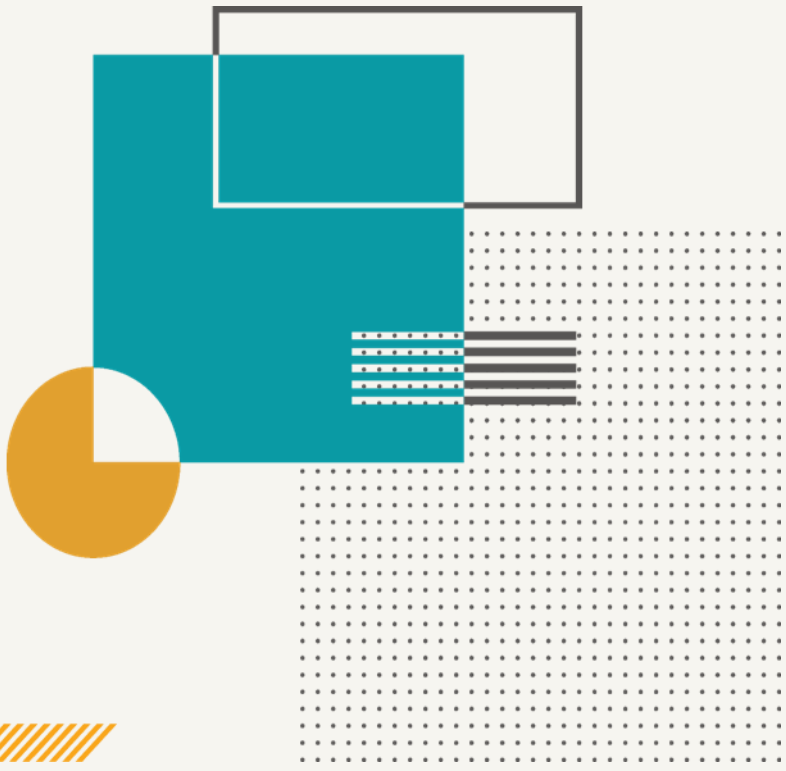
Australian Government

Auditing and Assurance Standards Board

Australian Accounting Standards Board

2025-26

Annual Report



Australian Accounting Standards Board

and

Auditing and Assurance Standards Board

2025-2026 Annual Reports

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LETTER OF TRANSMITTAL

14 October 2026

The Hon Dr Daniel Mulino MP
Assistant Treasurer, Minister for Financial Services
Parliament House
CANBERRA ACT 2600

Dear Minister,

We have pleasure in presenting the annual reports for the year ended 30 June 2026 of the:

- Australian Accounting Standards Board (AASB) and the Office of the Australian Accounting Standards Board, and
- Auditing and Assurance Standards Board (AUASB) and the Office of the Auditing and Assurance Standards Board.

The reports have been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and have been combined into one publication.

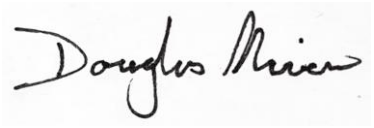
Section 46 of the PGPA Act requires the Chair of the AASB and the Chair of the AUASB to respectively prepare a report of the operations of the AASB and its Office, and the AUASB and its Office, during the year. The respective reports must be tabled in each House of the Parliament as soon as practicable.

Yours sincerely



Dr Keith Kendall

Chair and CEO
Australian Accounting Standards Board



Douglas Niven

Chair and CEO
Auditing and Assurance Standards Board

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ABBREVIATIONS

The following abbreviations are used by the AASB and AUASB in this report:

AASB	Australian Accounting Standards Board
ACNC	Australian Charities and Not-for-profits Commission
ANAO	Australian National Audit Office
AOSSG	Asian-Oceanian Standard-Setters Group
ASA	Australian Auditing Standard
ASAE	Australian Standard on Assurance Engagements
ASAF	Accounting Standards Advisory Forum
ASIC Act	*Australian Securities and Investments Commission Act 2001*
ASRE	Australian Standard on Review Engagements
ASSA	Australian Standard on Sustainability Assurance
AUASB	Auditing and Assurance Standards Board
CA ANZ	Chartered Accountants Australia and New Zealand
CPA	CPA Australia
EER	Extended External Reporting
ERA	External Reporting Australia
FRC	Financial Reporting Council
GPFS	General Purpose Financial Statements
GST	Goods and Services Tax
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFASS	International Forum of Accounting Standard Setters (formerly National Standard Setters (NSS))
IFRS	International Financial Reporting Standards
IFRS-IC	International Financial Reporting Standards Interpretation Committee
IIA	Institute of Internal Auditors
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISSB	International Sustainability Standards Board
JSS	Jurisdictional Standard Setters
NFP	Not-for-Profit
NSS	National Standards Setters
NZASB	New Zealand Accounting Standards Board
NZAuASB	New Zealand Auditing and Assurance Standards Board
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PSA	*Public Service Act 1999*
RDR	Reduced Disclosure Requirements (RDR)
SME	Small and Medium Enterprises

CONTACT DETAILS

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AASB AND AUASB PURPOSE, VISION AND MISSION

AASB Purpose & Vision	AUASB Purpose & Vision
Contribute to stakeholder confidence in the Australian economy, including its capital markets, and trust in external reporting.	Contribute to stakeholder confidence in the Australian economy, including its capital markets, and trust in auditing and assurance.
AASB Mission	**AUASB Mission**
Develop, issue and maintain principles-based Australian accounting and external reporting standards that meet user needs and enhance external reporting consistency and quality. Contribute to the development of a single set of accounting and external reporting standards for world-wide use.	Develop, issue and maintain in the public interest, best practice Australian auditing and assurance standards and guidance that meet user needs and enhance audit and assurance consistency and quality. Contribute to the development of a single set of auditing and assurance standards for world-wide use.

STRATEGY

AASB	AUASB
1. Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced. For 'publicly accountable'[1] entities maintain IFRS[2] compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.	1. Develop and issue enforceable Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB[3] equivalents in accordance with AUASB functions and our strategic direction from the FRC.
2. Play a leading role in the reshaping of the Australian external reporting environment by working with standard setters and regulators to set requirements proportionate to user needs and costs to preparers.	2. Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.
3. Actively influence IASB[4] ISSB[5], IPSASB[6] standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships.	3. Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.
4. Attain significant levels of key stakeholder engagement, through collaboration, partnerships and outreach.	4. Develop standards and guidance for assurance over sustainability information consistent with international standards, supplemented by guidance for assurance under the Australian climate reporting framework.
5. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	5. Monitor the Australian Assurance Environment and liaise with stakeholders to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.

AASB	AUASB
6. Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies.	
7. Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.	

1. Publicly accountable entities include those: a) with debt or equity instruments traded in a public market b) holding assets in a fiduciary capacity. (AASB 1053 *Application of Tiers of Australian Accounting Standards*)
2. International Financial Reporting Standards
3. International Auditing and Assurance Standards Board
4. International Accounting Standards Board
5. International Sustainability Standards Board
6. International Public Sector Accounting Standards Board

AASB Chair's Review

Our performance in 2025-26

The AASB had a productive 2025-2026 financial year, continuing to strengthen stakeholder confidence in the Australian economy by advancing its strategic objectives. The Board remained focused on key initiatives that hold national significance such as simplifying not-for-profit (NFP) financial reporting requirements, developing and implementing climate-related financial disclosure requirements, as well as progressing the cash flow statement research project. We also enhanced collaborative relationships with a number of international standard-setters. This has paved the way for Australia to continue its leadership in global financial and sustainability reporting.

Key Milestones

During the 2025-2026 financial year, amongst a large variety of achievements mentioned throughout this annual report, the AASB issued one new Standard, five Amending Standards, nine compilations of Standards and six Exposure Drafts and Invitations to Comment.

A major achievement this year, supporting the AASB's commitment to the Not-for-Profit sector, was the release of AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* (the Tier 3 Standard) and AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*.

The AASB sought stakeholder feedback to shape its future Work Plan through the AASB 2027-2031 *Agenda Consultation* (ITC 57), focusing on priority topics across external reporting, including financial and sustainability reporting, to enhance transparency, consistency and global alignment.

Stakeholder Engagement and Communications

The AASB continued to make use of technology in order to continue to maintain and grow its engagement with stakeholders across the country and globally via virtual meetings, webinars, roundtables and speaking engagements during 2025-26.

The AASB LinkedIn follower growth has continued steadily, surpassing 38,041 by the end of June 2026. We have delivered key initiatives including relaunching the Asian-Oceanian Standard-Setters Group (AOSSG) website and LinkedIn presence and the introduction of quarterly capacity building sessions.

We issued four Exposure Drafts, released two Invitations to Comment, held over 30 roundtables and outreach sessions and seven Dialogue Series sessions. Our stakeholder outreach activities have made use of available communication channels to maximise the reach of our messages and audience.

The AASB hosted three forums across 17-19 November 2025. The 2025 AASB Research Forum, themed 'Accounting and Reporting in the Digital Era', was co-hosted by University of Melbourne on 17 November 2025. The Sustainability Research Forum was held on 18 November 2025, followed by the Applied Research – Shaping Standard Setting Forum on 19 November 2025. This year, the AASB offered the opportunity to attend in Melbourne or virtually from any other location worldwide (280 In-Person Attendees; 356 Virtual Attendees).

The User Advisory Committee, which is comprised of 17 analysts, ratings agencies, fund managers and investor relations professionals from the for-profit sector, met twice during the year and continues to provide input, recommendations and feedback to the AASB staff.

Our strong rapport with industry stakeholders has also allowed us to broaden our brand reach through timely and topical news placements in Chartered Accountants Australia and New Zealand's (CA ANZ) and CPA Australia's newsletters, as well as their social media channels and members-only platforms.

The AASB maintained and enhanced its international engagement this year through various presentations and participating in international events. This included formally taking on the role of Chair of the AOSSG from November 2025, publishing a joint research report with the AUASB on the preparedness of ASX-listed entities for climate-related reporting and assurance requirements, a joint research report with the Korean Sustainability Standards Board (KSSB) on biodiversity, ecosystems and ecosystem services disclosure practices, a research report on the statement of cash flows and leading AOSSG to make one submission to the International Accounting Standards Board (IASB) on Amendments to the Fair Value Option.

The AASB continued its participation in the IASB's Accounting Standards Advisory Forum (ASAF) through its joint seat with the New Zealand External Reporting Board (XRB). This role enabled the AASB to contribute to international standard-setting discussions, influence the development of IFRS Accounting Standards, and promote Australian and New Zealand perspectives through enhanced trans-Tasman collaboration.

The AASB hosted the (northern hemisphere) Spring IFASS meeting in Melbourne from 28 to 30 April 2026. This meeting held in person and online was attended by over 180 participants from 97 national standard setters and regulatory bodies.

Significantly, the AASB was appointed to the International Sustainability Standards Board (ISSB)'s Sustainability Standards Advisory Forum (SSAF), effective from 16 March 2026. SSAF is a technical advisory body to the ISSB. The advice of SSAF members helps the ISSB develop high-quality Standards.

NOT-FOR-PROFIT SECTOR

The AASB continued working on several projects affecting the NFP private and public sectors during the year.

Notably, in April 2026, the AASB completed its multi-year project on the Tier 3 Not-for-Profit Private Sector Financial Reporting Framework and issued AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* (the Tier 3 Standard) and AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of*

the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements. The Tier 3 Standard focuses on information that matters most to users of smaller NFP financial statements, cutting unnecessary complexity resulting in simplified recognition, measurement, presentation and disclosure requirements that apply to all eligible NFP private sector Tier 3 entities. AASB 2026-2 amends the Australian Accounting Standards to extend the application of the Conceptual Framework and limits the ability of certain NFP entities to prepare special purpose financial statements.

We have continued working on several projects relevant to NFP public sector entities, including research on climate-related financial disclosure requirements for NFP public sector entities; application of AASB 18 *Presentation and Disclosure in Financial Statements* by NFP entities; and analysed the results of the Post-Implementation Review (PIR) of AASB 1049 *Whole of Government and General Government Sector Financial Reporting* undertaken by the Financial Reporting Council in 2021. We continued our work on the PIR of AASB 16 *Leases* for NFP and public sector entities (together with for-profit private sector) and analysed the feedback received in the PIR of AASB 1059 *Service Concession Arrangements: Grantors*.

FOR-PROFIT SECTOR

The AASB continued to maintain and develop Australian Accounting Standards for the for-profit sector, including the Tier 1 and Tier 2 reporting requirements that apply to entities preparing general purpose financial statements in Australia. This included maintaining IFRS compliance for publicly accountable for-profit entities, developing domestic reporting requirements where Australian-specific requirements are needed, and contributing Australian perspectives to international standard-setting activities. Together, these activities contribute to reporting requirements that remain relevant, consistent and fit for purpose for Australia's for-profit sector.

During the year, the AASB progressed the PIR of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*. The AASB issued ITC 56 *Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2* to seek feedback on the PIR and potential amendments to AASB 1060 arising from recent changes in accounting standards, including the third edition of the *IFRS for SMEs* Accounting Standard, AASB 18 and IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. Stakeholders broadly indicated that AASB 1060 is achieving its intended objectives, with many noting the benefits of having the relevant Tier 2 disclosure requirements in a "one-stop-shop" format. Following strong stakeholder feedback supporting the alignment of Tier 1 and Tier 2 presentation requirements, the AASB accelerated this work and issued an Exposure Draft on *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18* in June 2026.

The AASB also issued AASB 2025-3 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures* to amend AASB 1060, which is applied on or after 1 January 2026. The amendments require Tier 2 entities to disclose information about contractual features that expose the entity to variability in the underlying

amount of electricity and the risk that the entity would be required to purchase electricity at a time when the entity cannot use the electricity, qualitative information about how the entity assesses whether a contract might become onerous and qualitative information about the effects on the entity's financial performance for the reporting period. These amendments improve user understanding of the effects of these electricity contracts.

To maintain IFRS compliance, the AASB issued amendments to Australian accounting standards relating to the *Translation to a Hyperinflationary Presentation Currency* and *Disclosures about Uncertainties in the Financial Statements*. The AASB also issued the Australian exposure drafts on *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures* and *Risk Mitigation Accounting*. In addition, we provided submissions to the IASB on its Request for Information on Post-implementation Review of IFRS 16 *Leases* and provided submissions to the IASB through AOSSG on the Exposure Draft on *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*.

In April and May 2026, the AASB hosted IASB Chair Andreas Barckow and IASB staff for a forum on the proposed Risk Mitigation Accounting requirements and an investor roundtable on the future direction of financial reporting. These discussions provided an opportunity for Australian stakeholders to contribute to international standard-setting and to bring Australian perspectives into consideration as future reporting requirements are developed.

SUSTAINABILITY

The AASB has taken proactive steps to support capital market demand for more consistent, comparable and verifiable information about entities' exposure and management of sustainability-related risks and opportunities.

Following the release of AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures* in September 2024, the AASB has continued to support the implementation of AASB S2.

The AASB lodged submissions to the ISSB on SASB/ED/2025/1 *Proposed Amendments to the SASB Standards* and ISSB/ED/2025/2 *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2.*

The AASB lodged a submission to the ISSB on Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures – Proposed amendments to IFRS S2*. The AASB also lodged a joint submission, together with the UK Financial Reporting Council (FRC) and the Sustainability Standards Board of Japan (SSBJ), on the same Exposure Draft.

In December 2025, the AASB issued AASB S2025-1, amending AASB S2 *Climate-related Disclosures* to clarify and extend relief from certain greenhouse gas (GHG) emissions disclosure requirements and amend the classification requirements for some GHG emissions. The amendments were informed by feedback received on ED SR2 *Amendments to Greenhouse Gas Emissions Disclosures – Proposed amendments.*

To assist with the implementation of AASB S2, the AASB continued to coordinate the AASB S2 Implementation Advisory Panel (IAP)–a dedicated forum of experts to support consistent, principles-based application across Australia. In the 2025–26 financial year, the IAP met three times and continues to provide input on implementation issues related to AASB S2.

The AASB has published a range of educational materials on the AASB S2 Knowledge Hub to

support Australian entities in understanding and preparing climate-related financial disclosures. These include materials comparing AASB S2 to the TCFD recommendations, GHG emissions disclosures under AASB S2, proportionality mechanisms in AASB S2, climate-related risks and opportunities and the disclosure of material information in AASB S2, and a high-level comparison of GHG emissions reporting under AASB S2 and the National Greenhouse and Energy Reporting Scheme developed in conjunction with the Commonwealth Scientific and Industrial Research Organisation. The AASB has also published a document, along with an accompanying video and slide pack, on climate resilience and climate-related scenario analysis requirements in AASB S2.

The AASB partnered with the Australian Securities and Investments Commission (ASIC) and the University of Technology Sydney to develop eight educational modules to help reporting entities understand and apply the foundational concepts behind the sustainability reporting requirements in the Corporations Act 2001. The educational modules support foundational learning across the emerging climate reporting ecosystem and explore topics such as the Corporations Act and climate-related disclosure requirements, introduction to climate change, climate-related physical risks, climate-related transition risks, climate-related opportunities, emissions accounting, scenario analysis and governance and risk management. Alongside publishing the eight modules, the AASB and ASIC hosted a series of four capacity-building in-person workshops as well as three virtual webinars to help companies prepare for new mandatory sustainability reporting requirements.

The AASB facilitated 10 in-person Scenario Analysis Workshops across Australia, focusing on core concepts relating to climate resilience and the climate-related scenario analysis requirements in AASB S2. In partnership with the IFRS Foundation, the AASB delivered two events in the 2025–2026 financial year. The first technical training workshop was held over two days in Sydney to support capacity building related to AASB S2 and was delivered by AASB staff and Sue Lloyd, Vice-Chair of the ISSB. Additionally, in May 2026, the AASB hosted Sue Lloyd, Vice-Chair of the ISSB and David Bolderston, Technical Director of the ISSB, for a preparer-focused workshop covering the core concepts of Australia's climate reporting regime, including how to identify climate-related risks and opportunities and how to determine what information is material. In the same month, the AASB facilitated an assurance practitioner-focused event featuring presentations from Board members, senior staff from the ISSB, the GHG Protocol, ASIC, and the International Auditing and Assurance Standards Board.

In the 2025–26 financial year, the AASB was notably appointed to the Sustainability Standards Advisory Forum (SSAF), a global advisory body established by the IFRS Foundation to support the ISSB. Australia is represented on the SSAF by AASB staff, enabling the AASB to contribute Australian perspectives and implementation insights to discussions supporting the development and maintenance of IFRS Sustainability Disclosure Standards.

Throughout the year, the AASB Chair and staff have conducted extensive stakeholder engagement activities, presenting on sustainability reporting and climate-related financial disclosures at various forums (e.g. the 17th Annual Meeting of the AOSSG, 2026 Forest Valuation Summit, AASB Sustainability Research Forum, CA ANZ Annual Conference, CA ANZ Sustainability Conference, FICA Annual Conference, Hunter Sustainability Network Champion Event, ICAI Melbourne Chapter 7th Annual Conference, Industry Capability Network Virtual Climate Reporting & Procurement Roundtable, Sustainability Business Live Conference and UNGCNA Sustainability Reporting Community of Practice), participating in a panel session at the 24th A-CSEAR Conference, and delivering a workshop targeted towards investors at the 2026 RIAA Conference. AASB staff also participated in discussions at the Resilience to Climate Change and Natural Hazards: Better Decisions, Strategy and Disclosure event hosted by WSP.

RESEARCH

We continue to uphold our evidence-informed standard-setting approach by gathering evidence to ensure the Board makes informed decisions. The AASB values the contribution of research to our standard-setting process. High-quality research underpins our evidence-based approach to developing accounting standards in Australia.

During the year, literature reviews and other evidence-gathering activities were undertaken to support the AASB's PIR activities, including the PIR of AASB 16 *Leases*. Evidence was also collected and analysed to support the PIRs of AASB 1060 *General Purpose Financial Statements—Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and AASB 2022-2 *Amendments to Australian Accounting Standards—Extending Transition Relief under AASB 1*. These activities helped the Board assess whether the requirements are operating as intended, identify implementation challenges and unintended consequences, and determine whether further standard-setting or other action may be required.

In July 2025, the AASB Research Centre published *Preparedness of ASX-listed entities for climate-related reporting and assurance requirements*, developed in collaboration with AUASB and CA ANZ. In September 2025, the AASB Research Centre also published two research reports, one on the statement of cash flows and related matters and another, developed in collaboration with Korea Sustainability Standards Board, on Biodiversity, Ecosystems and Ecosystem Services (BEES) disclosure practices. In addition, in June 2026, the AASB Research Centre published the 4th edition of *Legislative and Regulatory Financial Reporting Requirements*.

During the year, research projects previously commissioned by the AASB contributed to research publications, Board projects, stakeholder engagement activities and external outreach relating to topics including service performance reporting and connectivity of financial and non-financial information. Three academics commenced the AASB Research Fellowship Program in February 2026. This level of activity demonstrates the AASB's commitment to research in shaping evidence-informed reporting standards and supporting the Board in making informed decisions.

The AASB hosted three forums across 17-19 November 2025. The 2025 AASB Research Forum, themed 'Accounting and Reporting in the Digital Era', was co-hosted by University of Melbourne on 17 November 2025. The Sustainability Research Forum was held on 18 November 2025, followed by the Applied Research – Shaping Standard Setting Forum on 19 November 2025. This year, the AASB offered the opportunity to attend in Melbourne, or virtually from any other location worldwide (280 In-Person Attendees; 356 Virtual Attendees). Across the sessions, the forum explored digital reporting, artificial intelligence, sustainability, service performance, valuation and connectivity.

The AASB SSRN Working Papers Series disseminates current research or monographs relevant to the AASB's work on accounting and external reporting matters. During the year, the AASB accepted five working papers and published them at the AASB SSRN. The papers published include *Unveiling the Nexus between Financialisation and State Governance: Data Assetisation in China, Connectivity of Non-financial and Financial Information, Service Performance Reporting: Insights from Domestic and International Experience, Service Performance Reporting for Private Sector Not-for-Profits* and *Do Superannuation Funds Adequately Disclose the Risks Associated with Estimating the Fair Value of Unlisted Investments?*

The AASB Dialogue Series provides an excellent opportunity for stakeholders to share different perspectives about the latest accounting and reporting developments. The series features

presentations from leading experts in the field, as well as panel discussions on key accounting and reporting issues. During the year, seven sessions (*Segment Reporting: A Case for Reform?, Goodwill and Impairment—Science, Art or Fantasy?, Data as Capital—Rethinking Intangibles in a Digital World, Human Capital Reporting: Evidence, Insights, and Gaps, Fair Value in Focus: A Conversation on Measurement and Reporting, R&D Reporting under IFRS: Evidence, Insights and Implications* and *Accounting for grants: What might be missing?*) were held with approximately 100 domestic and international stakeholders attending each session.

