Standards, Institute of Public Accountants at [vicki.stylianou@publicaccountants.org.au](mailto:vicki.stylianou@publicaccountants.org.au).

Yours sincerely

[signed V Stylianou]

Vicki Stylianou

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<sup>1</sup> AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*  
AASB S2 *Climate-related Disclosures*