The AASB continued to engage with domestic and international researchers, standard-setters and other stakeholders to exchange knowledge, contribute Australian perspectives to global discussions and encourage research that supports the Board's standard-setting priorities. At the 2025 Accounting and Finance Association of Australia and New Zealand (AFAANZ) annual conference, the AASB and AUASB held a joint session, which provided reporting updates and included a panel discussion titled "C*limate-related Disclosures Standard – Where We Are and What's Next*". In August 2025, AASB staff chaired a panel discussion titled "National standard-setters' insights on IASB's agenda consultation" at the American Accounting Association Annual Conference in Chicago, United States. The panel brought together representatives from the Accounting Standards Board of Japan, the Canadian Accounting Standards Board, the Korea Accounting Standards Board and the IASB to share perspectives on priorities for the IASB's future work program and identify matters warranting further research and standard-setting attention. In November 2025, AASB staff were invited to participate in the 2025 IASB Research Forum in Germany, providing feedback on the research evidence presented and contributing an Australian standard-setting perspective. Research findings were also shared at the 17th Annual Meeting of AOSSG in November 2025, where a joint research project on segment reporting with the Malaysian Accounting Standards Board was presented. In December 2025, AASB staff were invited to share insights in a panel discussion at the 5th WICI Europe Conference, *Intangibles: The European State of the Art*, in Brussels, where staff provided an overview of the intangible assets landscape in Australia. In March and April 2026, AASB staff presented at the AFAANZ Financial Reporting and Not-for-Profit Special Interest Group meetings, providing researchers with updates on the AASB's current and emerging priorities and highlighting opportunities to undertake relevant and timely research and evidence-gathering activities that support the Board's work.

PEOPLE

We are pleased to announce that during 2025-26, we continued to operate effectively and efficiently, both remotely and in the office. During this year, we have successfully recruited new team members. We are continuing to work with Commonwealth Treasury and the Department of Finance to enable working towards standard setting in areas of critical national and international importance. Staff are the core of our business; their continued efforts have again ensured that we have been able to deliver to our stakeholders domestically and internationally. I would like to thank the staff for their commitment to standard setting.

LOOKING TOWARD 2026-27

The AASB will continue to enhance our already prominent stakeholder engagement activities further, both domestically and internationally.

We will continue conducting PIRs of several Australian Accounting Standards over the 2026-27 period. PIRs assess the effectiveness and efficiency of standards in achieving their objectives, without re-examining the entire standard. This process helps us determine if standards remain relevant and appropriate. The PIRs cover topics such as financial instruments (hedge accounting) and leases relevant to NFP and public sector entities.

The AASB will continue working on research projects that are significant for the Australian economy such as the Statement of Cash Flows, Intangible Assets and Public Sector Climate Disclosures Project.

We will also maintain our active role in international standard-setting through strong collaboration with the IASB, the ISSB, the International Public Sector Accounting Standards Board (IPSASB), and other global bodies. We will continue as the Chair of the AOSSG and Co-Chair of IFASS in the 2026-27 financial year, further reinforcing Australia's leadership and continuous influence on global accounting and sustainability standards.

From 1 December 2026, the FRC, AASB and AUASB will merge into a single entity, known as External Reporting Australia (ERA). Until that time, the AASB will continue to function as usual.

ERA will continue to engage with the entire financial reporting community to understand the implications of sustainability reporting on reporting, assurance, and regulation in Australia.

FINANCIAL RESULTS

The AASB recorded a total comprehensive loss of $2.04 million in 2025–26, compared with a total comprehensive surplus of $0.60 million in 2024–25. The result reflects expenditure incurred in delivering the AASB's sustainability standards program and contributing to the development of a global baseline of sustainability reporting standards.

Operating expenses increased during the year due to enhanced stakeholder engagement and outreach activities, including sustainability outreach events, the Sue Lloyd Outreach Event, agenda consultation activities, sustainability scenario analysis workshops, and sustainability research forums. Occupancy, depreciation and finance costs also increased following the commencement of a new lease arrangement that expanded the floor space of the Melbourne office.

Management fees received from the AUASB totalled $1.01 million (2024–25: $0.70 million) in accordance with the Memorandum of Understanding between the Boards (refer to Notes 2A and 2B to the Financial Statements). The increase primarily reflects cost-sharing arrangements relating to the Communications Director position and the expanded Melbourne office accommodation.

Further information on significant variances between actual and budgeted results is provided in Note 8 to the Financial Statements.

ACKNOWLEDGEMENTS

I would like to thank the staff for their continued support and commitment during these unique times, the team have embraced the flexible working arrangements and have held a number of face-to-face and virtual stakeholder sessions during the year resulting in a significant quantity of high-level output.

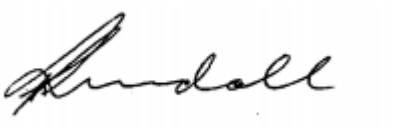
Sincerely



Dr Keith Kendall
Chair and CEO
14 October 2026

AASB Annual Performance Statement 2025-26

I, Keith Kendall, as the accountable authority of the Australian Accounting Standards Board, present the 2025-26 annual performance statement of the Australian Accounting Standards Board, as required under paragraph 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act Entity Purpose.



Dr Keith Kendall
Chair and CEO
14 October 2026

Entity purpose

As set out in the Treasury Portfolio Budget Statements for 2025-26, the AASB's single outcome is to formulate and make accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions. The AASB's vision is to contribute to stakeholder confidence in the Australian economy, (including its capital markets) and in external reporting integral to financial reporting. Its mission and single program are:

- developing, issuing and maintaining accounting standards and guidance that meet user needs and enhance external reporting consistency and quality.
- contributing to the development of a single set of accounting and external reporting standards for world-wide use.

Our purpose is to:

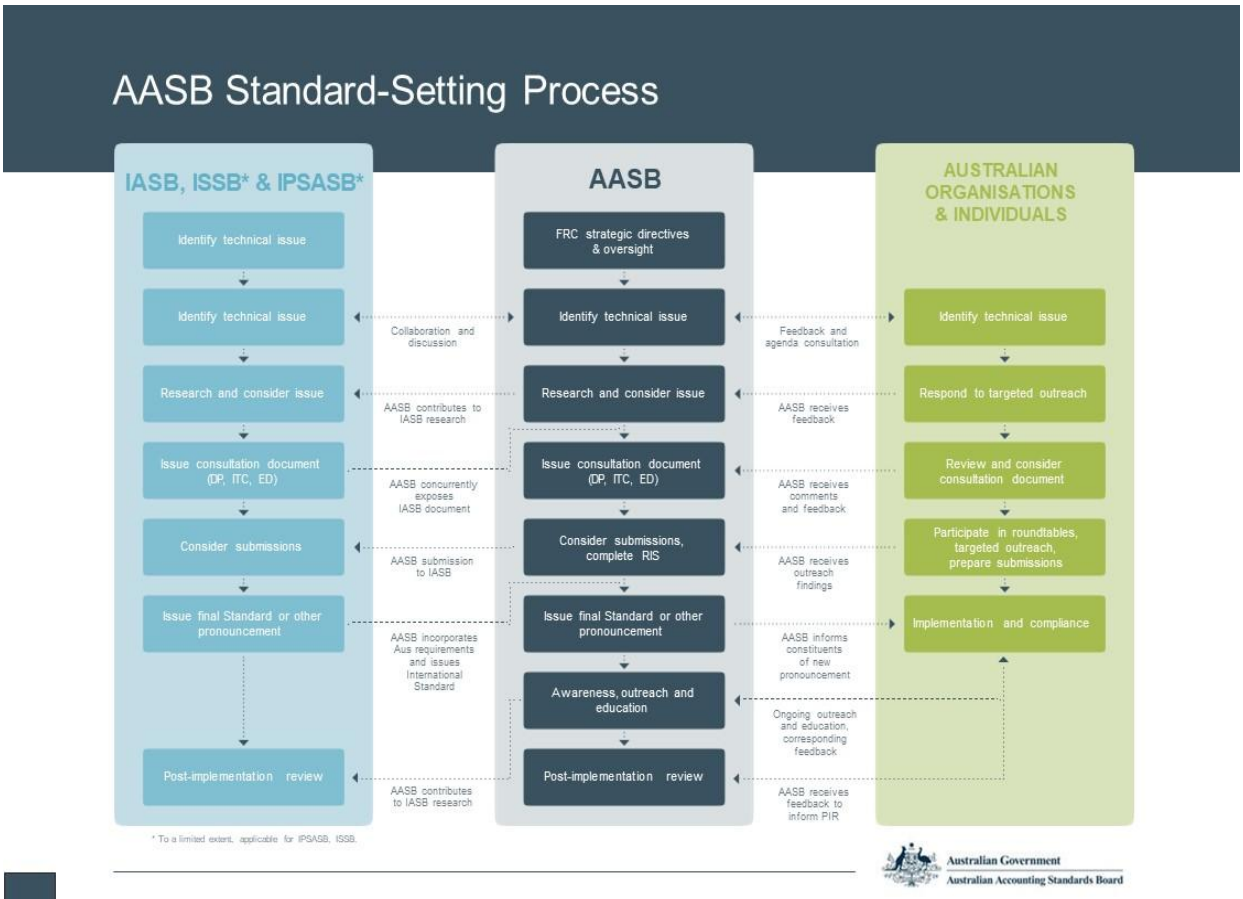
- make accounting standards under the *Corporations Act 2001* for the purposes of the corporations legislation and for other purposes.
- participate in and contribute to the development of a single set of accounting standards for world-wide use.
- in a financial reporting context, enabling Australian entities to compete effectively.
- maintain investor confidence in the Australian economy, including its capital markets.
- having regard to the interests of Australian corporations raising capital in major international financial centres.

The Chair's report sets out the contextual basis for progress made on achieving our strategies and purpose.

THE AASB'S STANDARD SETTING PROCESS

Developing, issuing and maintaining principles-based accounting standards

The AASB, in accordance with the FRC direction issued in 2002, has adopted IFRS accounting and external reporting standards as part of our strategy to facilitate confidence in the Australian economy.



Maintaining IFRS compliance for publicly accountable for-profit entities and using IFRS as a baseline for other entities, means that overseas investors understand our financial reporting and consistency help reduce the costs incurred by our companies seeking to raise funds. In addition, using IFRS as a basis for other entities promotes professional mobility across the three sectors and also meets our objectives for improving comparability and user confidence in financial reporting.

The following diagram identifies the high-level interaction undertaken by the AASB in developing, issuing and maintaining Australian Accounting Standards.

AASB's STRATEGIES FOR ACHIEVING ITS PURPOSE

Strategy 1: Standard setting	Strategy 2: Australian external reporting framework	Strategy 3: International thought leadership	Strategy 4: Stakeholder engagement	Strategy 5: Influencing beyond financial reporting	Strategy 6: Emerging Issues	Strategy 7: Enhancing Consistency
Develop, issue and maintain accounting and reporting standards to meet needs of users, capable of being assured and enforced. 'Publicly accountable' entities IFRS compliant; for others, use transaction neutrality, modify IFRS, or develop Australian-specific standards and guidance.	Play a leading role in the reshaping of the Australian external reporting environment by working with standard setters and regulators to set requirements proportionate to user needs and costs to preparers.	Actively influence internationally IASB, ISSB, IPSASB, NZASB and AOSSG.	Attain significant levels of key stakeholder engagement through collaboration, partnership and outreach.	Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	Monitor and respond to, or lead on, emerging issues, including changing technologies.	Enhance consistent implementation, through stakeholder education initiatives.

2025-26 AASB Activities and related key performance indicators

The tables below identify the activities the AASB identified in its Corporate Plan and Parliamentary Budget Statement (PBS) as contributing to the seven strategies above, for the 2025-2026 reporting period. These tables also indicate whether the activities were achieved and, if not, why not.

1 - Performance Activity Focus: Brand/Reputation

Current Priorities	Status	Key Activities / Highlights
Define appropriate reporting frameworks for each of the three sectors - for-profit (e.g., listed and large proprietary companies), not-for-profit (e.g. charities) and public sector as well as create sustainability (Climate-related Financial Disclosures)	In progress / Partially completed	For-profit – • Issued AASB 2025-3 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures* to amend AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* in August 2025. • Issued ITC 56 *Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2* in September 2025. • Issued ED 341 *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18* in June 2026. NFP sector and Public sector – • Issued AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* in April 2026. • Issued AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements* in April 2026.

Current Priorities	Status	Key Activities / Highlights
		• Issued ED 338 *Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation* in October 2025. Sustainability – • Issued AASB S2025-1 *Amendments to Greenhouse Gas Emissions Disclosures* to amend AASB S2 *Climate-related Disclosures* in December 2025.
Agree and deliver on 3-year program of work Maintain IFRS and New Zealand compliance for for-profit Private sector "publicly accountable" entities Tailor IFRS appropriately for other sectors, including developing Australian-specific guidance Develop guidance on external reporting integral to financial reporting Develop guidance on emerging issues related to financial reporting	Ongoing	IFRS compliance maintained during this reporting period IASB-equivalent Standards were issued within two months of release by the IASB: • AASB 2025-4 *Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency* • Issued AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements* The AASB issued the following exposure drafts: • ED 339 *Risk Mitigation Accounting* • ED 340 *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures* Made the following submissions: • AASB submission on ISSB Exposure Draft *Amendments to Greenhouse Gas Emissions Disclosures – Proposed amendments to IFRS S2*. The AASB also lodged a joint submission, together with the UK Financial Reporting Council and the Sustainability Standards Board of Japan, on the same Exposure Draft.

Current Priorities	Status	Key Activities / Highlights
		• AASB submission on IASB *Request for Information on Post-implementation Review of IFRS 16* Leases.
Enhance profile domestically and internationally Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, ISSB and International Financial Reporting for NPOs	Completed/ On track	AASB staff and a Board member attended and presented education sessions to the Vietnam Ministry of Finance and an audience of Vietnamese accountants. The educational presentations were on IFRS 13 *Business Combinations*, IFRS 3 *Business Combinations*, IFRS 2 *Share-based Payment* and IAS 41 *Agriculture*. The presentations were delivered in Vietnam, to both an in-person and virtual audience, and were held from the 30 June to 3 July 2025. AASB Chair and staff were panellists, moderators and presenters on various topics at the Accounting and Finance Association of Australia and New Zealand Conference, held in Brisbane in July 2025. • Environmental, Social and Governance Special Interest Group (AASB update) • CA ANZ plenary session, discussing Climate-related Financial Disclosures in Australia • Financial reporting Special Interest Group • Public Sector and Not-for-Profit Special Interest Group • AASB session (AASB update and Climate-related Financial Disclosures in Australia) AASB staff presented to preparers and auditors at The Insurance Discussion Group on Climate Reporting, hosted by Deloitte. The presentation was delivered virtually and held in July 2025. AASB staff and a Board member provided views on provisions on behalf of the AOSSG and as a member of the Accounting Standards Advisory Forum (ASAF) at the ASAF meeting held in London in July 2025.

Current Priorities	Status	Key Activities / Highlights
		AASB staff provided an update on public-sector-related projects at the HoTARAC meeting held virtually in July 2025. AASB Chair attended the ASX Ring the Bell ceremony with UNFCCC Executive Secretary in July 2025, aimed at advancing climate leadership through sustainability reporting. The event was organised by ASX, UN Global Compact Network Australia (UNGCNA) and CA ANZ for CEOs, executives, board members and other stakeholders across sectors. AASB staff provided an update on public-sector-related projects at the ACAG-FRAC meeting held virtually in July 2025. AASB staff chaired a panel discussion entitled “National standard-setters' insights on IASB's agenda consultation” at American Accounting Association (AAA) Annual meeting held in Chicago, United States of America in August 2025. AASB Chair attended the Digital Reporting event on “Accelerating reporting with Technology for a more productive Australia”. The event was organised by Deloitte and CA ANZ and held in Sydney in August 2025. AASB Chair (virtually) and staff attended the AICD Conference on Climate Governance held in Melbourne in August 2025. AASB staff organised a two-day technical training program in partnership with the IFRS Foundation focused on the practical application of AASB S2 Climate-related Disclosures. The session was held in August 2025 in Sydney. AASB Chair attended and presented at the Institute of Solomon Islands Accountants (ISIA) Annual Congress, held in Solomon Islands in August 2025. • Keynote speaker: Standard Setting for the Accounting Profession: Developing a robust Accounting Profession - the

Current Priorities	Status	Key Activities / Highlights
		role of accounting and auditing standards in strengthening national financial systems. • Panellist: Quality Assurance - what is QA and why is it important? QA practices in the Region. AASB staff attended the AIGN Chatham House Meeting (AIGN, TSY, ASIC, AASB), aimed at AASB S2 implementation support. The meeting was held in Canberra in September 2025. AASB Chair and staff attended the Finance Leaders Forum, held in Sydney in September 2025. AASB Chair made the following presentations: • Keynote speaker: Climate Disclosures and Emerging Directions: Insights from the Standard-Setter • Moderator: Fireside chat with Shilpa Bhale and Marty Engel on “How CFOs can Drive Productivity with an AI-First mindset”. • Video Interview. AASB staff attended the IPSASB Public Sector Standard Setters Forum 2025 and participated in a panel discussion on accrual accounting. The conference was held in Lisbon, Portugal in September 2025. AASB staff presented the AASB work plan at the CPA discussion group. AASB Chair attended the Business Leaders’ Lunch with Hon Dr. Daniel Mulino MP, Assistant Treasurer & Minister for Financial Services, on “Financial services, superannuation and their importance for the Australian business community”. The event was organised by CPA Australia in Melbourne in September 2025.

Current Priorities	Status	Key Activities / Highlights
		AASB staff presented at the CA ANZ Sustainability Conference hosted by CA ANZ held in Sydney in November 2025. AASB staff presented the UNGCNA Sustainability Reporting Community of Practice hosted by UNGCNA virtually in November 2025. AASB staff attended and presented at the NFP forum conference hosted by CPA Australian Campbell Town. This event was in November 2025. AASB staff presented at the CA ANZ NFP Discussion Group hosted by CA ANZ in November 2025. AASB staff virtually attended and presented at the ACAG-FRAC meeting hosted by CA ANZ in November 2025. The AASB hosted three forums across 17-19 November 2025. The 2025 AASB Research Forum, themed 'Accounting and Reporting in the Digital Era', was co-hosted by University of Melbourne on 17 November 2025. The Sustainability Research Forum was held on 18 November 2025, followed by the Applied Research – Shaping Standard Setting Forum on 19 November 2025. This year, the AASB offered the opportunity to attend in Melbourne, or virtually from any other location worldwide (280 In-Person Attendees; 356 Virtual Attendees). AASB staff presented at the Hunter Sustainability Network Champion Event hosted by DCCEEW virtually in November 2025. AASB staff presented at the Monash University Accounting PhD Colloquium hosted by Monash University in November 2025. AASB staff attended and presented at the HoTARAC meeting in Adelaide in November 2025.

Current Priorities	Status	Key Activities / Highlights
		AASB Chair and staff attended and presented at the 17th Annual Meeting of the AOSSG in the Maldives in November 2025. AASB staff presented to the Local Government Ministers Forum on the topic of Depreciation in the Public Sector. AASB staff participated in the CA ANZ Industry sustainability panel session at the 24th A-CSEAR Conference hosted by CA ANZ and A-CSEAR. This event was held in Melbourne in December 2025. AASB staff attended the 5th WICI Europe Conference on “Intangibles: The European State of the Art” hosted by the WICI in Brussels. AASB staff presented at a WICI meeting at this event in December 2025. AASB Chair and staff attended the ASAF meeting in December 2025. AASB staff presented AASB Public Sector Update (financial and sustainability) at the ACAG-FRAC meeting hosted by ACAG-FRAC in February 2026. AASB staff attended the Resilience to Climate Change and Natural Hazards: Better Decisions, Strategy and Disclosure. This event was hosted by WSP in Melbourne held in February 2026. AASB staff presented at the Industry Capability Network Virtual Climate Reporting & Procurement Roundtable. This session focused on topics including climate-related disclosures and market-based capacity-building. This event was held virtually in February 2026. AASB announced that Australia has been appointed to the Sustainability Standards Advisory Forum (SSAF), a global advisory body established by the IFRS Foundation to support the ISSB. Australia will be represented on the SSAF by AASB staff. AASB conducted a series of Agenda Consultation events to shape its 2027-2031 Work Plan. These were held during March 2026.

Current Priorities	Status	Key Activities / Highlights
		AASB conducted in-person and virtual roundtables on how income recognised under AASB 1058 Income of Not-for-Profit Entities should be categorised when applying AASB 18 *Presentation and Disclosure in Financial Statements*. AASB staff presented at the Understanding IFRS 17 event hosted by the University of Melbourne and Nan Yan University in March 2026. AASB Chair and staff attended the ASAF meeting virtually in March 2026. AASB staff presented at the 2026 Forest Valuation Summit hosted in Melbourne in March 2026. AASB staff attended and presented at the HoTARAC Meeting held online in March 2026. AASB staff presented at the AASB Financial Reporting Updates for Academics hosted by the AFAANZ Financial Reporting Special Interest Group held online in March 2026. AASB staff presented at the ENFP Community: ACNC & AASB Update hosted by HLB Mann Judd NSW held in Sydney in April 2026. The AASB organised and hosted the IFASS Meeting in Melbourne in April 2026. The conference topics covered financial and sustainability reporting and standard setting. AASB staff hosted an in-person Investor Roundtable event featuring IASB senior representatives. This event took place in Melbourne in April 2026. AASB staff hosted the IFRS Reporting Update event featuring IASB senior representatives, covering key updates to international reporting standards. This event took place in-person in Melbourne in April 2026.

Current Priorities	Status	Key Activities / Highlights
		AASB staff presented at the AASB Financial Reporting Updates for Academics hosted by the AFAANZ NFP Special Interest Group held online in April 2026. AASB staff presented at the ABS, AASB regular catch up held online in April 2026 AASB staff hosted the IASB Financial Reporting Update led by the IASB Chair Andreas Barckow in Melbourne in April 2026. AASB staff hosted the Investor Roundtable led by IASB member Zach Gast in Melbourne in April 2026 AASB chair and staff attended the Intangibles Summit hosted by CPA Australia held in Melbourne in May 2026 AASB staff hosted the Risk Mitigation Accounting Roundtable led by the IASB Technical Director Riana Wiesner in Melbourne in May 2026. AASB staff presented at the CA ANZ Annual Conference hosted by CA ANZ held virtually in May 2026. AASB chair presented at the ICAI Melbourne Chapter 7th Annual Conference hosted by ICAI - Melbourne Chapter held in Melbourne in May 2026. AASB chair presented and attended the FICA Annual Conference hosted by FICA held in Fiji in May 2026. AASB hosted a Preparer Essentials event in Melbourne to support entities early in their AASB S2 reporting journey. The event facilitated by the ISSB vice chair featured presentations by representatives from international sustainability standard setting bodies, who led practical sessions on applying IFRS Sustainability Standards in practice. This event was held in Melbourne in May 2026. AASB hosted a meeting bringing together senior sustainability reporting and assurance leaders to engage with international standard

Current Priorities	Status	Key Activities / Highlights
		setting representatives from the ISSB, the GHG Protocol and IAASB. The discussion focused on developments in sustainability disclosures and assurance, incorporating international perspectives and open dialogue with Australian stakeholders. This event was held in Melbourne in May 2026. AASB organised Dialogue Series on R&D Reporting under IFRS: Evidence, Insights and Implications. The event was delivered in May 2026 and was held virtually. AASB and ASIC hosted a free in-person introductory educational sessions in Melbourne to support entities, particularly those required to commence sustainability reporting for financial years beginning on or after 1 July 2026, to better understand their new sustainability reporting obligations. The event was held on May 2026. AASB Staff and ISSB Board member Prof. Jeff Hales delivered a workshop for Investors at the Responsible Investor Association Australasia annual conference in Melbourne in May 2026. AASB Staff presented as part of a panel and workshop at the Sustainability Business Live conference in June 2026.
Due process followed to ensure the quality of standard-setting Evidence-informed approach to standard setting activities supports need for regulation and proposed solution Appropriate consultation in accordance with the due process framework Preparation of regulatory impact statement assessing costs and benefits	Completed / On track	No negative feedback in response to due process from FRC. On-going: staff completing compilation of standards. Events to educate and consult stakeholders: • Dialogue Series – seven sessions held in 2025-2026, being *Segment Reporting: A Case for Reform?, Goodwill and Impairment—Science, Art or Fantasy?, Data as Capital—Rethinking Intangibles in a Digital World, Human Capital Reporting: Evidence, Insights, and Gaps, Fair Value in Focus: A Conversation on Measurement and Reporting, R&D*

Current Priorities	Status	Key Activities / Highlights
		Reporting under IFRS: Evidence, Insights and Implications and *Accounting for grants: What might be missing?* • The AASB conducted three virtual roundtables on ITC 55 *Post-implementation Review of AASB 16* Leases. • The AASB conducted multiple roundtables to consult on ITC 56 *Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2,* including: two in-person sessions and one virtual session. • AASB staff organised a two-day technical training program in partnership with the IFRS Foundation focused on the practical application of AASB S2 *Climate-related Disclosures* in Sydney. • The AASB facilitated 10 in-person Scenario Analysis Workshops across Australia to support reporting entities in applying the climate resilience and scenario analysis requirements of AASB S2. • The AASB conducted a series of Agenda Consultation events to shape its 2027-2031 Work Plan, including: eight in-person sessions and five virtual sessions. • AASB conducted three in-person and virtual roundtables on how income recognised under AASB 1058 Income of Not-for-Profit Entities should be categorised when applying AASB 18 *Presentation and Disclosure in Financial Statements*. • AASB Research Reports issued: ○ AASB-KSSB (Korea Sustainability Standards Board) Joint Research Report *Biodiversity, Ecosystems and Ecosystems Services (BEES) Disclosure Practices: Observations in Australia and Korea*

Current Priorities	Status	Key Activities / Highlights
		○ Research Report 25 *Statement of Cash Flows and Related Matters* ○ AASB-AUASB Joint Research Report in collaboration with CA ANZ *Preparedness of ASX-listed entities for climate-related reporting and assurance requirements*.
PIR conducted for all significant projects to assess quality of standard-setting.	Completed / On track	No indication of non-contribution to confidence in the economy Continued working on the PIR of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and AASB 2020-2 *Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.* Continued working on the PIR of the leases Standard by issuing ITC 55 *Post-implementation Review of AASB 16 Leases* covering both the IASB's IFRS 16 PIR for for-profit private sector entities and the AASB's domestic PIR of AASB 16 for NFP and public sector entities. Analysed the results of the PIR of AASB 1049 *Whole of Government and General Government Sector Financial Reporting* undertaken by the Financial Reporting Council in 2021.
Improve consistency of implementation: Educate stakeholders on the AASB standards, support materials available, including why standards introduced Support and encourage high-quality teaching of the Australian financial reporting framework and standards at Australian educational institution	Completed / On track	AASB continued to support the implementation of Australia's sustainability reporting and assurance standards and contribute to the development of international sustainability reporting standards. Research Report 25 *Statement of Cash Flows and Related Matters* AASB-AUASB Joint Research Report in collaboration with CA ANZ *Preparedness of ASX-listed entities for climate-related reporting and assurance requirements*.

2 - Performance Activity Focus: Stakeholder Engagement

Current Priorities	Status	Key Activities / Highlights
Enhance stakeholder engagement	Completed / On track	LinkedIn main page followers increased by 15.80% over the twelve months to June 2026. The AASB hosted three forums across 17-19 November 2025. The 2025 AASB Research Forum, themed 'Accounting and Reporting in the Digital Era', was co-hosted by University of Melbourne on 17 November 2025. The Sustainability Research Forum was held on 18 November 2025, followed by the Applied Research – Shaping Standard Setting Forum on 19 November 2025. This year, the AASB offered the opportunity to attend in Melbourne, or virtually from any other location worldwide (280 In-Person Attendees; 356 Virtual Attendees).
Conduct Agenda consultations to determine projects and priorities	Completed / On track	AASB opened its Agenda Consultation for the 2027-2031 period, following completion of the pilot phase. The survey and comment period concluded on 31st March, with Agenda Consultation Forums being run throughout March in Canberra, Melbourne, Brisbane, Sydney, Perth, Adelaide and online to gather input on key reporting challenges and emerging areas.

3 - Performance Activity Focus: People & Culture

Current Priorities	Status	Key Activities / Highlights
Develop and implement People and Culture strategy	Completed / On track	Ongoing process. Staff are encouraged to register for work-related training of their choice as part of employee growth A flexible working policy has been implemented that allows employees to divide their work hours between the office and remote locations. However, a minimum of 50% of the work hours must be spent on-site.
New starter processes improved to support flexible subject matter expert involvement	Completed / On track	Onboarding manual is continuously being updated. The onboarding manual is a working document which has insights and information regarding processes that take place at the AASB
Understand current capability (talent mapping)	Completed / On track	Ongoing process – promotions during the year based on performance External experts used for specific projects
Resource planning to develop skills and allocate them appropriately	Completed / On track	Additional resources engaged as contractors to assist with workplan delivery Utilisation of employees regularly monitored Regular resource planning meetings in place to identify the need for project prioritisation or for external resources.

4 - Performance Activity Focus: Technology

Current Priorities	Status	Key Activities / Highlights
Develop and implement an IT strategy that enables flexible, seamless working via cloud	Completed / On track	All AASB staff are capable of working remotely - no significant issues. External webinars hosted via ZOOM and TEAMS
Website refreshed to improve stakeholder experience and engagement	Completed / On track	Corporate website content continually updated AASB pronouncements Web Portal: Accounting Standard versions are now linked to the portal versions of relevant Interpretations and AASB Agenda Decisions, rather than PDF versions, making their content directly more accessible.

5 - Performance Activity Focus: Operational & Business Excellence

Current Priorities	Status	Key Activities / Highlights
Develop strategy supporting operational excellence and regulatory compliance	Completed / On track	Continuous Compliance tasks completed by appropriate deadline date No breaches of regulatory obligations identified
Key processes and standards documented	Completed / On track	FP and NFP standard setting frameworks, Due process document, Annual Report and Corporate Plan published on AASB website (and Transparency Portal as appropriate) All Finance procedures and policies are documented and updated according to the update schedule
Knowledge and information sharing support flexible subject matter expert involvement	Completed / On track	Staff participate in monthly lunch and learn sessions to share knowledge from subject matter expert

Current Priorities	Status	Key Activities / Highlights
Continuous improvement of operational processes to achieve planned outcomes	Completed / On track	Working from home has focused AASB on ensuring critical operational tasks and processes can be sustained remotely. Core operational tasks being monitored and continuously improved to minimise slippage in internal and external service delivery

6 - Performance Activity Focus: Program & Project Management

Current Priorities	Status	Key Activities / Highlights
Develop a strategy to improve program and project management	Completed / On track	Utilisation of employees regularly monitored Regular resource planning meetings in place to identify the need for project prioritisation for external resources
Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities	Completed / On track	Timesheet process being used to refine new project plans (work effort required) as well as ensuring work-life balance is maintained Continuous review process implemented to access completion of projects (on target, off-target) as well as reviewing effort required to complete.
Allocate resources efficiently and effectively	Completed / On track	Given the funding position and the available resources, the AASB has restructured its work program. Projects have been prioritised based on their importance.

OUTPUTS

The AASB's standards, exposure drafts and other research reports are listed in the tables below.

Financial Reporting Standards

AASB 2025-3	*Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures*
AASB 2025-4	*Amendments to Australian Accounting Standards – Translation to a Hyperinflationary Presentation Currency*
AASB 2026-1	*Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*
AASB 2026-2	*Amendments to Australian Accounting Standards – Extending the Application of the Conceptual Framework and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*
AASB 1061	*General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*

Financial Reporting Exposure Drafts

ED 338	*Operating Cash Flow Reconciliation and Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities.*
ED 339	*Risk Mitigation Accounting*
ED 340	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*
ED 341	*Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18*

Financial Reporting Invitations to Comment

ITC 56	*Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2*
ITC 57	*AASB 2027-2031 Agenda Consultation*

Australian Sustainability Reporting Standards

AASB S2025-1	*Amendments to Greenhouse Gas Emissions Disclosures*

Research Papers

AASB-AUASB	*AASB-AUASB Joint Research Report: Preparedness of ASX-listed entities for climate-related reporting and assurance requirements*
No. 25	*Statement of Cash Flows and Related Matters – Australian Listed Entities*

Research Papers continued

No. 26	*Biodiversity, Ecosystems and Ecosystem Services (BEES) Disclosure Practices: Observations in Australia and Korea, AASB-KSSB Research Report*

AASB Authoritative Pronouncements can be accessed via the AASB Portal at:

https://standards.aasb.gov.au .

The Standard-setting and Research Centre Work Plan can be accessed via https://aasb.gov.au/current-projects/work-plan/

AUASB CHAIR'S REVIEW

OUR PERFORMANCE IN 2025-26

During 2025-26 the AUASB continued to focus on developing and maintaining auditing and assurance standards, guidance and implementation support that promote confidence in financial reporting, sustainability reporting and other assurance engagements in Australia. The AUASB continued to prioritise assurance over sustainability information as Australia's mandatory climate reporting and assurance regime first applied for years commencing 1 January 2025.

Standards and guidance for audits of financial reports also remain fundamental to market and investor confidence. During 2025-26 the AUASB continued its important work including issuing revised ASA 240 *The Auditor's Responsibility to Consider Fraud and Error in an Audit of Financial Statements* and related consequential amendments.

SUSTAINABILITY

During 2025-26, sustainability assurance remained a major focus for the AUASB.

Throughout the year, the Office of the AUASB continued to support the implementation of sustainability assurance requirements through materials, including key messages, frequently asked questions, illustrative assurance reports and education materials (including a table providing links to relevant materials for each engagement and reporting area). The Office also developed and consulted on draft guidance for assurance work on financed emissions using a data provider.

The AUASB amended ASSA 5000 *General Requirements for Sustainability Assurance Engagements* to address practical implementation matters and to adopt the revised APES 110 *Code of Ethics for Professional Accountants*, including new ethical and independence requirements for sustainability assurance.

The AUASB was part of an International Auditing and Assurance Standards Board (IAASB) working group that developed supplementary illustrative assurance reports. Following public consultation, the AUASB also issued Illustrative Corporations Act Sustainability Assurance Reports in January 2026.

The AUASB also publicly consulted on proposed amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*. After considering feedback received, the AUASB issued ASSA 2025-10, which amended ASSA 5010 to require the phasing in approach for assurance for Group 1, 2 and 3 entities to be applied for voluntary sustainability reports under the *Corporations Act 2001*.

The AUASB continued to monitor sustainability assurance implementation matters to identify possible areas where guidance may assist Australian auditors.

The AUASB reviewed assurance reports for listed December 2025 Group 1 entities and selected December 2025 unlisted entity reports.

The AUASB engaged with stakeholders on sustainability assurance matters through roundtables, forums and targeted outreach. This included a virtual roundtable on ED 02/25 and ED 03/25, participation in Clean Energy Regulator audit and assurance workshops, and forums with larger and mid-tier audit firms.

NEW FRAUD STANDARD

Following consultation with Australian stakeholders and consideration of a revised international standard, the AUASB issued revised ASA 240 *The Auditor's Responsibility to Consider Fraud and Error in an Audit of Financial Statements* and consequential amendments to other standards.

The revised standard forms part of the AUASB's ongoing work to maintain Australian auditing standards based on IAASB standards, with Australian-specific amendments where appropriate.

ARTIFICIAL INTELLIGENCE

In July 2025, the AUASB issued the Information Sheet *Impact of AI on Auditors*. The information sheet outlines considerations for auditors in the use of artificial intelligence tools on audit engagements, the approach to the use of AI by audited entities and the use of AI in developing communications.

The AUASB also co-hosted the IAASB's Technology Quality Management Roundtable in November 2025, which was attended by representatives from the largest six firms, smaller firms, regulators, the APESB, preparers, academics and others.

AUSTRALIAN-SPECIFIC GUIDANCE

The AUASB continued to develop and maintain Australian-specific guidance where needed. During 2025-26, the AUASB issued revised versions of GS 002 *Audit Implications of Prudential Reporting Requirements for Registered Superannuation Entities*, GS 011 *Third Party Access to Audit Working Papers* and GS 018 *Franchising Code of Conduct - Auditor's Report*.

The AUASB also released an RSE Illustrative Auditor's Report for APRA Prudential Standard SPS 310 *Audit and Related Matters*.

The AUASB undertook major work to develop a draft revised GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*.

INTERNATIONAL INFLUENCE

The AUASB's legislative mandate includes participating in and contributing to the development of a single set of auditing standards for worldwide use. Standards issued by the IAASB are a base from which local standards are developed.

We continued to influence the direction of international standards through submissions, direct engagement with the IAASB and collaboration with other jurisdictional standard setters, in the public interest and to make sure international standards serve as the most effective foundation for Australian standards.

The AUASB monitored, contributed to and influenced the work of the IAASB through:

- My continuing role on the IAASB and IESBA Stakeholder Advisory Council, which provides strategic advice to the international boards, and participation in the October 2025 and April 2026 meetings.
- My participation in the IAASB's Jurisdictional Standard Setters group meeting in April 2026 on matters relating to standard setting.
- Participating in an IAASB Working Group that issued illustrative sustainability assurance reports.
- Providing formal submissions on all IAASB exposure drafts issued in the 2025-26 year, including the proposed narrow-scope amendments arising from the IESBA's using the work of an external expert project.
- Hosting outreach activities to capture local stakeholder feedback on IAASB exposure drafts and proposed international developments.
- Supporting an IAASB member by reviewing IAASB papers and providing suggestions on issues to be raised at IAASB meetings. The AUASB Director - Technical acts as an IAASB Technical Advisor.
- Maintaining regular dialogue with assurance standard setters from the United States, Canada and New Zealand on matters of common interest.
- Continuing coordination with New Zealand, including reciprocal arrangements under which I am a member of the New Zealand Auditing and Assurance Standards Board and the Chair of the New Zealand Auditing and Assurance Standards Board (NZAuASB) is a member of the AUASB.

OTHER MATTERS

Other matters covered by the AUASB during 2025-26 included:

- Issuing AUASB 2025-12 *Amendments to AUASB Standards* for consequential amendments from AASB 18 *Presentation and Disclosure in Financial Statements*.
- Issuing AUASB 2026-1 *Amendments to AUASB Standards* for narrow scope amendments to ASA 620 *Using the Work of an Auditor's Expert*.
- Updating the auditor's responsibilities statements that can be referred to in auditor's reports following the revised ASA 600 *Special Considerations - Audits of a Group Financial Report (Including the Work of Component Auditors)*.
- Publishing AASB-AUASB Joint Research Report *Preparedness of ASX-listed entities for climate-related reporting and assurance requirements*.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

In 2025-26, the AUASB engaged with stakeholders across Australia through speaking engagements, roundtables, conferences, webinars, forums and targeted outreach. The Office of the AUASB regularly presented and engaged in industry forums, including webinars and conferences of the accounting professional bodies, academic groups and forums for auditors.

I presented on three panels on sustainability assurance and other matters at the Accounting and Finance Association of Australian and New Zealand Conference in July 2025. With a Senior Manager, I presented on ASSA 5000 at the Clean Energy Regulator's Audit and Assurance Workshops in Melbourne and Sydney in November 2025.

I also participated in a panel discussion on cybersecurity at the AASB Research Forum, presented an AUASB update for the CA ANZ Sustainability Conference, and presented to the Forum of Firms in Sydney in March 2026 on the domestic approach to international standards and guidance for sustainability, financial reporting and other assurance.

The AUASB also hosted and participated in sustainability assurance events in May 2026, including forums with larger and mid-tier firms, a meeting of the CA ANZ Sustainability Reporting Group and a meeting with representatives of CA ANZ.

LOOKING TOWARD 2026-27

We are continuing to focus on delivering the AUASB's work plan on standards and guidance, and other important matters. At the same time, we continue to support the transition to ERA and a new AUASB, which commence on 1 December 2026.

On 21 August 2026, Treasury issued *Improving the efficiency of climate-related financial disclosures*, which includes options for adjusting assurance settings for mandatory sustainability reporting, including extending or continuing limited assurance.

The Treasury has also issued a public options paper *Regulation of accounting, auditing and consulting firms in Australia*.

We will continue to work closely with the AASB and engage with stakeholders across the financial reporting ecosystem as implementation of Australia's sustainability reporting and assurance requirements progresses. We will continue to monitor implementation issues, review emerging practice and develop guidance to support high quality sustainability assurance.

The AUASB's work plan will continue to prioritise important projects in financial report assurance and other assurance engagements, including maintaining Australian auditing and assurance standards based on IAASB standards and developing Australian-specific guidance where required.

We will continue to actively contribute to international assurance standard setting in areas including review engagements, quality management, audit evidence and technology.

FINANCIAL RESULTS

The AUASB recorded a total comprehensive surplus of $0.52 million in 2025–26, compared with a total comprehensive surplus of $1.40 million in 2024–25. Employee costs increased during the year; however, average staffing levels remained below budget, partially offsetting the impact of these higher costs.

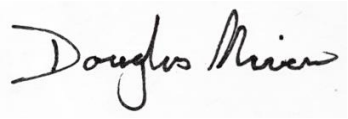
Management fees paid to the AASB totalled $1.01 million (2024–25: $0.70 million).

Information on significant variances between actual and budgeted results is provided in Note 8 to the Financial Statements.

ACKNOWLEDGEMENTS

I thank the members of the AUASB Board for their considerable contributions over the past year. I also express my appreciation to the Office of the AUASB staff for their dedication and their support of the AUASB Board.

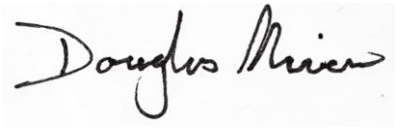
Sincerely



Douglas Niven
Chair and CEO
14 October 2026

AUASB ANNUAL PERFORMANCE STATEMENT 2025-26

I, Douglas Niven, as the accountable authority of the Office of the Auditing and Assurance Standards Board, present the 2025-26 annual performance statement of the Auditing and Assurance Standards Board (AUASB), as required under paragraph 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.



Douglas Niven
Chair and CEO
14 October 2026

ENTITY PURPOSE

The functions of the AUASB are to:

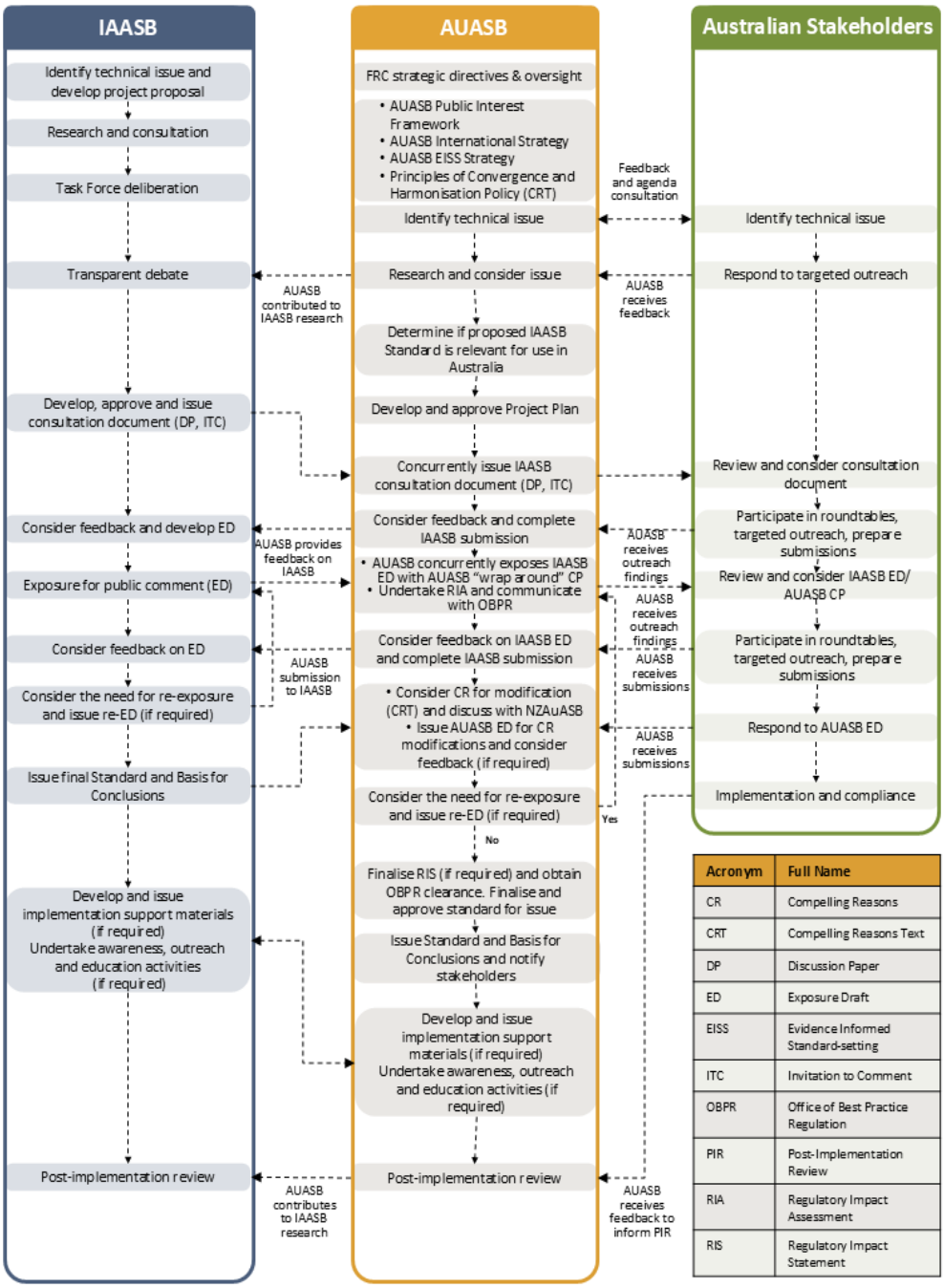
- make auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the Corporations' Legislation
- formulate auditing and assurance standards for other purposes
- formulate guidance on auditing and assurance matters
- participate in and contribute to the development of a single set of auditing standards for world-wide use
- advance and promote the main objectives of Part 12 of the *Australian Securities and Investments Commission Act 2001*.

THE AUASB STANDARD SETTING PROCESS

The AUASB issues IAASB Exposure Drafts (EDs) in Australia concurrently with their release internationally. The EDs are accompanied by a 'wrap around' with Australian specific questions.

The AUASB's full Standard-Setting process is set out below.

AUASB Due Process Framework for Setting Standards



Acronym	Full Name
CR	Compelling Reasons
CRT	Compelling Reasons Text
DP	Discussion Paper
ED	Exposure Draft
EISS	Evidence Informed Standard-setting
ITC	Invitation to Comment
OBPR	Office of Best Practice Regulation
PIR	Post-Implementation Review
RIA	Regulatory Impact Assessment
RIS	Regulatory Impact Statement

AUASB's STRATEGIES FOR ACHIEVING ITS PURPOSE – 2025-26

Strategy 1 and 2: Standards and Guidance		Strategy 3: International Influence	Strategy 4: Sustainability Assurance	Strategy 5: Thought Leadership	Strategy 6: Stakeholder Engagement
Develop and issue enforceable Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our strategic direction from the FRC.	Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.	Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.	Develop standards and guidance for assurance over sustainability information consistent with international standards, supplemented by guidance and education under the Australian climate reporting framework and a standard for the phasing in of assurance over sustainability reports.	Evidence-based research to inform standard setting and address emerging areas of auditing and assurance.	Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.

2025-26 AUASB ACTIVITIES AND RELATED KEY PERFORMANCE INDICATORS

The tables below identify the activities the AUASB outlined in its Corporate Plan and Parliamentary Budget Statement (PBS) as contributing to its strategies above, for the 2025-26 reporting period. The tables also indicate, for each priority, whether the activities were achieved and if not, why not.

PRIORITY ONE: *Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and the strategic direction from the Financial Reporting Council (FRC).*

Current Priorities & KPIs	Achieved/Not Achieved	Comments

Issue all IAASB-based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	Achieved	• All international standards issued in the 2025-26 year have been tailored and approved in Australia by the AUASB with Australian-specific amendments where appropriate. This includes:
		  ○ Revised ISA 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* and consequential amendments to other standards; and
		  ○ Narrow scope amendments to AUASB standards, including ASA 2026-1 *Amendments to ASA 620 Using the Work of an Auditor's Expert* flowing the APESB's use of experts project.
		• In July 2025 the AUASB issued AUASB 2025-7 to make minor amendments to ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements (Compiled)* to

Current Priorities & KPIs	Achieved/Not Achieved	Comments

		address practical implementation matters related to ethics and effective date.
		• All international exposure drafts issued by the International Auditing and Assurance Standards Board (IAASB) in the 2025-26 year have been tailored and exposed in Australia by the AUASB with any additional Australian-specific questions. This includes:
		  ○ IAASB's *Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project*.
		  ○ IAASB Proposed International Standard on Review Engagements ISRE 2410 (Revised) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*.
		• The AUASB updated the auditor's responsibilities statements to reflect the changes arising from ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*.
		• In November 2025, the AUASB approved minor amendments to AUASB standards, including:
		  ○ Adopting the term 'public interest entity' from the APESB Code;
		  ○ Referring to the new use of external expert provisions of APESB Code;
		  ○ Adding a diagram on going concern reporting to ASA 570;

Current Priorities & KPIs	Achieved/Not Achieved	Comments
		○ Updates for recent changes in accounting standards; and • Making minor changes to the illustrative auditor's reports in ASA 700 and other AUASB standards to reflect changes in the statements that will be included in a financial report and other minor changes flowing from AASB 18.
Seek feedback on relevance, effectiveness and public interest of these standards through stakeholder feedback, outreach programs and post-implementation reviews	Achieved	• The AUASB has sought stakeholder feedback on all IAASB exposure drafts and other proposals issued. This includes: ○ *Proposed Narrow-Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project*. After considering feedback received, the AUASB made a submission to the IAASB supporting the proposals. ○ Proposed International Standard on Review Engagements *ISRE 2410 (Revised), Review of Interim Financial Information Performed by the Independent Auditor of the Entity's Annual Financial Statements*.: ○ ISA 540 *Auditing Accounting Estimates and Related Disclosures* as part of its Post-Implementation Review and made a submission to the IAASB.

Priority Two: *Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Issue Australian-specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	Achieved	• In July 2025 the AUASB amended ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements* to give legal backing to the revised version of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* with new provisions on tax advice.
Seek feedback on relevance, effectiveness and public interest of Australian-specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews	Achieved	• After consultation, the AUASB withdrew GS 021 *Engagements under the National Greenhouse and Energy Reporting Scheme, Carbon Pricing Mechanism and Related Schemes,* which is outdated and has been superseded by guidance from the Clean Energy Regulator. • The AUASB approved a project plan for revising GS 015 *Audit Implications for Investment in Associates*.
Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these	Achieved	• In July 2025 the AUASB released an information sheet outlining considerations for auditors in the use of artificial intelligence (AI) tools on audit engagements, the approach to use of AI by audited entities and the use of AI in developing communications. • The AUASB has been undertaking a major project to update GS 007 *Audit Implications of the Use of Service Organisations for Investment Management Services*. • The AUASB issued revised Guidance Statements: ○ GS 002 *Audit Implications of Prudential Reporting Requirements for Registered Superannuation Entities* for

Current Priorities & KPIs	Achieved/Not Achieved	Comments
		changes in the Prudential Standards and assurance standards since 2014. ○ GS 011 *Third Party Access to Audit Working Papers* for changes to recently amended ASA 600 *Special Considerations – Audits of a Group Financial Report (Including the Work of Component Auditors)*. ○ GS018 *Franchising Code of Conduct – Auditor's Report* for a new Franchising Code and to better distinguish between solvency and going concern. • The AUASB also commenced planning for new guidance on assurance work on the valuation of unlisted investments in externally-managed, Managed Investment Schemes.

Priority Three: *Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters, particularly New Zealand and Canada.	Achieved	• The AUASB Chair continued his role as a member of the IAASB and International Ethics Standards Board for Accountants (IESBA) Stakeholder Advisory Council (SAC) and participated in the October 2025 and April 2026 meetings providing strategic advice to the international boards. • The AUASB Chair participated in the IAASB's Jurisdictional Standards Setters group meeting in April 2026 on a range of matters relating to standard setting. • The AUASB has regular dialogue with assurance standard setters from the United States, Canada and New Zealand on projects of common interest. • Under reciprocal arrangements, the AUASB Chair is a member of the NZAuASB and the Chair of the NZAuASB is a member of the AUASB. • The Australian IAASB member has been supported by feedback from the AUASB on IAASB Board papers and an AUASB Director - Technical is an IAASB Technical Advisor. These activities promote AUASB feedback being considered at IAASB meetings. • A Senior Project Manager and Director have been supporting the IAASB on the project to revise ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*
Provide input to the international standard setting process through responding to international	Achieved	• The AUASB was part of an IAASB Working Group that issued supplementary illustrative sustainability assurance reports.

Current Priorities & KPIs	Achieved/Not Achieved	Comments
pronouncements using input from Australian stakeholders		• The AUASB hosted a virtual roundtable jointly with the APESB on underlying drivers for the IAASB and IESBA Strategy and Work Plan 2028-31 Stakeholder Survey. After considering feedback received, the AUASB made a submission to the IAASB and IESBA. • AUASB co-hosted the IAASB's Technology Quality Management Roundtable in Sydney in November 2025, which was attended by representatives from the largest six firms, smaller firms, regulators, APESB, preparers, academics and others. • The AUASB has provided formal submissions on all IAASB exposure drafts issued in the 2025-26 year. • The AUASB hosted outreach activities to capture local stakeholder feedback on all IAASB exposure drafts issued.
Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols	Achieved	• The AUASB Chair is a member of the NZAuASB and provides direct input into New Zealand standard setting developments. • The standard setting activities of both the AUASB and NZAuASB are coordinated to promote harmonisation of standards.

Priority Four: *Develop standards and guidance for assurance over sustainability information consistent with international standards, supplemented by guidance and education under the Australian climate reporting framework and a standard for the phasing in of assurance over sustainability reports.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments

Adopt international assurance standards, supplemented by local guidance	Achieved	• The AUASB issued implementation support materials for sustainability assurance including:
		  ○ Key Messages for Preparers and Auditors;
		  ○ Frequently Asked Questions on implementation issues;
		  ○ Illustrative Corporations Act Assurance Reports; and
		  ○ Education materials (including a table providing links to relevant materials for each engagement and reporting area).
		• Developed and consulted on draft guidance on assurance for financed emissions using a data provider.
		• In June 2025 the AUASB amended ASSA 5000 to address practical implementation matters related to ethics and effective date matters. In July 2025, the AUASB made further amendments to ASSA 5000 and consequential amendments to ASA 102 to adopt the revised APES 110.
		• The AUASB issued exposure draft ED 03/25, which proposed to add illustrative Corporations Act sustainability auditor's reports, and held a virtual roundtable. The AUASB issued Illustrative Corporations Act Sustainability Assurance Reports in January 2026.

Current Priorities & KPIs	Achieved/Not Achieved	Comments
		• The AUASB is continuing to monitor implementation matters to identify possible areas requiring guidance to assist Australian auditors. Reviewed publicly available assurance reports for December 2025 Group 1 entities, and selected December 2025 sustainability assurance reports for unlisted entities.
Maintain the requirements for phasing in of limited and reasonable assurance for reporting under the Act	Achieved	• The AUASB issued exposure draft ED 02/25 on proposed amendments to ASSA 5010 and held a virtual roundtable. After considering feedback received, the AUASB issued ASSA 2025-10, which amends ASSA 5010 to require the approach for the phasing in of assurance for Group 1, 2 and 3 entities to be applied for voluntary sustainability reports under the *Corporations Act 2001*.

Priority Five: *Evidence-based research to inform standard setting and address emerging areas of auditing and assurance.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Support the development and publishing of relevant and high-quality auditing and assurance evidence-based research in accordance with the AUASB Evidence Informed Standard Setting (EISS) Strategy	Achieved	• The AUASB Chair and staff attended the Accounting and Finance Association of Australian and New Zealand Conference (AFAANZ) in July 2025. The Chair presented on three panels on sustainability assurance and other matters at AFAANZ. • The AUASB published AASB-AUASB Joint Research Report: *Preparedness of ASX-listed entities for climate-related reporting and assurance requirements*, which provides insights on the climate disclosure practices of ASX-listed entities in 2023 and 2024.

Current Priorities & KPIs	Achieved/Not Achieved	Comments
		The AUASB, AASB and CA ANZ funded and provided in-kind support for a research project by the University of Sydney and others, on Assessing the Preparedness of Group 2 and 3 Entities and Related Assurance Providers for Meeting Impending Climate-Related Reporting and Assurance Requirements. The final research report was dated June 2026.

Priority Six: *Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards*.

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Engagement with stakeholders through new and existing AUASB communications activities and events	Achieved	• The Office of the AUASB regularly presents and engages in a range of industry forums, including webinars and conferences of the accounting professional bodies, academic groups and forums for auditors. • The AUASB hosted a virtual roundtable to seek feedback from stakeholders on ED 02/25 and ED 03/25. • The Chair presented on three panels on sustainability assurance and other matters at the AFAANZ Conference in July 2025. • The Chair and a Senior Manager presented on ASSA 5000 at the Clean Energy Regulator's Audit and Assurance Workshops in Melbourne and Sydney in November 2025. • The Chair participated in a panel discussion on cybersecurity at the AASB Research Forum.

Current Priorities & KPIs	Achieved/Not Achieved	Comments

		• The Director-National presented an AUASB update at the CaseWare Annual Conference.
		• The Chair presented an AUASB update for the CA ANZ Sustainability Conference.
		• The Chair presented at Sustainability Live in Melbourne.
		• The Chair participated in the following meetings:
		  ○ The IAASB/IESBA Stakeholder Advisory Council, of which he is a member (October 2025 and April 2026); and
		  ○ The IAASB Jurisdictional Standard Setters (April 2026).
		• The Chair presented to the Forum of Firms in Sydney in March 2026 on the domestic approach to international standards and guidance for sustainability, financial reporting and other assurance.
		• Several sustainability assurance events were held in May 2026 in conjunction with the visit of an IAASB staff member:
		  ○ A forum with the larger audit firms, coordinated with the AASB, and also involving the ISSB Vice Chair and a member of the GHG Protocol Group (Melbourne);
		  ○ A forum with mid-tier firms (Melbourne);
		  ○ A meeting of the CA ANZ Sustainability Research Group (virtual); and
		• A meeting with representatives of CA ANZ (virtual).

OUTPUTS

The pronouncements, exposure drafts, consultation papers, bulletins, information sheets and other publications issued by the AUASB in 2025-26 are listed in the table below.

Pronouncements, Guidance Statements, Exposure Drafts and Consultation Papers

Standard	Revised standard ASA 240 *The Auditor's Responsibility to Consider Fraud and Error in an Audit of Financial Statements* and consequential amendments to other standards
Standard	AUASB 2025-5 *Amendments to AUASB Standards* (ASA 102)
Standard	AUASB 2025-6 *Amendments to AUASB Standards* (consequential amendments to other standards from Revised Standard ASA 240)
Standard	AUASB 2025-7 *Amendments to AUASB Standards* (ASSA 5000, ASA 102)
Standard	AUASB 2025-8 *Amendments to AUASB Standards* (consequential amendments from changes in the APESB Code)
Standard	AUASB 2025-9 *Amendments to AUASB Standards* (consequential amendments from narrow scope amendments to the ISQMs and ISAs)
Standard	AUASB 2025-10 *Amendments to* ASSA 5010
Standard	AUASB 2025-12 *Amendments to AUASB Standards* (consequential amendments from AASB 18 *Presentation and Disclosure in Financial Statements*)
Standard	AUASB 2026-1 *Amendments to AUASB Standard* (ASA 620)
Guidance Statement	GS 002 *Audit Implications of Prudential Reporting Requirements for Registered Superannuation Entities* (and related illustrative assurance report)
Guidance Statement	GS 011 *Third Party Access to Audit Working Papers*
Guidance Statement	GS 018 *Franchising Code of Conduct – Auditor's Report*
Consultation Paper	Consultation Paper: IAASB's *Proposed Narrow Scope Amendments to IAASB Standards Arising from the IESBA's Using the Work of an External Expert Project*
Exposure Draft 02/25	Proposed amendments to ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*

Pronouncements, Guidance Statements, Exposure Drafts and Consultation Papers

Exposure Draft 03/25	Proposed Australian Standard on Sustainability Assurance ASSA 2025-11 *Amendments to ASSA 5000 General Requirements for Sustainability Assurance Engagements*

Information Sheets

Information Sheet *Impact of AI on Auditors*

Other Publications

RSE Illustrative Auditor's Report – APRA Prudential Standard SPS 310 Audit and Related Matters

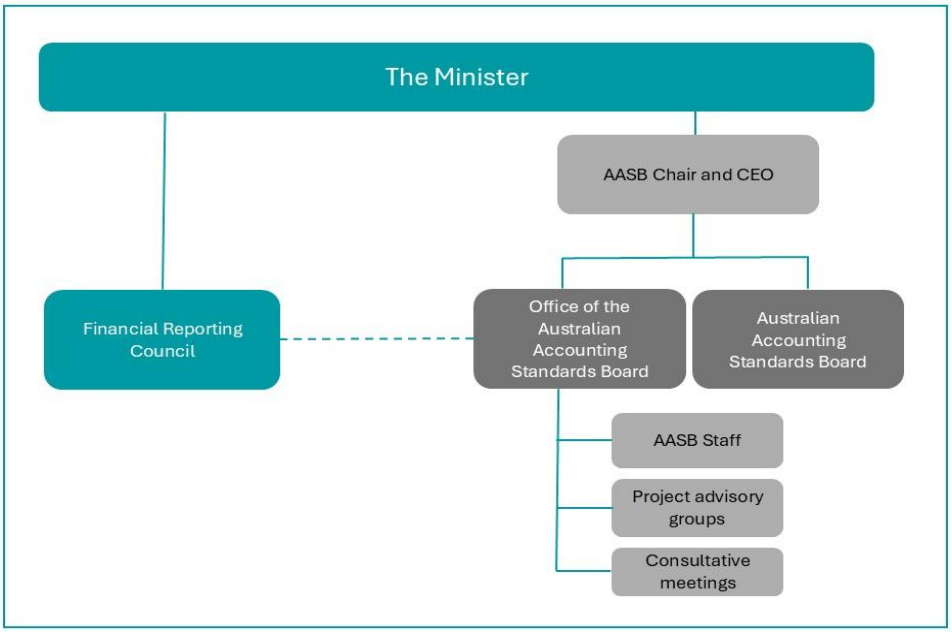
AASB-AUASB Joint Research Report: Preparedness of ASX-listed entities for climate-related reporting and assurance requirements

AUASB Authoritative Pronouncements can be accessed at www.auasb.gov.au or via the AUASB Portal at www.standards.auasb.gov.au

The AUASB's most recent Work Program can be accessed via www.auasb.gov.au/projects/auasb-work-program/

MANAGEMENT AND ACCOUNTABILITY

How the AASB works



THE MINISTER

The responsible Treasury-portfolio Minister appoints the Chair of the AASB. The Chair of the AASB is accountable to the Minister regarding the operations of the AASB and the Office of the AASB.

FINANCIAL REPORTING COUNCIL

Responsible to the Minister, the FRC provides broad strategic direction and advice to the AASB and has oversight of the process for setting accounting standards in Australia. The FRC appoints Board members to the AASB.

AASB

The AASB is an Australian non-corporate Commonwealth Entity responsible for developing, issuing and maintaining accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the corporations legislation. The AASB also formulates accounting standards and or guidance for other purposes and participates in, and contributes to, the development of a single set of international accounting standards for worldwide use. The AASB's vision and

strategies are set out on pages 7 and 8. Further detail on the AASB's functions is set out in Appendix A.

To be eligible for appointment as a member of the AASB, a person must have knowledge of, or experience in, business, accounting, law, government, science, sustainability or climate change. Initial appointment is for a maximum of three years with possible extensions for a further two terms.

The members of the AASB during 2025-26 are listed below. The AASB met five times via video conference and four times as a hybrid meeting during 2025-26 for a total of 11 meeting days. Attendance of members at these meetings is set out in Appendix.

OFFICE OF THE AASB

The Office of the AASB provides technical and administrative services, information and advice to the AASB. The Chair of the AASB is also the Chief Executive Officer of the Office of the AASB, however the CEO responsibilities have been delegated (to the maximum extent permitted) to the Managing Director.

MEMBERSHIP

Chair

Keith Kendall was appointed as Chair of the AASB and CEO of the Office of the AASB for a five-year term from 3 May 2020 to 2 May 2025. Keith was then reappointed till 30 June 2026 with a further extension till 30 November 2026. The duties of the Chair and CEO of the AASB are outlined in sections 235D to 235J of the *Australian Securities and Investments Commission Act 2001*.

As Chair of the AASB, Keith Kendall is also a member of the FRC and a member of the New Zealand Accounting Standard Board (NZASB).

The AASB comprised an independent Chair (appointed by the Minister) and up to 13 part-time members (appointed by the FRC).

Other members

The other members of the AASB holding office during the year ended 30 June 2026 were:

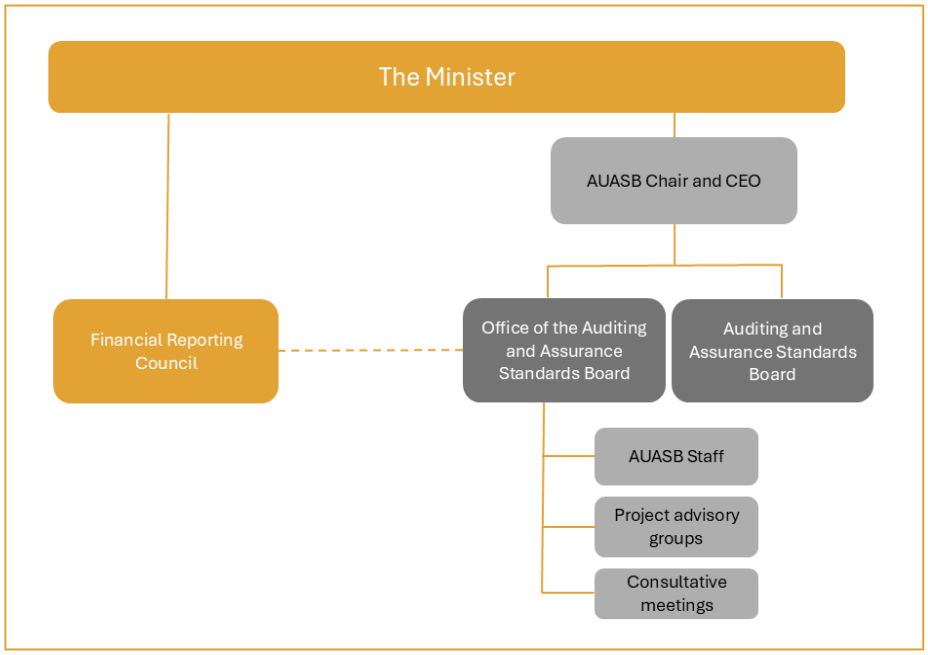
Other Board Members	Main Other Role	Appointment end date
Carolyn Cordery	NZASB Chair	November 2026
Rebecca Gordon	IGO Ltd	November 2026
Dean Hanlon	Monash University	November 2026
David Holland	Sapphire Professional Services	November 2026
Adrian King	KPMG	November 2026
Toby Langley	Xero	November 2026
Liza Maimone	Fyfe	November 2026

Other Board Members	Main Other Role	Appointment end date
Mathew Nelson	EY	November 2026
Sean Osborn	NSW Treasury	November 2026
Moana Overton	Deloitte	November 2026
Caroline Spencer	Auditor General of Western Australian Office of Auditor General	November 2026
Stephen Taylor	University of Technology Sydney	November 2026

OBSERVERS

There was no one with official observer status during the year.

How the AUASB works



The Minister

The responsible Treasury-portfolio Minister appoints the Chair of the AUASB. The Chair of the AUASB is accountable to the Minister regarding the operations of the AUASB and the Office of the AUASB.

Financial Reporting Council

Responsible to the Minister, the FRC provides broad strategic direction and advice to the AUASB and has oversight of the process for setting auditing and assurance standards in Australia. The FRC appoints Board members to the AUASB for various terms.

AUASB

The AUASB is an Australian non-corporate Commonwealth Entity responsible for making auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the corporations legislation. The AUASB also formulates auditing and assurance standards for other purposes and participates in and contributes to the development of a single set of international auditing standards for worldwide use. The AUASB's vision and strategies are set out on page 7 and 8. Further detail on the AUASB's functions is set out in Appendix A.

Board appointments may be made for a period of up to three years and retiring members are eligible for reappointment for a maximum of three terms.

The AUASB held thirteen (11 video conferences and two face-to-face) meetings during 2025- 26. Attendance of members at these meetings is set out in Appendix B.

Office of the AUASB

The Office of the AUASB provides technical support and information and advice to the AUASB. The Chair of the AUASB is also the Chief Executive Officer of the Office of the AUASB, however responsibilities have been delegated (to the maximum extent permitted) to the Managing Director.

Membership

Chair

Mr Douglas (Doug) Niven was appointed as Acting Chair of the AUASB and CEO of the Office of the AUASB on 31 July 2023, and his appointment as full-time Chair of the AUASB and CEO of the Office of the AUASB, for a five-year period, was announced on 20 September 2023. When the AUASB and Office of the AUASB cease on 1 December 2026 Mr Niven's appointment will cease. He is eligible to apply to be Chair of the new AUASB under ERA.

The duties of the Chair and CEO of the AUASB are outlined in sections 236DB to 236DF of the *Australian Securities and Investments Commission Act 2001.*

As the AUASB Chair, Mr Niven has also been appointed as a member of the FRC and is a member of the New Zealand Auditing and Assurance Standards Board. Mr Niven resigned as a member of the FRC effective 1 July 2026.

The AUASB comprises an independent Chair (appointed by the Minister) and up to 13 part-time members (appointed by the FRC).

Other members

The other members of the AUASB holding office during the year ended 30 June 2026 were:

Other Board Members	Main other role	Appointment end date
Graeme Pinfold	NZAuASB Chair	November 2026
Merilyn Gwan	Grant Thornton Partner	November 2026
Noel Harding	UNSW Sydney	November 2026
Terence Jeyaretnam	EY Partner	November 2026
Joanne Lonergan	EY Partner	November 2026
Andrew Porter	CFO - Australian Foundation Investment Company	November 2026
Jason Thorne	Deloitte Partner	November 2026
Jennifer Travers	KPMG Partner	November 2026

Other Board Members	Main other role	Appointment end date
Chi Mun Woo	Deloitte Partner	November 2026

Retired Members

Board Member	Main other role	Appointment end date
Julie Crisp (Deputy Chair)	Non-executive Director	30 June 2026
Klynton Hankin	PwC Partner	30 June 2026

Observers

Brenton Newlands from PwC attended meetings from 4 August 2025 – 30 June 2026 as an Observer on behalf of Klynton Hankin.

AASB AND AUASB'S CORPORATE GOVERNANCE

The corporate governance practices of the AASB, AUASB and the Offices of the AASB and the AUASB comply with statutory and other external requirements and aim to achieve sound administrative and financial management practice. They are designed to ensure the efficient, effective and ethical use of resources.

As part of its ongoing focus on effective governance arrangements, the Offices of the AASB and AUASB periodically consider a range of issues, including:

- Clear accountability mechanisms;
- Leadership, culture and communication;
- Appropriate governance and committee structures;
- Effectiveness of work with stakeholders;
- Comprehensive risk management, compliance and assurance systems; and
- Strategic planning, performance monitoring and evaluation.

AUDIT AND RISK COMMITTEE

The AASB and AUASB Audit and Risk Committee's (ARC) role is to provide independent assurance and assistance to the Chairs on their financial and performance reporting responsibilities, risk oversight and management, and system of internal control. The Committee is not responsible for the executive management of these functions. The Committee engages with management in discharging its advisory responsibilities and formulating its advice to the Chairs.

The Audit and Risk Committee follows the recommended practice guidelines issued by the Department of Finance for Australian non-corporate Commonwealth Entities. The Audit and Risk Committee comprises an independent external Chair, and four external members. The Australian National Audit Office (ANAO) also attends Audit and Risk Committee meetings as an observer, as do other AASB and AUASB management representatives.

Audit and Risk Committee members are detailed on the following page.

Member	Qualifications, knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration	Additional Information
Mark Stretton	BCom (Acc&Fin), BEc, Grad Dip App Fin & Inv, FFin, CA. Partner and Melbourne Audit & Assurance Leader with Deloitte Touche Tohmatsu. Over 30 years of experience in providing audit and accounting services in Australia and Internationally.	4	4	Waived	Chair
Kylie Maher	BBus (Accounting), CPA, GAICD. Kylie has over 30 years of experience in providing risk, compliance and governance services as past Partner / Director at Moore / KPMG and senior financial accounting and operational roles. She now holds multiple board, risk and audit governance roles as chair and independent member across government, education and health entities.	4	4	$10,186	Member
Ric De Santi	BBus (Accounting), FCPA, GAICD. Ric is a non-executive director with extensive board and audit committee experience. Before retiring from full time work, Ric was Deputy Auditor-General in Tasmania with over 35 years' experience in public sector audit.	4	4	$9,260	Member
Dale Pinto	John Curtin Distinguished Professor Dale Pinto PhD (Law) (Melb) MTax (Hons) (Syd) PGradDipBus (Dist) (Curtin) BBus (Dist) (Curtin) FCPA FTMA FCMA FAAL CA CTA-Life AFAIM MAICD. Dale is a John Curtin Distinguished Professor at Curtin University Law School and has over 30 years of Board experience including his current role as President and Chair of the Board of CPA Australia.	3	4	$9,260	Member
Greg Rimmer-Hollyman	CPA Australia, Chartered Public Finance Accountant (CPFA), Graduate of the Australian Institute of Company Directors (GAICD), Chartered Internal Auditor (CFIIA), Qualification in Internal Audit Leadership (QIAL), Chartered Member of the Institute of Directors New Zealand (CMInstD).	4	4	$10,186	Member

The Audit and Risk Committee charter can be sourced at: www.aasb.gov.au/about-the-aasb/government-reports/audit-and-risk-committee/.

EXTERNAL SCRUTINY

The AASB and AUASB and their activities were subject to the following external scrutiny during the reporting period.

The AASB and AUASB's financial statements are audited each year by the ANAO.

AASB and AUASB annual reports are scrutinised by the Senate Economics Legislation Committee and the Parliamentary Joint Committee on Corporations and Financial Services.

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/No1of46thParliament

There were no judicial decisions or decisions of administrative tribunals during the year that had, or may have, a significant impact on the AASB or AUASB's operations.

There were no reports on AASB or AUASB during the reporting period by the Commonwealth Ombudsman or the Office of the Australian Information Commissioner.

There were no decisions by the Australian Privacy Commissioner that involved AASB or AUASB or that had, or might have, a significant impact on the AASB or AUASB's operations.

MANAGEMENT OF HUMAN RESOURCES

MANAGING AND DEVELOPING EMPLOYEES

The performance management process is based on informal frequent performance discussions that build to formal meetings for review and forward planning of goals and objectives for the year.

Our employees undertake a range of training and professional development experiences which include attendance at seminars, conferences and training programs as appropriate on topics related to technical and personal development, policy and the administrative work of the AASB and AUASB.

It is a policy of the AASB and AUASB that employees do not receive performance bonuses. The AASB and the AUASB comply with the Workplace Bargaining Policy 2020 of the Australian Public Service Commission, as it applies to non-government entities, including the approach to annual wage adjustments which are linked to the private sector Wage Price Index annual percentage change for the immediately preceding June quarter.

Recruitment and retention of employees will always prove to be challenging – particularly in the specialist fields associated with standards setting. These challenges are being overcome by working to establish a core group of experienced technical people and complementing their skills through secondments from other government departments, the accounting and auditing firms, our graduate intern program and short-term appointments from academia and corporates for specialist skills.

Using these strategies, the Chairs are confident that they have well-qualified employees and are continuously developing appropriate policies and procedures to enable them to achieve the AASB's and AUASB's strategies.

WORKPLACE AGREEMENTS

Both Chairs are appointed by the Minister. Salary and other entitlements of the Chairs are determined by the Commonwealth Remuneration Tribunal.

Members of the respective Boards are appointed for three-year terms. The FRC, via its Nominations Committee, is responsible for the selection of other AASB and AUASB Board members. Recommendations are tabled with the FRC for confirmation of appointment. Entitlements are determined by the Commonwealth Remuneration Tribunal.

The AASB and AUASB have the capacity to employ under the ASIC Act, as well as the *Public Service Act 1999* (PSA). As of 30 June 2026, all employees were employed under the *ASIC Act*.

Salaries and other entitlements of the technical and non-technical employees are linked to comparable industry and market levels of remuneration.

The AASB and AUASB offers employees a number of non-salary benefits which include:

- Annual influenza immunisation;
- Vaccination incentive;
- Mentoring and coaching programs;
- In-house capability development programs;
- Confidential employee assistance program for employees and their immediate families;
- Study assistance to eligible employees;
- Access to flexible working arrangements;
- Access to equipment to work from home; and
- Contributions to relevant professional memberships.

The AASB and AUASB provides the Senior Executive Service (SES) equivalent employees (other than the AUASB Chair) and where there is a business need some employees with a mobile phone, tablet, laptop and/or airline lounge membership. Employees can also make use of a range of salary sacrifice benefits, including additional superannuation and leased motor vehicles.

Public Service Act 1999 Employment arrangements 2025-26 -AASB

Employment arrangements	SES	Non-SES	Total
Enterprise Agreement	0	0	0
Australian Workplace Agreement	0	0	0
Common Law Contracts	7	28	35
Determinations under subsection 24(1) of the *Public Service Act 1999*	0	0	0
Remuneration and Allowances for Holders of Full-time Public Office. Determination under the Remuneration Tribunal Act 1973	1	0	1
Total	**8**	**28**	**36**

Public Service Act 1999 Employment arrangements 2025-26 - AUASB

Employment arrangements	SES	Non-SES	Total
Enterprise Agreement	0	0	0
Australian Workplace Agreement	0	0	0
Common Law Contracts	2	8	10
Determinations under subsection 24(1) of the *Public Service Act 1999*	0	0	0
Remuneration and Allowances for Holders of Full-time Public Office. Determination under the Remuneration Tribunal Act 1973	1	0	1
Total	**3**	**8**	**11**

AASB PERSONNEL MANAGEMENT

All Ongoing Employees AASB as at 30 June 2026

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
QLD	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
SA	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Tas	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
VIC	3	0	**3**	6	0	**6**	0	0	**0**	0	0	**0**	0	0	**0**	**9**
WA	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
ACT	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
NT	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
External Territories	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Total	**3**	**0**	**3**	**6**	**0**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**9**

All Ongoing Employees AASB as at 30 June 2025 – Corrected data from prior year reporting

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
QLD	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
SA	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Tas	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
VIC	2	0	**2**	5	0	**5**	0	0	**0**	0	0	**0**	0	0	**0**	**7**
WA	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
ACT	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
NT	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
External Territories	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Total	2	0	**2**	5	0	**5**	0	0	**0**	0	0	**0**	0	0	**0**	7

All Non-Ongoing Employees AASB as at 30 June 2026

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	0	0	**0**	1	1	**2**	0	0	**0**	0	0	**0**	0	0	0	**2**
QLD	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	0	**0**
SA	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	0	**0**
Tas	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	0	**0**
VIC	4	4	**8**	7	5	**12**	0	0	**0**	0	0	**0**	0	0	0	**20**
WA	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	0	**0**
ACT	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	0	**0**
NT	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	0	**0**
External Territories	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	0	**0**
Overseas	2	0	**2**	2	0	**2**	0	0	**0**	0	0	**0**	0	0	0	**4**
Total	**6**	**4**	**10**	**10**	**6**	**16**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0	**26**

All Non-Ongoing Employees AASB as at 30 June 2025 – Corrected from prior year

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	0	0	0	1	1	2	0	0	**0**	0	0	**0**	0	0	**0**	**2**
QLD	0	0	0	1	0	1	0	0	**0**	0	0	**0**	0	0	**0**	**1**
SA	0	0	0	1	0	1	0	0	**0**	0	0	**0**	0	0	**0**	**1**
Tas	0	0	0	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
VIC	4	4	8	7	5	12	0	0	**0**	0	0	**0**	0	0	**0**	**20**
WA	0	0	0	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
ACT	0	0	0	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
NT	0	0	0	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
External Territories	0	0	0	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	0	2	0	2	0	0	**0**	0	0	**0**	0	0	**0**	**2**
Total	**4**	**4**	8	**12**	**6**	18	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26**

AUASB PERSONNEL MANAGEMENT

All Ongoing Employees AUASB as at 30 June 2026

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	0	1	1	1	0	**1**	0	0	**0**	0	0	**0**	0	0	**0**	**2**
QLD	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
SA	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Tas	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
VIC	0	2	2	2	3	**5**	0	0	**0**	0	0	**0**	0	0	**0**	**7**
WA	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
ACT	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
NT	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
External Territories	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Total	**0**	**3**	3	**3**	**3**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**9**

All Ongoing Employees AUASB as at 30 June 2025

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	1	1	**2**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**2**
QLD	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
SA	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
Tas	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
VIC		2	**2**	2	3	**5**										**7**
WA	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
ACT	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
NT	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
External Territories	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	**0**	0	0	**0**	0	0	0	0	0	**0**	0	0	**0**	**0**
Total	**1**	**3**	**4**	**2**	**3**	**5**	**0**	**0**	0	**0**	**0**	**0**	**0**	**0**	**0**	**9**

All Non-Ongoing Employees AUASB as at 30 June 2026

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
QLD	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
SA	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Tas	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
VIC	0	1	**1**	0	1	1	0	0	0	0	0	0	0	0	0	**2**
WA	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
ACT	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
NT	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
External Territories	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Overseas	0	0	**0**	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total	**0**	**1**	**1**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**

All Non-Ongoing Employees AASB as at 30 June 2025

Location	Man/ Male	Man/ Male	Man/ Male	Woman / Female	Woman / Female	Woman / Female	Non-binary	Non-binary	Non-binary	Prefer not to answer	Prefer not to answer	Prefer not to answer	Uses a different term	Uses a different term	Uses a different term	Total
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL	
NSW	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
QLD	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
SA	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Tas	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
VIC	0	1	1	1	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**2**
WA	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
ACT	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
NT	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
External Territories	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Total	**0**	**1**	1	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**

As at 30 June 2026 no employees identified as Indigenous (2025: zero).

EMPLOYEE STATISTICS – APS EMPLOYEE STATISTICS

AASB-AUASB does not employ under the *Public Service Act 1999*.

EXECUTIVE REMUNERATION

All executives are key management personnel.

Information about remuneration for key management personnel AASB

		Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration
Name	**Position title**	**Base salary**	**Superannuation contributions**	**Long service leave**	**-**	**-**
Keith Kendall	Chair	474,708	30,000	9,946		**514,654**
Justin Williams	Managing Director	348,421	30,000	8,010		**386,431**
Lisa Geier	Chief Operating Officer (from 4 May 2026)	30,957	3,863	4,787		**35,607**

Information about remuneration for key management personnel AUASB

		Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration
Name	**Position title**	**Base salary**	**Superannuation contributions**	**Long service leave**	**-**	**-**
Douglas Niven	Chair	247,464	28,247	6,212		**281,923**
Anne Waters	Director - National	208,938	24,983	5,495		**239,416**

Information about remuneration for other highly paid AASB staff as at 30 June 2026

		Short-term benefits	Short-term benefits	Post employment benefits	Other long-term benefits	Termination benefits	Total
Total remuneration bands	**Number of other highly paid staff**	**Average base salary**	**Average other benefits and allowances**	**Average superannuation contributions**	**Average long service leave**	**Average termination benefits**	**Average total remuneration**
$270,001 - $295,000	1	254,564	0	24,202	5,788	0	284,554
Total	**1**	**254,564**	**0**	**24,202**	**5,788**	**0**	**284,554**

Information about remuneration for other highly paid AUASB staff as at 30 June 2026

AUASB does not have any other highly paid staff that meet the threshold and are not key management personnel or Executive staff.

PURCHASING

The AASB and AUASB's policy is that the purchase of any major capital items follows the Commonwealth Procurement Guidelines.

Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

REPORTABLE CONSULTANCY CONTRACTS

During 2025-26, 2 new reportable consultancy contracts were entered into involving total actual expenditure of $40,451. In addition, 1 ongoing reportable consultancy contract was active during the period, involving total actual expenditure of $28,038.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Expenditure on Reportable Consultancy Contracts

	AASB		AUASB	
Reportable consultancy contracts 2025-26	**Number**	**Expenditure $**	**Number**	**Expenditure $**
New contracts entered into during the reporting period	2	40,451	0	0
Ongoing contracts entered into during a previous reporting period	1	28,038	0	0
Total	**3**	**68,489**	**0**	**0**

Organisations Receiving a Share of Reportable Consultancy Contract Expenditure

	AASB	
Organisations receiving a share of reportable consultancy contract expenditure 2024-25	**Expenditure $**	**Proportion of 2025-26 total spend (%)**
Lander & Rogers	40,451	59%
Gadens	28,038	41%
Total of the Largest Shares	**68,489**	**100%**

AASB - During 2025-26, 2 new reportable consultancy contracts were entered into with a total expenditure of $40,451. 1 active ongoing reportable consultancy contracts during this period with a total expenditure of $28,038.

AUASB - During 2025-26, no new reportable consultancy contracts were entered. There were no active ongoing reportable consultancy contracts from the previous reporting period.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Decisions to engage consultants during 2025-26 were made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

AASB and AUASB selects consultants through the use of panel arrangements or by making an open approach to market.

AASB and AUASB engages consultants when it requires specialist expertise on policy design, financial viability, and information technology strategic planning. Independent evaluation on AASB's or AUASB outcomes are also required.

Reportable Non-Consultancy Contracts

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Expenditure on Reportable Non-Consultancy Contracts

	AASB		AUASB	
Reportable non-consultancy contract 2025-26	**Number**	**Expenditure $**	**Number**	**Expenditure $**
New contracts entered into during the reporting period	31	627,012	0	0
Ongoing contracts entered into during a previous reporting period	17	1,403,531	0	0
Total	**48**	**2,030,543**		

Organisations Receiving a Share of Reportable Non-Consultancy Contract Expenditure

	AASB	
Organisations receiving a share of reportable non-consultancy contract expenditure 2025-26	**Expenditure $**	**Proportion of 2025-26 total spend (%)**
Kador	855,338	47%
Ernst & Young	252,821	12%
MCI	191,000	9%
University of Technology Sydney	110,000	5%
Sofitel Melbourne on Collins	76,817	4%
Total of the Largest Shares	**1,485,975**	**73%**

AASB - During 2025-26, 31 new reportable non-consultancy contracts were entered into with a total expenditure of $627,012. There were 17 active ongoing reportable non-consultancy contracts with a total expenditure of $1,403,531 during this period.

AUASB - During 2025-26, no new reportable non-consultancy contracts were entered into. There were no active ongoing reportable non-consultancy contracts during this period.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the reportable non-consultancy contracts' value is available on the AusTender website.

STRATEGIC COMMISSIONING FRAMEWORK

Reporting requirements under the Strategic Commissioning Framework are overseen by the Australian Public Service Commission (APSC). Entities are required to summarise progress under the Strategic Commissioning Framework in their annual report. Details on what is expected can be found on the APSC's website under Targets and reporting. Resources Toolkit for the Strategic Commissioning Framework Australian Public Service Commission.

Exempt Contracts

The AASB has a contract with the IFRS Foundation. The contract gives the AASB rights to IFRS copyright material. This contract and value have been exempted by the Chair from being published on AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

The AASB and AUASB have applied the following Commonwealth Procurement Rules:

- Exemption 2 – Procurement of goods and services from another Commonwealth entity, or state, territory, or local government entity.
- Exemption 14 – Contracts for labour hire

Small Business

The AASB and AUASB support small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website (www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts)

Officials of the AASB and AUASB support small and medium sized enterprises through its procurement practices by apply procurement practices that do not unfairly discriminate against SMEs and provide appropriate opportunities for SMEs to compete. Officials consider the benefits of doing business with SMEs when scoping the requirements and evaluating value for money. Procurement practices support SMEs by the use of the Commonwealth Contracting Suite for low-risk procurements valued under $200,000.

The AASB and AUASB participate in whole-of-government procurement where applicable and follow the Small Business Engagement Principles, such as communicating in clear, simple language and presenting information in an accessible format

E-invoicing has been implemented to support on-time payment to suppliers, including the use of payment cards.

Statics on SMEs' participation in Commonwealth Government procurement are available on the Statistics on Australian Government Procurement Contracts page.

Other Mandatory Information

Advertising and Market Research

The AASB and AUASB did not carry out any advertising or market research.

Grants

The AASB and AUASB do not administer or receive any grant programs.

DISABILITY REPORTING

*Austr*alia's Disability Strategy 2021-2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to delivering more comprehensive and visible reporting under the Strategy. A range of reports on the progress of the Strategy's actions and outcome areas will be published and available at https://www.disabilitygateway.gov.au/ads.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at http://www.apsc.gov.au .

REMEDIATION OF INFORMATION PUBLISHED IN PREVIOUS ANNUAL REPORTS

In the 2024-25 Annual report the Gas Omissions were incorrectly recorded as Mj instead of the required Gj.

FREEDOM OF INFORMATION

Information Publication Scheme

The AASB and AUASB are subject to the *Freedom of Information Act 1982* (FOI Act) and publish information to the public as part of the Information Publications Scheme (IPS). The AASB and AUASB display on their websites a plan showing information in accordance with the IPS requirement (https://www.aasb.gov.au/about-the-aasb/freedom-of-information-foi/ and www.auasb.gov.au/about-auasb/freedom-of-information .

FRAUD AND CORRUPTION CONTROLS AND PREVENTION

Fraud control is regarded by the AASB and AUASB as a continuous process, and AASB and AUASB officers and employees maintain an awareness of fraud risk generally, and their responsibility to take any reasonable action to reduce the possibility and impact of losses through fraud.

The AASB and AUASB has in place a fraud risk assessment and fraud control plan. It has adequate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs.

I, Keith Kendall as the AASB accountable authority, certify that the AASB meets the obligations arising from section 10 of the *Public Governance, Performance and Accountability Rule 2014*. This legislation requires appropriate fraud risk, fraud assessment, fraud detection and subsequent reporting mechanisms to be in place.



Dr Keith Kendall
AASB Chair and CEO
14 October 2026

I, Douglas Niven, as the AUASB accountable authority, certify that the AUASB meets the obligations arising from section 10 of the *Public Governance, Performance and Accountability Rule 2014*. This legislation requires appropriate fraud risk, fraud assessment, fraud detection and subsequent reporting mechanisms to be in place.



Douglas Niven
AUASB Chair and CEO
14 October 2026

SIGNIFICANT NON-COMPLIANCE WITH FINANCE LAW

There were no significant issues reported to the Minister under paragraph 19(1)(e) of the PGPA Act, which includes compliance with finance law.

ETHICS

The employees of the Offices of the AASB and AUASB are required to adhere to the AASB & AUASB Code of Conduct, which is modelled on the Australian Public Service Code of Conduct.

Australian Public Service values include performing functions impartially and professionally, the highest ethical standards, open accountability, providing frank, honest, comprehensive, accurate and timely advice to government and promoting communication, consultation, cooperation and input from employees.

The requirements of the code of conduct include honesty, care and diligence, courtesy, compliance with the law, avoiding conflicts of interest and proper use of Commonwealth resources and information.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act 2013* (PID Act) promotes integrity and accountability in the Commonwealth public sector by encouraging the disclosure of information about suspected wrongdoing. It also protects people who make disclosures and requires agencies to investigate or take other appropriate actions.

In accordance with the PID Act, the Offices of the AASB and AUASB have a PID policy/procedure which is made available on their websites. During the reporting period no public interest disclosures were received.

INFORMATION PUBLICATION SCHEME STATEMENT

In accordance with the Freedom of Information (FOI) Act and the Information Publication Scheme (IPS), AASB and AUASB publish a range of information on its websites, such as its organisational structure, appointments, annual reports, gift register, Audit and Risk Committee & Board Charters, Code of Conduct, legal expenditure, and details of the freedom of information officer. The Statements of Expectations and Intent are also available on the websites.

RESTRUCTURE OF FRC, AASB AND AUASB

On 21 November 2023, the Treasurer and Assistant Treasurer announced the Australian Government's intention to reform Australia's financial reporting framework by bringing together the Financial Reporting Council (FRC), the Australian Accounting Standards Board (AASB) and the Auditing and Assurance Standards Board (AUASB) into a single statutory entity, to be known as External Reporting Australia (ERA).

The **Treasury Laws Amendment (Financial Reporting System Reform) Act 2026** received Royal Assent on 6 July 2026 (7 July 2026 as recorded on the Federal Register of Legislation) and establishes the legislative framework for ERA. The substantive provisions of the Act commence on **1 December 2026**, at which time the FRC, AASB and AUASB will be consolidated into the existing AASB entity, which will be renamed **External Reporting Australia.** ERA will be responsible for Australia's accounting, auditing, assurance and sustainability reporting standard-setting functions through three standard-setting boards with similar functions to the current AASB and AUASB.

From 1 July to 30 November 2026, the AASB, AUASB and FRC continue to operate as separate entities during the transition period. Activities during 2025–26 included planning and implementation work to support the establishment of ERA and ensure an orderly transition to the new governance and operating arrangements from 1 December 2026.

BRINGING IT ALL TOGETHER

The AASB and AUASB are each supported by an Office providing technical and administrative services to the Boards. Each Office is an Australian non-corporate Commonwealth Entity established under the ASIC Act. The Offices are the financial entities governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Offices of AASB and AUASB are effectively operating to the extent permitted by legislation, as a single Office supporting both Boards for corporate (i.e. non-technical) services. The Chairs are Chief Executive Officers and the Accountable Authority under the PGPA Act and are responsible for the preparation of the financial reports for each entity, however, have delegated to the maximum extent permitted the responsibilities to the Managing Director.

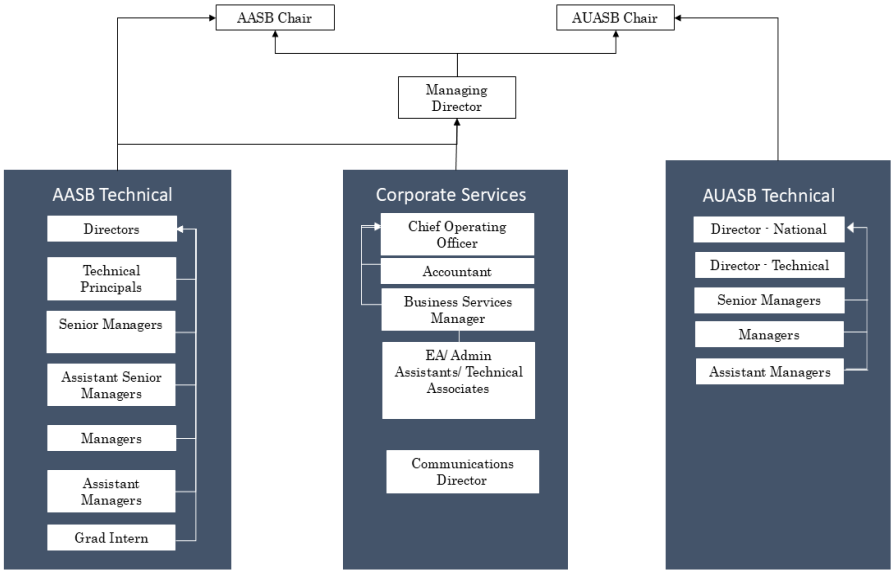
The Managing Director is responsible for the operation of the Office of AASB. The Offices of the AASB and AUASB have implemented a shared service model, in that the Office of the AASB provides all administrative services for the Office of the AUASB and their respective Boards.

The diagram on the following page outlines the operational structure of the Offices of both AASB and AUASB.

In order to ensure appropriate governance and accountability, the operating model is governed by an MOU.

To transparently reflect this operating model and organisation structure, the AASB and AUASB have provided additional disclosures (refer to Note 2A and Note 2B).

ORGANISATIONAL CHART



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Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Australian Accounting Standards Board (the Entity) for the year ended 30 June 2026:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by the Chair;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Naveed Nisar
Audit Principal
Delegate of the Auditor-General

Canberra
15 October 2026

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Auditing and Assurance Standards Board (the Entity) for the year ended 30 June 2026:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by the Chair;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Naveed Nisar
Audit Principal
Delegate of the Auditor-General

Canberra
15 October 2026

STATEMENTS BY THE CHAIRS

AASB

In my opinion, the attached Financial Statements for the Office of the Australian Accounting Standards Board for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Australian Accounting Standards Board will be able to pay its debts as and when they fall due.



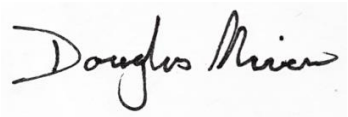
Dr Keith Kendall
Chair and CEO – AASB

14 October 2026

AUASB

In my opinion, the attached Financial Statements for the Office of the Auditing and Assurance Standards Board for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Auditing and Assurance Standards Board will be able to pay its debts as and when they fall due.



Douglas Niven
Chair and CEO – AUASB

14 October 2026

Statements of Comprehensive Income

for the period ended 30 June 2026

	Notes	AASB 2026 $	AASB 2025 $	AUASB 2026 $	AUASB 2025 $
EXPENSES					
Employee and contractor costs	3A	**6,611,198**	6,413,628	**1,810,491**	1,635,791
Supplier expenses	3B	**2,919,349**	2,126,021	**311,144**	327,741
Occupancy expenses	2B	**193,138**	94,242	**0**	0
Depreciation and amortisation	3C	**678,455**	421,667	**3,406**	18,722
Finance costs		**81,411**	2,392	**0**	0
Management fee paid to AASB	2	**0**	0	**1,014,378**	704,292
Write-down and impairment of assets & losses on sale		**0**	1,789	**0**	0
Total expenses		**10,483,551**	**9,059,739**	**3,139,419**	2,686,546
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services		**2,379**	0	**0**	0
Management fee received from AUASB	2	**1,014,378**	704,292	**0**	0
Resources received free of charge	3D	**62,693**	67,090	**58,824**	71,634
Audit fees received free of charge	3D	**51,000**	51,000	**36,000**	36,000
Contributions from states and territories		**500,000**	500,000	**0**	0
Total own-source revenue		**1,630,450**	1,322,382	**94,824**	107,634
Net cost of services		**(8,853,101)**	(7,737,357)	**(3,044,595)**	(2,578,912)
Revenue from Government	4	**6,750,000**	8,335,000	**3,563,000**	3,976,000
Surplus/(Deficit) attributable to the Australian Government		**(2,103,101)**	597,643	**518,405**	1,397,088
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserve		**62,862**	0	**0**	0
Total comprehensive surplus/(deficit) attributable to the Australian Government		**(2,040,239)**	597,643	**518,405**	1,397,088

The above statements should be read in conjunction with the accompanying notes.

Statements of Financial Position

as at 30 June 2026

	Notes	AASB 2026 $	AASB 2025 $	AUASB 2026 $	AUASB 2025 $
ASSETS					
Financial Assets					
Cash and cash equivalents		**388,414**	275,388	**64,766**	39,239
Trade and other receivables		**131,715**	180,030	**0**	2,596
Appropriation receivable	4	**264,729**	1,980,000	**3,463,000**	2,770,000
Total financial assets		**784,858**	2,435,418	**3,527,766**	2,811,835
Non-Financial Assets					
Buildings right of use - at cost	6B	**2,277,166**	421,019	**0**	0
Plant & equipment - fair value	6B	**223,930**	116,031	**0**	0
Computer software – at cost	6B	**1,564**	34,667	**0**	3,405
Prepaid expenses		**213,574**	484,732	**44,064**	71,620
Total non-financial assets		**2,716,234**	1,056,449	**44,064**	75,025
Total assets		**3,501,092**	3,491,867	**3,571,830**	2,886,860
LIABILITIES					
Payables					
Suppliers		**221,168**	427,661	**32,195**	8,212
Management fee payable to AASB	5B	**0**	0	**50,010**	107,036
Other payables		**7,490**	4,499	**36,385**	750
Total payables		**229,658**	432,160	**118,590**	115,998
Interest-bearing liabilities					
Leases	7A	**2,381,930**	467,629	**0**	0
Total Interest-bearing liabilities		**2,381,930**	467,629	**0**	0
Provisions					
Employee provisions		**1,208,136**	926,471	**463,761**	325,788
Total provisions		**1,208,136**	926,471	**463,761**	325,788
Total liabilities		**3,819,724**	1,826,260	**582,351**	441,786
Net assets		**(318,632)**	1,665,607	**2,989,479**	2,445,074
EQUITY					
Contributed equity		**967,000**	911,000	**425,300**	399,300
Retained earnings		**(1,348,494)**	754,607	**2,564,179**	2,045,774
Asset revaluation reserve		**62,862**	0	**0**	0
Total equity		**(318,632)**	1,665,607	**2,989,479**	2,445,074

The above statements should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

for the period ended 30 June 2026

Australian Accounting Standards Board

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2026 $	2025 $	2026	2025	2026 $	2025 $	2026 $	2025 $
Opening balance as at 1 July	**754,607**	156,964	**0**	**0**	**911,000**	857,000	**1,665,607**	1,013,964
Balance carried forward from previous period								
Comprehensive income								
Surplus/(Deficit) for the period	**(2,103,101)**	597,643	**0**	0	**0**	0	**(2,103,101)**	597,643
Other comprehensive income	**0**	0	**62,862**	0	**0**	0	**62,862**	0
Comprehensive income attributable to the Australian Government	**(2,103,101)**	597,643	**62,862**	0	**0**	0	**(2,040,239)**	597,643
Transactions with owners								
Departmental capital budget	**0**	0	**0**	**0**	**56,000**	54,000	**56,000**	54,000
Closing balance as at 30 June	**(1,348,494)**	754,607	**62,862**	**0**	**967,000**	911,000	**(318,632)**	1,665,607

The above statements should be read in conjunction with the accompanying notes.

Auditing and Assurance Standards Board

	Retained earnings		Contributed equity/capital		Total equity	
	2026	2025	**2026**	2025	**2026**	2025
	$	$	**$**	$	**$**	$
Opening balance as at 1 July Balance carried forward from previous period	**2,045,774**	648,685	**399,300**	374,300	**2,445,074**	1,022,985
Comprehensive income						
Surplus/(Deficit) for the period	**518,405**	1,397,088	**0**	0	**518,405**	1,397,088
Comprehensive income attributable to the Australian Government	**518,405**	1,397,088	**0**	0	**518,405**	1,397,088
Transactions with owners						
Departmental capital budget	**0**	0	**26,000**	25,000	**26,000**	25,000
Closing balance as at 30 June	**2,564,179**	2,045,774	**425,300**	399,300	**2,989,479**	2,445,074

The above statement should be read in conjunction with the accompanying notes

Cash Flow Statements

for the period ended 30 June 2026

	Notes	AASB 2026 $	AASB 2025 $	AUASB 2026 $	AUASB 2025 $
OPERATING ACTIVITIES					
Cash received					
Appropriations		**8,465,271**	7,655,000	**2,870,000**	2,297,000
Sale of goods and rendering of services		**1,079,158**	658,106	**0**	0
Net GST received		**275,374**	282,130	**0**	0
Contributions received		**497,294**	499,135	**0**	0
Total cash received		**10,317,097**	9,094,371	**2,870,000**	2,297,000
Cash used					
Employees and contractors		**6,263,849**	6,246,123	**1,613,694**	1,531,009
Suppliers		**3,282,576**	2,681,479	**1,256,779**	988,659
Interest payments on lease liabilities		**81,411**	2,392	**0**	0
Total cash used		**9,627,836**	8,929,994	**2,870,473**	2,519,668
Net cash from / (used by) operating activities		**689,261**	164,377	**(473)**	(222,668)
INVESTING ACTIVITIES					
Cash received from / (used by)					
Purchase of property, plant and equipment		**(128,600)**	(44,623)	**0**	0
Net cash used by investing activities		**(128,600)**	(44,623)	**0**	0
FINANCING ACTIVITIES					
Cash received from / (used by)					
Contributed equity		**56,000**	54,000	**26,000**	25,000
Principal payments of lease liabilities		**(503,635)**	(287,082)	**0**	0
Net cash from / (used by) financing activities		**(447,635)**	(233,082)	**26,000**	25,000
Net increase / (decrease) in cash held		**113,026**	(113,328)	**25,527**	(197,668)
Cash and cash equivalents at the beginning of the reporting period		**275,388**	388,716	**39,239**	236,907
Cash and cash equivalents at the end of the reporting period		**388,414**	275,388	**64,766**	39,239

NOTES TO AND FORMING PART OF THE FINANCIAL REPORTS

Objectives of AASB and AUASB

The AASB and the AUASB are each supported by an Office providing technical and administrative services to the Boards. Each Office is formed under the *Australian Securities and Investments Commission Act 2001* (ASIC Act). The Offices are the financial entities governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are Australian non-corporate Commonwealth Entities.

The Office of the AASB is structured to meet one outcome: Formulating and making accounting standards, sustainability standards and related reporting requirements that apply to Australian entities subject to statutory or other obligation to prepare financial reports and other external reports that are integral to understanding the entities' financial and sustainability-related information.

The Office of the AUASB is structured to meet one outcome: the formulation and making of auditing, review and assurance standards for Australian entity financial reports and sustainability reports as well as other auditing and assurance engagements.

Financial Reporting and Organisation Structure

The Offices of AASB and AUASB are effectively operating to the extent permitted by legislation, as a single Office supporting both Boards. The Chairs are Chief Executive Officers and the Accountable Authorities under the PGPA and are responsible for the preparation of the financial reports for each entity. The Chairs have delegated to the maximum extent possible the responsibilities to the Managing Director. The Managing Director supports the Chairs and manages the AASB technical and administrative staff of the AASB and supports the AUASB staff. The AASB and AUASB have implemented a shared service model, in that the AASB provides specified administrative services for the AUASB. The AUASB does not employ any administrative support staff.

Given the common objectives of the AASB and AUASB and the interlinked financial relationships, their individual financial reports are presented jointly with a column for each entity, supplemented with a detailed note outlining the appropriations received, and the direct costs incurred by each of the AASB and AUASB, together with the common expenses.

The accounting policies applied by each Office are the same.

ERA commences on the **1 December 2026**, at which time the FRC, AASB and AUASB will be consolidated into the AASB entity and renamed External Reporting Australia. From 1 December 2026, standard setting will be under three separate and independent standard-setting boards that will have responsibility for setting accounting, auditing and assurance, and sustainability reporting standards respectively. These boards will have similar functions to the current AASB and AUASB.

Events After the Statement of Financial Position Date

On 6 July 2026 the Treasury Laws Amendment (Financial Reporting System Reform) Act 2026 received Royal Assent, establishing the External Reporting Australia (ERA) as Australia's new financial reporting and sustainability standard-setting body. The legislation provides for the integration of the Australian Accounting Standards Board (AASB), the Auditing and Assurance Standards Board (AUASB) and the Financial Reporting Council into ERA.

As a consequence of these legislative reforms:

- The AUASB will cease operations as a separate statutory body on 30 November 2026, with its functions, assets, liabilities and staff transitioning to ERA from the commencement date of 1 December 2026 prescribed in the legislation. Despite the AUASB ceasing operations the going concern basis remains appropriate as the integration is a structural change rather than a cessation of operations

- The AASB will continue as the successor entity under the new name ERA, assuming responsibility for accounting, auditing, assurance and sustainability standard-setting functions.

- The ERA will include a new AASB board and AUASB board with similar functions to the existing boards. A new Sustainability Reporting board will be established.

- The legislation was enacted after the reporting date and therefore represents a non-adjusting subsequent event. Accordingly, no adjustments have been made to the amounts recognised in these financial statements as at 30 June 2026.

  Management is currently assisting FRC and Treasury with implementing transition arrangements to facilitate the establishment of ERA and the transfer of functions from the AUASB. Any financial impacts arising from these arrangements will be recognised in future reporting periods as they occur.

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements of the Offices of the AASB and the AUASB are required by Section 42 of the PGPA Act.

The financial reports have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.*
- *Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the AASB.*

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

1.2 Material Accounting Judgements and Estimates

There are no accounting assumptions or estimates at reporting date that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.3 Changes in Australian Accounting Standards

(a) Revised Standards effective for years commencing after 30 June 2026

New standards, amendments to standards and interpretations that are applicable to future periods have been issued by the AASB. None of these are expected to have a material impact on future reporting periods, either because the AASB and AUASB do not conduct the types of transactions addressed by the pronouncements or because of the extent to which they may impact the AASB and AUASB is not expected to be material.

1.4 Taxation

The Offices of the AASB and AUASB are exempt from all forms of taxation, except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

1.5 Financial Instruments

AASB and AUASB have the following financial assets: cash and cash equivalents, management fee receivable and trade receivables. Management fee receivable and trade receivables are measured at amortised cost. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment.

The net fair values of cash and cash equivalents, management fee receivable and trade receivables of the AASB and AUASB approximate their carrying amounts.

Financial assets are assessed for impairment at the end of each reporting period based on the simplified Expected Credit Losses (ECLs) approach. The ECLs are calculated using the provision matrix that is based on historical credit loss experience adjusted for forward looking factors specific to the debtors and the economic environment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Offices of the AASB and AUASB are exposed to minimal credit risk due to the nature of the trade receivables, as they represent funding from State and Territories or Commonwealth Government. As there is no history of credit losses in the past and no forward-looking factors indicated differently, no allowance for ECL has been recognised.

The majority of trade receivables relates to a funding agreement between the Office of the AASB and the States and Territories. The current agreement runs from 1 July 2025 to 30 June 2026. Income is received in one payment at the end of the year and is recognised when controlled. All

receivables are due in the next 12 months. Treasury has agreed to provide this funding for the 2026-27 financial year.

Financial instrument liabilities

The net fair value of trade creditors and management fee payable of the AASB and AUASB approximate their carrying amount.

Note 2: Analysis of Shared Operational Activities

Note 2A: Operational activities for AASB and AUASB

To transparently reflect the shared support model and organisation structure, the AASB and AUASB provide additional disclosure on a combined basis for their operational activities.

The AASB and AUASB shared support model effectively enables, to the extent permitted by legislation, the Offices of the AASB and AUASB to operate as a single finance and administration supporting both offices.

The AASB recoups AUASB direct costs with no mark-up and accordingly does not recognise the reimbursement of these direct costs paid for by the AASB. The AASB recognises a receivable from the AUASB at the time the AASB pays for these expenses on behalf of the AUASB. AUASB direct costs are recognised as expenses of the AUASB. The AUASB recognises a payable to the AASB when charged by the AASB.

In addition, the AASB charges the AUASB a management fee to recover an appropriate portion of the total shared services expenses ('common expenses'). As the AASB solely bears legal obligations arising from the contracts for common employees, leases and other expenses, the AASB recognises the full amount of common expenses as incurred and recognises the management fee charged to the AUASB as revenue. The AUASB recognises the management fee as an expense. The management fee for 2026 was $1,014,378 (2025: $704,292).

Note 2B: Operational activities

	AASB 2026 $	AUASB 2026 $	Shared 2026 $	Total 2026 $	Total 2025 $
Appropriations	**6,750,000**	**3,563,000**	**0**	**10,313,000**	12,311,000
Other income	**616,072**	**94,824**	**0**	**710,896**	725,724
Total income before common expense recharge	**7,366,072**	**3,657,824**	**0**	**11,023,896**	13,036,724
Common expense recharge[1]	**1,014,378**	**0**	**0**	**1,014,378**	704,292
Total income	**8,380,450**	**3,657,824**	**0**	**12,038,274**	13,741,016
Employee and contractor costs	**5,555,398**	**1,810,491**	**1,053,209**	**8,419,091**	8,049,419
Separation and redundancy costs	**0**	**0**	**2,591**	**2,591**	0
Direct supplier expenses (refer to Note 3B)	**2,179,280**	**311,144**	**0**	**2,490,430**	1,794,022
Common occupancy expenses	**0**	**0**	**193,138**	**193,138**	94,242
Common depreciation and amortisation expense	**33,103**	**3,406**	**645,352**	**681,861**	440,389
Common finance costs	**0**	**0**	**81,411**	**81,411**	4,181
Common supplier expenses (refer to Note 3B)	**0**	**0**	**740,069**	**740,069**	659,740
	7,767,781	**2,125,041**	**2,715,770**	**12,608,592**	11,041,993
Common expense recharge[1]	**0**	**1,014,378**	**0**	**1,014,378**	704,292
	7,767,781	**3,139,419**	**2,715,770**	**13,622,970**	11,746,285
			Combined Surplus/(Deficit)	**(1,584,696)**	1,994,731
			Made up of AASB Surplus/(Deficit)	**(2,103,101)**	597,643
			AUASB Surplus/(Deficit)	**518,404**	1,397,088

1 The common expense recharge includes recharges for common employee costs (refer to Note 3A), operating lease expenses, depreciation and amortisation expenses (refer to Note 3C), finance costs and common supplier expenses (refer to Note 3B).

Note 3: Expenses

This section describes a range of employment and post-employment benefits provided to AASB and AUASB's people, and its relationships with other key people.

	AASB		AUASB	
	2026 $	2025 $	**2026** $	2025 $
Note 3A: Employee and contractor costs				
Employee wages and salaries	**5,437,533**	4,707,535	**1,539,120**	1,444,025
Defined contribution superannuation plans	**501,455**	454,189	**178,891**	158,619
Leave and other entitlements	**271,162**	168,019	**92,480**	33,147
Separation and redundancies	**2,591**	0	**0**	0
Total employee benefits	**6,212,741**	5,329,743	**1,810,491**	1,635,791
Contractor costs	**398,457**	1,083,885	**0**	0
Total employee and contractor costs	**6,611,198**	6,413,628	**1,810,491**	1,635,791

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the AASB & AUASB's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by the 'shorthand method outlined in the Resource Management Guide No. 125 – Commonwealth Entities Financial Statements Guide and the recommended probability factors have been applied, along with a discount factor which is the combination of a salary growth rate and the Government 10-year bond rate. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Note 3B: Supplier expenses	AASB		AUASB	
	2026	2025	**2026**	2025
Direct expenses	**$**	$	**$**	$
Board members' services	**74,999**	47,855	**19,318**	28,698
Travel	**836,398**	812,182	**97,785**	118,261
Publications/subscriptions	**149,495**	153,781	**34,646**	46,725
Conference & professional development	**772,992**	187,561	**3,410**	4,109
Audit fees (received free of charge)[1]	**51,000**	51,000	**36,000**	36,000
Compensation and related FBT expenses	**10,003**	8,546	**86**	675
Legal expenses	**0**	0	**0**	0
HR – Employee recruitment, training and support	**7,242**	1,320	**3,090**	321
Consultants	**230,124**	154,161	**106,123**	82,437
Other	**47,031**	49,875	**10,688**	10,515
Total direct expenses	**2,179,284**	1,466,281	**311,146**	327,741
Common expenses				
Consultant costs – Other	**14,038**	33,035	**0**	0
Consultant costs – HR	**43,200**	75,825	**0**	0
Administration costs	**540,825**	480,347	**0**	0
Legal expenses	**62,263**	14,009	**0**	0
Other	**79,743**	56,524	**0**	0
Total common expenses	**740,069**	659,740	**0**	0
Total supplier expenses	**2,919,353**	2,126,021	**311,146**	327,741

Refer to Note 2 for further details on Direct and Common expenses.

1 Audit fee relates to the financial statements audit by the Australian National Audit Office (ANAO) disclosed as resources received free of charge (refer to Note 3D).

	AASB		AUASB	
	2026	2025	**2026**	2025
	$	$	**$**	$
Note 3C: Depreciation and amortisation				
Buildings right of use asset	**561,789**	280,680	**0**	0
Plant & equipment	**83,563**	61,795	**0**	0
Computer software	**33,103**	79,192	**3,406**	18,722
Total Depreciation	**678,455**	421,667	**3,406**	18,722

Refer to Note 2 for further details on Direct and Common expenses.

	AASB		AUASB	
	2026	2025	**2026**	2025
	$	$	**$**	$
Note 3D: Volunteer Services (Resources received free of charge)				
Resources received free of charge	**62,693**	67,090	**58,824**	71,634
Audit fees received free of charge	**51,000**	51,000	**36,000**	36,000
Total Volunteer Services (Resources received free of charge)	**113,693**	118,090	**94,824**	107,634

Volunteer services received by the AASB and AUASB of board member sitting fees, secondee arrangements and audit fees can all be reliably measured at fair value and would have been obtained under a commercial arrangement therefore have been recognised as revenue and an expense in the statements. The use of free of charge meeting rooms has been determined as not meeting the recognition requirements but their use is recorded on AASB and AUASB Gift Registers.

Note 4: Appropriations

(i) Revenue from Government

Amounts appropriated for departmental output for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Offices of the AASB and AUASB gain control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivables are recognised at their nominal amounts.

(ii) Equity Injections and distributions to Government

Equity Injections and distributions to Government Appropriation amounts that are designated as 'equity injections,' including Departmental Capital Budget amounts, are recognised directly in contributed equity/capital for the year. Amounts transferred to the Australian Government as redemptions of the Government's ownership interest in the Office of the AASB or the AUASB are recognised as distributions to owners that reduce the contributed equity/capital. Contributions and distributions are also made in accordance with *Public Governance, Performance Accountability (Financial Reporting) Rule 2015 (FRR)*, clauses 40 - Formal additions and reductions and 43 - Annual Appropriations.

Table A: Annual Appropriations ('Recoverable GST exclusive')

	AASB		AUASB	
	2026	2025	**2026**	2025
	$	$	**$**	$
Ordinary annual services				
Annual appropriation - Revenue from Government				
Departmental Appropriations	**6,750,000**	8,335,000	**3,563,000**	3,976,000
Total *Appropriation Act*	**6,750,000**	8,335,000	**3,563,000**	3,976,000
Departmental capital budget [1]	**56,000**	54,000	**26,000**	25,000
Total appropriations	**6,806,000**	8,389,000	**3,589,000**	4,001,000
PGPA Act – Section 74				
Own source income - not transferred to the Official Public Account	**1,851,826**	1,157,241	**48,282**	0
Total appropriation	**8,657,826**	9,546,241	**3,637,282**	4,001,000
Total appropriation applied (current and prior years)	**9,984,697**	8,979,569	**2,918,855**	2,519,668
Variance	**(1,326,871)**	566,672	**718,527**	1,481,332

1 Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts

Table B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	AASB		AUASB	
Authority	**2026**	2025	**2026**	2025
	$	$	**$**	$
Appropriations Act (No. 1) – 2024-25	**0**	2,255,388	**1,030,000**	2,809,239
Supply Act (No. 1) 2026-26	**0**	0	**1,507,000**	0
Supply Act (No. 1) 2025-26	**653,143**	0	**990,766**	0
Total	**653,143**	2,255,388	**3,527,766**	2,809,239
Represented by:				
Cash	**388,414**	275,388	**64,766**	39,239
Appropriation receivable	**264,729**	1,980,000	**3,463,000**	2,770,000
Total	**653,143**	2,255,388	**3,527,766**	2,809,239

Note 5: Related parties

The AASB and AUASB are Australian controlled non-corporate Commonwealth Entities. Related parties are:

- Key Management Personnel of the AASB and AUASB, their close family members, and entities controlled or jointed controlled by either (Note 5A)
- all other Australian Commonwealth Entities (Note 5B).

Key management personnel are determined as persons having authority and responsibility for planning, directing and controlling the activities of the entity. Based on a review of employee

titles, analysis of the roles and job descriptions, the PGPA Act requirements for accountable authorities, the delegations made under the PGPA Act, the composition of the leadership meetings and communications to employees regarding the leadership team, the following positions have been included within key management personnel: the Chair and CEOs of each Board, the Managing Director, the Chief Operating Officer and the Director-National of the AUASB.

Note 5A: Transactions with key management personnel	AASB		AUASB	
	2026	2025	**2026**	2025
	$	$	**$**	$
Short-term employee benefits:				
Salary	**866,805**	757,519	**463,206**	439,616
Post-employment benefits:				
Superannuation	**63,863**	59,864	**53,230**	49,929
Other short-term benefits:				
Termination benefits - Separation and redundancies	**0**	0	**0**	0
Other long-term benefits:				
Long Service Leave [1]	**18,742**	13,805	**11,707**	10,609
Total other long-term benefits	**18,742**	13,805	**11,707**	10,609
Total	**949,410**	831,188	**528,143**	500,154

During the reporting period ended 30 June 2026, AASB had three executives (2025: two) who meet the definition of key management personnel.

Name	Position	Term as KMP
Keith Kendall	Chair	Full year
Justin Williams	Managing Director	Full year
Lisa Geier	Chief Operating Officer	Part year (4 May 2026 to 30 June 2026)

During the reporting period ended 30 June 2026, AUASB had two (2025: two) executives who met the definition of key management personnel.

Name	Position	Term as KMP
Douglas Niven	Chair	Full year (full time 0.6 equivalent)
Anne Waters	Director – National	Full year (full time 0.9 equivalent)

Governance Arrangements

The remuneration of the AASB and AUASB Chair is set by the Commonwealth Remuneration Tribunal Determination (Remuneration and Allowances for Holders of Full-time Public Office)

Determination 2026. The remuneration of other KMP is set by the Chair's benchmarking against relevant published external remuneration portions. The individual's performance during the year in assisting to achieve the AASB or AUASB strategy is taken into account in determining the level of increase in salary each year. The AASB and AUASB do not have bonus or financial incentive schemes in place.

Other non-salary benefits provided to KMP (other than the AUASB Chair) include annual influenza immunisation, vaccination incentive, mentoring and coaching programs, confidential employee assistance program, mobile phone allowance, provision of tablet and/or laptop, airline lounge membership and internet allowance to facilitate remote working.

Note 5B: Other Related Parties

For both AASB and AUASB all outstanding balances with related parties other than the AASB and AUASB are priced on an arm's length basis. None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. For details of the arrangements between the AASB and AUASB refer Note 2.

The parent entity of both the AASB and the AUASB is the Department of Treasury and ultimate parent is the Australian Government.

The AASB and AUASB pay for the following services from other Commonwealth controlled entities: Core desktop licences from Department of Digital Transformation Agency, insurance premiums from Comcare and Comcover, GovPlace protected emails (replaced Fortress) from Department of Finance, Fortress protected emails from The Department of Employment and Workplace Relations and Federal Register of Legislative Instruments cost recovery from Treasury.

None of these services are individually or collectively significant to the AASB or AUASB, therefore only the nature of these transactions is disclosed.

The AASB contributed $175,000 in 2026 (2025 $0) for the development and delivery of new climate related financial disclosure requirements in Chapter 2M of the Corporations Act.

The AASB and AUASB procured IT support from the Productivity Commission to the value of $240,468 for 2026 (2025: $197,879).

The shared services between AASB and AUASB means that a related party transaction for the services rendered is sale of goods and services for AASB of $1,014,378 for 2026 (2025: $704,292) and an expense to AUASB for the same value.

At the end of the financial year a receivable balance for AASB of $50,010 (2025: $107,036) existed and a corresponding payable balance for the AUASB for the same value.

Note 6: Property, Plant and Equipment

Note 6A: Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $500, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluation

Following initial recognition at cost, property, plant and equipment are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Assets were last revalued by Leeson Valuers in 2026. The revaluation decrement for plant and equipment was credited and debited, respectively, to the asset revaluation reserve by asset class and included in the equity section of the statement of financial position. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date, and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2026	**2025**
Right of use assets:	Lease Term	Lease Term
Computers and software assets:	3 years	3 years
Office equipment:	5 years	5 years

Impairment

All assets were assessed for impairment at 30 June 2026.

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Lease Right of Use (ROU) Assets (Buildings)

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. ROU assets are carried at cost.

Note 6B: Reconciliation of the opening and closing balance of material Property, Plant and Equipment for 2025-26

	AASB			AUASB
	Buildings	**Plant & equipment**	**Computer software**	**Computer software**
	$	**$**	**$**	**$**
As at 1 July 2025				
Gross book value	1,413,866	327,600	244,636	212,335
Accumulated depreciation, amortisation and impairment	(992,847)	(211,569)	(209,969)	(208,930)
Total as at 1 July 2025	**421,019**	**116,031**	**34,667**	**3,405**
Additions: Purchase	2,417,936	128,600	0	0
Depreciation and amortisation	0	(83,563)	(33,103)	(3,405)
Depreciation on right-of-use assets	(561,789)	0	0	0
Revaluations recognised in other comprehensive income	0	62,862	0	0
Total as at 30 June 2026	**2,277,166**	**223,930**	**1,564**	**0**
Total as at 30 June 2026 represented by				
Gross book value	3,831,802	224,224	244,636	212,335
Accumulated depreciation, amortisation and impairment	(1,554,636)	(294)	(243,072)	(212,335)
Total as at 30 June 2026	**2,277,166**	**223,930**	**1,564**	**0**
Carrying amount of right of use assets	**2,277,166**			

Note 6B continued: Reconciliation of the opening and closing balance of material Property, Plant and Equipment for 2025-26

	AASB			AUASB
	Buildings	**Plant & equipment**	**Computer software**	**Computer software**
	$	**$**	**$**	**$**
As at 1 July 2025				
Gross book value	1,413,866	327,600	244,636	212,335
Accumulated depreciation, amortisation and impairment	(992,847)	(211,569)	(209,969)	(208,930)
Total as at 1 July 2025	**421,019**	**116,031**	**34,667**	**3,405**
Additions: Purchase	2,417,936	128,600	0	0
Depreciation and amortisation	0	(83,563)	(33,103)	(3,405)
Depreciation on right-of-use assets	(561,789)	0	0	0
Disposals	0	0	0	0
Revaluations recognised in comprehensive income	0	62,862	0	0
Total as at 30 June 2026	**2,277,166**	**223,930**	**1,564**	**0**
Total as at 30 June 2026represented by				
Gross book value	3,831,802	224,224	244,636	212,335
Accumulated depreciation, amortisation and impairment	(1,554,636)	(294)	(243,072)	(212,335)
Total as at 30 June 2026	**2,277,166**	**223,930**	**1,564**	0
Carrying amount of right of use assets	**2,277,166**			

Note 7: Other Information

Note 7A: Interest Bearing Liabilities

	AASB		AUASB	
	2026	2025	**2026**	2025
	$	$	**$**	$
Lease				
Lease liability	**2,381,930**	467,629	**0**	0
Total lease liability	**2,381,930**	467,629	**0**	0
Maturity analysis - contractual undiscounted cash flows				
Within 1 year	**609,490**	299,346	**0**	0
Between 1-5 years	**1,970,743**	169,523	**0**	0
Total lease	**2,580,233**	468,869	**0**	0

The AASB in its capacity as a lessee, entered a lease contract for a period of 5 years (with one option of 5 years) commencing from 19 December 2021 in relation to Melbourne office premises. The rent is increased on each anniversary of the commencement date including any options by 3.5%, except that on the commencement of each option term the rent will be reviewed to market.

Lease modification was made 7 July 2025 and a variation for a further five years signed, including for additional floor space.

Accounting Policy

For all new contracts entered into, the AASB and AUASB considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the entities' incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Note 7B: Aggregate Assets and Liabilities

	AASB		AUASB	
	2026	2025	**2026**	2025
	$	$	**$**	$
Assets expected to be recovered in:				
No more than 12 months				
Cash and cash equivalents	**388,414**	275,388	**64,766**	39,239
Trade and other receivables	**396,444**	2,160,030	**3,463,000**	2,772,596
Prepayments	**213,574**	484,732	**44,064**	71,620
Total no more than 12 months	**998,432**	2,920,150	**3,571,830**	2,883,455
More than 12 months				
Buildings right of use	**2,277,166**	421,019	**0**	0
Plant and equipment	**223,930**	116,031	**0**	0
Computer software	**1,564**	34,667	**0**	3,405
Total more than 12 months	**2,502,660**	571,717	**0**	3,405
Total assets	**3,501,092**	3,491,867	**3,571,830**	2,886,860
Liabilities expected to be recovered in:				
No more than 12 months				
Suppliers	**222,168**	427,661	**32,195**	8,212
Other payables	**7,490**	4,499	**86,395**	107,786
Leases	**575,111**	298,250	**0**	0
Employee provisions	**576,115**	450,155	**171,274**	127,464
Total no more than 12 months	**1,380,884**	1,180,565	**289,864**	243,462
More than 12 months				
Leases	**1,806,819**	169,379	**0**	0
Employee provisions	**632,021**	476,316	**292,487**	198,324
Total more than 12 months	**2,438,840**	645,695	**292,487**	198,324
Total liabilities	**3,819,724**	1,826,260	**582,351**	441,786

Note 8: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2025-26 Portfolio Budget Statements (PBS) to the 2025-26 final outcome as presented in accordance with Australian Accounting Standards. The Budget is not audited and where applicable, the original budget numbers have been reclassified to align with the financial statement.

Explanations are provided for major variances between actual results and the original budget. Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- an item below this threshold but is considered important for the readers' understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of AASB.

Note 8A: Major Budget Variances for 2025-26

Australian Accounting Standards Board

Explanations of major variances	Footnote reference and affected statement
Employee and contractor expenses increased during the year due to the engagement of specialist contractors to address capability and expertise gaps that could not be met through existing internal resources. The long service leave provision increased following the adoption of a revised simplified long service leave valuation model, resulting in a higher assessed liability at year-end.	1 Statement of Comprehensive Income & Cashflow statement- Employee and contractor costs
Corporate and administrative expenses increased due to costs associated with the establishment of ERA, which is scheduled to commence operations on 1 December 2026. Consultation and stakeholder engagement costs were higher than budgeted, primarily due to increased expenditure on the Research Forum, Agenda Consultation activities, and Sustainability Scenario Analysis workshops.	2 Statement of Comprehensive Income & Cashflow Statement - Supplier expense
Depreciation expense increased during the year following the expansion of the Melbourne office footprint. The associated capital expenditure and resulting depreciation charges were not included in the original budget estimates, resulting in higher than budgeted depreciation costs.	3 Statement of Comprehensive Income - Depreciation and amortisation. Statement of Cashflow Statement – Purchase of property, plant and equipment and intangibles. Statement of Financial Position – Software/Intangibles

Explanations of major variances	Footnote reference and affected statement
Favourable variance due to higher than budgeted Shared Services recovery revenue. This was primarily driven by increased Shared Services expenditure, including higher property-related costs and Communications team expenses, which resulted in additional costs being recharged to participating entities.	4 Statement of Comprehensive Income - Management fee recharge
The bank balance was lower than budget at year-end; however, cash holdings are intentionally maintained at a minimal level, with appropriations drawn down on a just-in-time basis to meet operational expenditure requirements.	5 Statement of Financial Position & Cashflow Statement - Cash and cash equivalents
Unfavourable variance due to appropriation drawdowns exceeding budget. Higher drawdowns were required to fund the approved operating deficit incurred during the year, resulting in reduced appropriations receivables compared with the original budget estimate.	6 Statement of Financial Position – Trade and other receivables & Cashflow Statement – Appropriations
Unfavourable variance in prepaid expenses due to travel costs being incurred and paid in advance. Early booking of travel arrangements is undertaken where possible to secure more favourable pricing and achieve value for money.	7 Statement of Financial Position – Prepaid expenses
Supplier payables were lower than budget due to the timing of invoice receipt, with several invoices for pre-30 June 2026 services received after year-end.	8 Statement of Financial Position – Suppliers
Other payables were lower than budget due to an overestimation of year-end liabilities in the original budget. provisions at year-end.	9 Statement of Financial Position – Other payables
Unfavourable variance in employee provisions due to the adoption of a revised simplified valuation model. The revised approach resulted in a higher employee leave liability than anticipated when the budget was prepared, increasing provisions at year-end.	10 Statement of Financial Position - Employee Provisions

Auditing and Assurance Standards Board

Explanations of major variances	Footnote reference and affected statement
Employee-related expenses were lower than budget due to delays in the commencement, timing and nature of mandatory climate reporting and assurance requirements under the Corporations Act 2001.	1.Statement of Comprehensive Income & Cashflow statement – Employee and contractor costs
Favourable variance primarily attributable to delays in the commencement, timing and nature of mandatory climate reporting and assurance requirements, resulting in lower than anticipated activity levels during the year. In addition, more Board meetings were conducted virtually rather than in person, reducing travel and associated meeting costs.	2 Statement of Comprehensive Income & Cashflow Statement - Supplier expense
Capital expenditure was lower than budget as software development costs incurred during the year did not meet the criteria for capitalisation and were therefore expensed as incurred. In addition, the remaining software asset became fully depreciated during the year, resulting in a lower closing asset balance than anticipated.	3 Statement of Comprehensive Income - Depreciation and amortisation & Statement of Financial Position - Computer software
The bank balance was lower than budget at year-end; however, cash holdings are intentionally maintained at a minimal level, with appropriations drawn down on a just-in-time basis to meet operational expenditure requirements.	5 Statement of Financial Position & Cashflow Statement - Cash and cash equivalents
Appropriations receivable exceeded budget due to a stronger than anticipated financial position in both the current and prior years. As a result, a higher appropriation receivable balance was recognised at year-end than originally forecast.	6 Statement of Financial Position – Trade and other receivables & Cashflow Statement – Appropriations
Favourable variance in prepaid expenses due to lower levels of travel booked and paid in advance than anticipated at the time the budget was prepared, resulting in a lower year-end prepaid balance.	7 Statement of Financial Position – Prepaid expenses
Unfavourable variance in supplier payables due to a higher than anticipated management fee	8 Statement of Financial Position - Suppliers

Explanations of major variances	Footnote reference and affected statement
payable to the AASB at 30 June 2026, resulting in an increased year-end creditor balance.	
Unfavourable variance in other payables due to timing of June PAYG payment	9.Statement of Financial Position – Other payables
Unfavourable variance in employee provisions due to the adoption of a revised simplified valuation model. The revised approach resulted in a higher employee leave liability than anticipated when the budget was prepared, increasing provisions at year-end.	10 Statement of Financial Position – Employee Provisions

Statements of Comprehensive Income

for the period ended 30 June 2026

	AASB			AUASB		
	Actual	Budget estimate		**Actual**	Budget estimate	
		Original	Variance		Original	Variance
	2026	2026	2026	**2026**	2026	2026
	$	$	$	**$**	$	$
EXPENSES						
Employee and contractor costs [1]	**6,611,198**	5,955,000	656,198	**1,810,491**	2,758,000	(947,509)
Supplier expenses [2]	**3,112,487**	1,771,000	1,341,487	**1,325,522**	970,000	355,522
Depreciation and amortisation [3]	**678,455**	337,000	341,455	**3,406**	26,000	(22,594)
Finance costs	**81,411**	1,000	80,411	**0**	0	0
Total expenses	**10,483,551**	8,064,000	2,419,551	**3,139,419**	3,754,000	(614,581)
LESS:						
OWN SOURCE INCOME						
Own-source revenue						
Sale of goods and rendering of services	**2,379**	0	2,379			
Management fee recharge [4]	**1,014,378**	550,000	464,378	**0**	**0**	0
Resources received free of charge	**113,693**	113,000	693	**94,824**	113,000	(18,176)
Contributions from states and territories	**500,000**	500,000	0	**0**	0	0
Total own-source revenue	**1,630,450**	1,163,000	467,450	**94,824**	113,000	(18,176)
Net cost of services & cost of outcome delivery	**8,853,101**	6,901,000	1,952,101	**3,044,595**	3,641,000	(596,405)
Revenue from Government - departmental appropriations	**6,750,000**	6,860,000	(110,000)	**3,563,000**	3,615,000	(52,000)
Surplus/(Deficit) attributable to the Australian Government	**(2,103,101)**	(41,000)	(2,062,101)	**518,405**	(26,000)	544,405
Total other comprehensive income						
Changes in asset revaluation reserve	**62,862**	0	62,862			
OTHER COMPREHENSIVE INCOME						
Total comprehensive income attributable to the Australian Government	**(2,040,239)**	(41,000)	(1,999,239)	**518,405**	(26,000)	544,405

Statements of Financial Position

for the period ended 30 June 2026

	AASB			AUASB		
	Actual	Budget estimate		Actual	Budget estimate	
		Original	Variance		Original	Variance
	2026	2026	2026	**2026**	2026	2026
	$	$	$	**$**	$	$
ASSETS						
Financial assets						
Cash and cash equivalent[5]	**388,414**	642,000	(253,586)	**64,766**	236,000	(171,234)
Trade and other receivables[6]	**396,444**	1,452,000	(1,055,556)	**3,463,000**	1,141,000	2,322,000
Total financial assets	**784,858**	2,094,000	(1,309,142)	**3,527,766**	1,377,000	2,150,766
Non-financial assets						
Buildings right of use	**2,277,166**	139,000	2,138,166	**0**	0	0
Plant and equipment[3]	**223,930**	175,000	48,930	**0**	0	0
Computer Software/Intangibles[3]	**1,564**	73,000	(71,436)	**0**	22,000	(22,000)
Prepaid expenses[7]	**213,574**	155,000	58,574	**44,064**	63,000	(18,936)
Total non-financial assets	**2,716,234**	542,000	2,174,234	**44,064**	85,000	(40,936)
Total assets	**3,501,092**	2,636,000	865,092	**3,571,830**	1,462,000	2,109,830
LIABILITIES						
Payables						
Suppliers[8]	**222,168**	287,000	(64,832)	**82,205**	52,000	30,205
Other payables[9]	**7,490**	154,000	(146,510)	**36,385**	0	36,385
Total payables	**229,658**	441,000	(211,342)	**118,590**	52,000	66,590
Interest-bearing liabilities						
Leases	**2,381,930**	178,000	2,203,930	**0**	0	0
Total Interest-bearing liabilities	**2,381,930**	178,000	2,203,930	**0**	0	0
Provisions						
Employee provisions[10]	**1,208,136**	988,000	220,136	**463,761**	387,000	76,761
Total provisions	**1,208,136**	988,000	220,136	**463,761**	387,000	76,761
Total liabilities	**3,819,724**	1,607,000	2,212,724	**582,351**	439,000	143,351
Net assets	**(318,632)**	1,029,000	(1,347,632)	**2,989,479**	1,023,000	1,966,479
EQUITY						
Parent entity interest						
Contributed equity	**967,000**	967,000	0	**425,300**	426,000	(700)
Retained earnings	**(1,348,494)**	62,000	(1,410,494)	**2,564,179**	597,000	1,967,179
Asset revaluation reserve	**62,862**	0	62,862			
Total parent entity interest	**(318,632)**	1,029,000	(1,347,632)	**2,989,479**	1,023,000	1,966,479

Statements of Changes in Equity
for the period ended 30 June 2026

Australian Accounting Standards Board

	Retained earnings			Asset revaluation reserve			Contributed equity/capital			Total equity		
	Actual	Budget Estimate					Actual	Budget Estimate		Actual	Budget Estimate	
		Original	Variance					Original	Variance		Original	Variance
	2026	2026	2026	2026			2026	2026	2026	2026	2026	2026
	$	$	$	$			$	$	$	$	$	$
Opening balance												
Balance carried forward from previous period	**754,607**	103,000	651,607	**0**	0	0	**911,000**	911,000	0	**1,665,607**	1,014,000	651,607
Comprehensive income												
Surplus/ (Deficit) for the period	**(2,103,101)**	(41,000)	(2,062,101)	**0**	0	0	**0**	0	0	**(2,103,101)**	(41,000)	(2,062,101)
Other comprehensive income	**0**	0	0	**62,862**	0	62,862	**0**	0	0	**62,862**	0	62,862
Total comprehensive income attributable to the Australian Government	**(2,103,101)**	(41,000)	(2,062,101)	**62,862**	0	62,862	**0**	0	0	**(2,040,239)**	(41,000)	(1,999,239)
Contribution by owners												
Departmental capital budget	**0**	0	0	**0**	0	0	**56,000**	56,000	0	**56,000**	56,000	0
Total transactions with owners	**0**	0	0	**0**	0	0	**56,000**	56,000	0	**56,000**	56,000	0
Closing balance attributable to Australian Government	**(1,348,494)**	62,000	(1,410,494)	**62,862**	0	62,862	**967,000**	967,000	0	**(318,632)**	1,029,000	(1,347,632)

Variances in equity are the net result of variances in the statements of comprehensive income and the statements of financial position.

Statements of Changes in Equity (continued)
for the period ended 30 June 2026

Auditing and Assurance Standards Board

	Retained earnings			Contributed equity/capital			Total equity		
	Actual	Budget Estimate		Actual	Budget Estimate		Actual	Budget Estimate	
		Original	Variance		Original	Variance		Original	Variance
	2026	2026	2026	2026	2026	2026	2026	2026	2026
	$	$	$	$	$	$	$	$	$
Balance carried forward from previous period	**2,045,774**	623,000	1,422,774	**399,300**	400,000	(700)	**2,445,074**	1,023,000	1,422,074
Surplus/ (Deficit) for the period	**518,405**	(26,000)	544,405	**0**	0	0	**518,405**	(26,000)	544,405
Total comprehensive income attributable to the Australian Government	**518,405**	(26,000)	544,405	**0**	0	0	**518,405**	(26,000)	544,405
Contributions by owners									
Departmental capital budget	**0**	0	0	**26,000**	26,000	0	**26,000**	26,000	0
Total transactions with owners	**0**	0	0	**26,000**	26,000	0	**26,000**	26,000	0
Closing balance attributable to Australian Government	**2,564,179**	597,000	1,967,179	**425,300**	426,000	(700)	**2,989,479**	1,023,000	1,966,479

Variances in equity are the net result of variances in the statements of comprehensive income and the statements of financial position.

Cash Flow Statements

for the period ended 30 June 2026

	AASB			AUASB		
	Actual	Budget estimate		**Actual**	Budget estimate	
	2026	Original 2026	Variance 2026	**2026**	Original 2026	Variance 2026
	$	$	$	**$**	$	$
OPERATING ACTIVITIES						
Cash received						
Appropriations	**8,465,271**	6,840,000	1,625,271	**2,870,000**	3,595,000	(725,000)
Sale of goods and rendering of services	**1,079,158**	550,000	529,158	**0**	0	0
Net GST received	**275,374**	0	275,374	**0**	0	0
Contributions received	**497,294**	500,000	(2,076)	**0**	0	0
Total cash received	**10,317,097**	7,890,000	2,427,097	**2,870,000**	3,595,000	(725,000)
Cash used						
Employees and contractors [1]	**6,263,849**	5,850,000	413,849	**1,613,694**	2,728,000	(1,114,306)
Suppliers [2]	**3,282,576**	1,633,000	1,649,576	**1,256,779**	867,000	389,779
Interest payments on lease liabilities	**81,411**	1,000	80,411	**0**	0	0
Other	**0**	(25,000)	25,000	**0**	0	0
Total cash used	**9,627,836**	7,459,000	2,168,836	**2,870,473**	3,595,000	(724,527)
Net cash from/ (used by) operating activities	**689,261**	431,000	258,261	**(473)**	0	(473)
INVESTING ACTIVITIES						
Cash received / (used)						
Purchase of property, plant and equipment and intangibles [3]	**(128,600)**	(56,000)	(72,600)	**0**	(26,000)	26,000
Total cash used	**(128,600)**	(56,000)	(72,600)	**0**	(26,000)	26,000
Net cash from (used by) investing activities	**(128,600)**	(56,000)	(72,600)	**0**	(26,000)	26,000
FINANCING ACTIVITIES						
Cash received						
Contributed equity	**56,000**	56,000	0	**26,000**	26,000	0
Principal payments of lease liabilities	**(503,635)**	(296,000)	(207,635)	**0**	0	0
Net cash from/ (used by) financing activities	**(447,635)**	(240,000)	(207,635)	**26,000**	26,000	0
Net increase (decrease) in cash held	**113,026**	135,000	(21,974)	**25,527**	0	25,527
Cash and cash equivalents at the beginning of the reporting period	**275,388**	507,000	(231,612)	**39,239**	236,000	(196,761)
Cash and cash equivalents at the end of the reporting period [5]	**388,414**	642,000	(253,586)	**64,766**	236,000	(171,234)

Appendices

APPENDIX A

AASB AND AUASB LEGISLATIVE REQUIREMENTS

AASB

The AASB is required to advance and promote the main objects of Part 12, section 224, of the ASIC Act:

(a) to facilitate the development of accounting standards that require the provision of financial information that:

1. allows users to make and evaluate decisions about allocating scarce resources
2. assists directors to discharge their obligations in relation to financial reporting
3. is relevant to assessing performance, financial position, financing and investment
4. is relevant and reliable
5. facilitates comparability
6. is readily understandable.

(b) to facilitate the Australian economy by:

1. reducing the cost of capital
2. enabling Australian entities to compete effectively overseas
3. having accounting standards that are clearly stated and easy to understand.

(c) to maintain investor confidence in the Australian economy (including its capital markets).

Part 12, section 227, of the ASIC Act provides, among other things, that:

(1) The functions of the AASB are:

1. to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards
2. to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the Corporations legislation (other than the excluded provisions)
3. to formulate accounting standards for other purposes
4. to participate in and contribute to the development of a single set of accounting standards for worldwide use
5. to advance and promote the main objects of this Part.

(2) In carrying out its functions under paragraphs (1) (a) and (d) the AASB must have regard to the interests of Australian corporations which raise or propose to raise capital in major international financial centres.

AUASB

The AUASB is an Australian Government Agency under the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

Under section 227B (1) of the ASIC Act, the functions of the AUASB are:

(a) to make auditing standards under section 336 of the *Corporations Act 2001*, for the purposes of the corporations legislation

(b) to formulate auditing and assurance standards for other purposes

(c) to formulate guidance on auditing and assurance matters

(d) to participate in and contribute to the development of a single set of auditing standards for worldwide use

(e) to advance and promote the main objects of Part 12 of the ASIC Act. Section 224 (aa) of the *ASIC Act* states the objectives of Part 12, which include:

"To facilitate the development of auditing and assurance standards and related guidance materials that:

1. provide Australian auditors with relevant and comprehensive guidance in forming an opinion about, and reporting on, whether financial reports comply with the requirements of the *Corporations Act 2001*; and
2. require the preparation of auditors' reports that are reliable and readily understandable by the users of financial reports to which they relate."

Other relevant objectives of Part 12 are summarised below:

- to facilitate the Australian economy by having (accounting and) auditing standards that are clearly stated and easy to understand; and
- to maintain investor confidence in the Australian economy (including its capital markets).

APPENDIX B

ATTENDANCE AT AASB AND AUASB MEETINGS

AASB MEMBER ATTENDANCE

The AASB met nine times during 2025-26. In addition to preparation for these meetings, which requires consideration of detailed technical papers, members considered and voted on accounting standards and other pronouncements out of session and attended or made presentations at seminars and other meetings related to their role as a Board member. Consequently, the time committed by members is substantially more than the meeting days attended.

AASB Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
K Kendall (Chair)	11	11	0
S Taylor (Deputy Chair)	11	9	2
C Cordery	11	11	0
R Gordon	11	9	2
D Hanlon	11	10	1
D Holland	11	8	3
A King	11	11	0
T Langley	11	6	5
L Maimone	11	9	2
M Nelson	11	10	1
S Osborn	11	10	1
M Overton	11	10	1
C Spencer	11	6	5

* Board retirements during 2025-26 period

For details of terms of appointments, please refer to the AASB Organisational Structure section of this Report.

AUASB MEMBER ATTENDANCE

The AUASB held thirteen meetings during 2025-26. Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
D Niven (Chair)	15	15	0
J Crisp (Deputy Chair) *	15	14	1
M Gwan	15	13	2
K Hankin*	15	0	15
N Harding	15	15	0
A Porter	15	13	2
T Jeyaretnam	15	15	0
J Lonergan	15	14	1
G Pinfold	15	10	5
J Thorne	15	14	1
J Travers	15	14	1
C Mun Woo	15	14	1

* Board retirements during 2025-26 period

For details of terms of appointments, please refer to the AUASB Organisational Structure section of this Report.

APPENDIX C

OTHER INFORMATION

OCCUPATIONAL HEALTH AND SAFETY

Under section 38 of the *Work Health and Safety Act 2011*, the AASB and AUASB is required to notify Comcare of any incidents arising out of the conduct of their operations that result in death, serious injury or serious illness of a person, or involve a dangerous incident.

All employees, and Board members, when attending meetings, are covered under Comcare and Comcover. No accidents or dangerous occurrences, or relevant investigations, took place during the 2025-26 financial year.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE REPORTING

The AASB and AUASB do not have specific responsibilities in relation to the administration of environmental sustainability legislation.

The nature of the AASB and AUASB's activities limits the impact of their operations on the environment, however, they are mindful of their responsibilities to minimise negative impacts. Accordingly, the AASB and AUASB have in place policies and procedures designed to minimise environmental impacts by complying with government policies relating to waste, energy and travel.

The principal environmental impact minimisation activities employed are:

- virtual meetings as a substitute for travel, where appropriate
- waste management, through a fully commingled and organic recycling program
- energy efficient practises in lighting, air-conditioning and computer use
- limited water use.

The Melbourne office achieved 5-star Green Star Office Design rating from the Green Building Council of Australia. It also achieved a 5-star Australian Business Greenhouse Rating and the first existing building in Australia to achieve a WELL Platinum Certification.

The building holds a Waste Wise accreditation from EcoRecycle Victoria. Accreditation is supported by a recycling and waste management programme that aims to avoid, reuse or recycle waste generated by the building and its occupants.

Travel restrictions limit meetings to only essential obligations. Teleconferencing and videoconferencing are used whenever possible.

Management will continue to seek opportunities to increase the effectiveness of the measures and identify new ones.

CLIMATE DISCLOSURE

Reporting for the Climate Disclosures will be reported on the transparency portal at www.transparency.gov.au.

APPENDIX D

AGENCY RESOURCE STATEMENT AND RESOURCES FOR OUTCOMES

The changes in financial results from the previous year are discussed in the Chair's Review. Explanations of variances from the budgeted financial statements for the financial year as set out in the Portfolio Budget Statement/Portfolio Additional Estimate Statement, and their implications are set out in notes 11 and 11A to the financial statements.

Agency summary resource table by outcomes

Office of the AASB: Resources for outcomes 2025-26

	Actual available appropriation – current year ($'000)	Payments made ($'000)	Balance remaining ($'000)
Outcome 1:			
Formulating and making accounting standards, sustainability standards, and related reporting requirements that apply to Australian entities subject to a statutory or other obligation to prepare financial reports and other external reports that are integral to understanding the entities' financial and sustainability-related information.			
Departmental			
Annual appropriations – ordinary annual services	6,860	6,207	653
Prior year appropriations available – ordinary annual services	2,255	2,255	0
Total departmental annual appropriations	9,115	8,462	653
Total departmental resourcing	9,115	8,462	653
Total resourcing and payments for entity	9,115	8,462	653

Office of the AASB: Resources for outcomes 2024-25

	Actual available appropriation – current year ($'000)	Payments made ($'000)	Balance remaining ($'000)
Outcome 1:			
Formulating and making accounting standards, sustainability standards, and related reporting requirements that apply to Australian entities subject to a statutory or other obligation to prepare financial reports and other external reports that are integral to understanding the entities' financial and sustainability-related information.			
Departmental			
Annual appropriations – ordinary annual services	8,335	6,335	1,980
Prior year appropriations available – ordinary annual services	1,300	1,300	0
Total departmental annual appropriations	9,635	7,655	1,980
Total departmental resourcing	9,635	7,655	1,980
Total resourcing and payments for entity	9,635	7,655	1,980

The changes in financial results from the previous year are discussed in the Chair's Review. Explanations of variances from the budgeted financial statements for the financial year as set out in the Portfolio Budget Statement/Portfolio Additional Estimate Statement, and their implications are set out in notes 11 and 11a to the financial statements.

Agency summary resource table by outcomes

Office of the AUASB: Resources for outcomes 2025-26

	Actual available appropriation – current year ($'000)	Actual Expenses ($'000)	Variation ($'000)
Outcome 1:			
Formulating and making auditing, review and assurance standards for Australian entity financial reports and sustainability reports as well as for other auditing and assurance engagements.			
Departmental			
Annual appropriations – ordinary annual services	3,615	1,117	2,498
Prior year appropriations available – ordinary annual services	2,809	1,779	1,030
Total departmental annual appropriations	6,424	2,896	3,528
Total departmental resourcing	6,424	2,896	3,528
Total resourcing and payments for entity	6,424	2,896	3,528

Office of the AUASB: Resources for outcomes 2024-25

	Actual available appropriation – current year ($'000)	Actual Expenses ($'000)	Variation ($'000)
Outcome 1:			
Formulating and making auditing, review and assurance standards for Australian entity financial reports and sustainability reports as well as for other auditing and assurance engagements.			
Departmental			
Annual appropriations – ordinary annual services	3,976	1,206	2,770
Prior year appropriations available – ordinary annual services	1,091	1,091	0
Total departmental annual appropriations	5,067	2,797	2,770
Total departmental resourcing	5,067	2,797	2,770
Total resourcing and payments for entity	5,067	2,797	2,770

APPENDIX E

LIST OF REQUIREMENTS

Description	Requirement	AASB Page	AUASB Page
Letter of transmittal			
A copy of the letter of transmittal signed and dated by accountable authority on the date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii	iii
Aids to access			
Table of contents	Mandatory	iv	iv
Alphabetical index	Mandatory	144	144
Glossary of abbreviations and acronyms	Mandatory	v	v
List of requirements	Mandatory	136	136
Details of contact officer	Mandatory	vi	vi
Entity's website address	Mandatory	vi	vi
Electronic address of report	Mandatory	vi	vi
Review by accountable authority			
A review by the accountable authority of the entity	Mandatory	9	39
Overview of the entity			
A description of the role and functions of the entity	Mandatory	18	44
A description of the organisational structure of the entity	Mandatory	61	64
A description of the outcomes and Programs administered by the entity	Mandatory	20	48
A description of the purposes of the entity as included in the corporate plan	Mandatory	18	44
Name of the accountable authority or each member of the accountable authority	Mandatory	18	44
Position title of the accountable authority of each member of the accountable authority	Mandatory	18	44

Description	Requirement	AASB Page	AUASB Page
Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	62	65
An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory		
Where outcome and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, Mandatory	117	119**Error! Bookmark not defined.**
Report on the performance of the entity			
Annual performance statements			
Annual performance statement in accordance with program 39(1)(b) of the Act and section 16F of the Rule	Mandatory	18	44
Report on financial performance			
A discussion and analysis of the entity's financial performance	Mandatory	16	43
A table summarising the total resources and total payments of the entity	Mandatory	133	134
If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, Mandatory	16	43
Management and accountability			
Corporate governance			
Information on compliance with section 10 (fraud systems)	Mandatory	85	85
A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	85	85

Description	Requirement	AASB Page	AUASB Page
A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	85	85
A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	85	85
An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	87	87
A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, Mandatory	n/a	n/a
Audit Committee			
A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	68	68
The name of each member of the entity's audit committee	Mandatory	67	67
The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	67	67
Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	67	67
The remuneration of each member of the entity's audit committee	Mandatory	67	67
External scrutiny			
Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	69	69
Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, Mandatory	n/a	n/a
Information on any reports on operations of the entity by the Auditor-General, (other than report under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman	If applicable, Mandatory	n/a	n/a

Description	Requirement	AASB Page	AUASB Page
Information on any capability reviews on the entity that were released during the period	If applicable, Mandatory	n/a	n/a
Management of human resources			
An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	72	76
Statistics on the entity's employees on an ongoing and non-ongoing basis; including the following: statistics on full-time employees statistics on part-time employees statistics on gender statistics on staff location	Mandatory	72	76
Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: statistics on staffing classification level statistics on full-time employees statistics on part-time employees statistics on gender statistics on staff location statistics on employees who identify as Indigenous.	Mandatory	72	76
Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999.*	Mandatory	70	70
Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c)	Mandatory	72	76
The salary ranges available for APS employees by classification level	Mandatory	80	80
A description of non-salary benefits provided to employees	Mandatory	70	70
Information on the number of employees at each classification level who received performance pay	If applicable, Mandatory	n/a	n/a
Information on aggregate amounts of performance pay at each classification level	If applicable, Mandatory	n/a	n/a
Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, Mandatory	n/a	n/a

Description	Requirement	AASB Page	AUASB Page
Information on aggregate amount of performance payments	If applicable, Mandatory	n/a	n/a
Assets management			
An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	n/a	n/a
Purchasing			
An assessment of entity performance against the *Commonwealth Procurement Rules*	Mandatory	82	82
Reporting consultancy contracts			
A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Mandatory	82	82
A statement that *"During 2024-25, [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]."*	Mandatory	82	82
A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	83	83
A statement that *"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."*	Mandatory	82	82

Description	Requirement	AASB Page	AUASB Page
Reportable non-consultancy contracts			
A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	83	83
A statement that *"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website*	Mandatory	83	83
Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts			
Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	83	83
Australian National Audit Office Access Clauses			
If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	n/a	n/a
Exempt contracts			
If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in *AusTender* because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	85	85

Description	Requirement	AASB Page	AUASB Page
Small business			
A statement that *"AASB-AUSB supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website"*	Mandatory	85	85
An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	85	85
If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that *AASB-AUASB recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."*	If applicable, Mandatory	n/a	n/a
Financial statements			
Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	91	91
Executive Remuneration			
Information about executive remuneration in accordance with Subdivision C of Division 3A of Par 2-3 of the Rule	Mandatory	80	80
Other mandatory information			
If the entity conducted advertising campaigns, a statement that "*During 2024-25, the AASB conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available on [entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."*	If applicable, Mandatory	n/a	n/a
If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, Mandatory	85	85
A statement that *"Information on grants awarded to AASB during 2024-25 is available at [entity's website]*	If applicable, Mandatory	n/a	n/a
Outline of mechanisms of disability reporting including reference to website for further information	Mandatory	86	86

Description	Requirement	AASB Page	AUASB Page
Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	88	88
Correction of material errors in previous annual report	If applicable, Mandatory	133	134
Information required by other legislation	Mandatory	131	131

APPENDIX F

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