IFRS® SUSTAINABILITY DISCLOSURE STANDARDS (ISSB STANDARDS)—APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: Australia

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This profile provides information about the application of ISSB Standards in Australia. The ISSB Standards are developed and issued in the public interest by the International Sustainability Standards Board (ISSB). The ISSB is a standard-setting body of the IFRS Foundation (Foundation), an independent, not-for-profit organisation.

The Foundation has prepared this profile applying an analysis that is in accordance with *the Inaugural Jurisdictional Guide on the adoption or other use of ISSB Standards* (*Jurisdictional Guide*) and based on information provided by jurisdictional authorities in response to a questionnaire the Foundation issued on the regulatory approach to the use of the ISSB Standards. The Foundation invited the questionnaire's respondent and international accounting firms to review a draft of the profile.

The purpose of the Foundation's jurisdictional profiles is only to illustrate the extent of adoption or other use of the Standards across the globe. The profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact licensing@ifrs.org.

Description of the jurisdictional approach

Jurisdictional approach towards the adoption or other use of ISSB Standards[1]
Updated 12 June 2025

	Current[2]	Target[3]
Jurisdictional approach	Partially incorporating ISSB Standards	Adopting climate requirements in ISSB Standards *Australia's jurisdictional target of adopting the climate requirements in ISSB Standards will be reached if a requirement to provide industry-specific information is introduced. The Australian Accounting Standards Board (AASB) has a project on industry-based disclosures. The AASB currently intends to complete this project by 2030.*

[1] Refers to the range of approaches that jurisdictions may take to 'adopt, apply or otherwise be informed by' ISSB Standards when introducing sustainability-related disclosure requirements in their legal and regulatory frameworks, as set out in Section 3.4 of the *Jurisdictional Guide*. This range includes approaches that involve the adoption or other use of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* directly, as well as the introduction of local sustainability-related disclosure requirements (or standards) designed to deliver functionally aligned outcomes to those resulting from the application of IFRS S1 and IFRS S2 (referred to as 'requirements with functionally aligned outcomes').
[2] The current approach describes the most up-to-date status of a jurisdiction's sustainability-related disclosure requirements reflecting what entities in the jurisdiction are required or permitted to apply at the time the jurisdictional profile is published.
[3] The target approach describes the stated jurisdictional target that a jurisdiction aims to achieve for sustainability-related disclosure requirements reflecting either the final milestone in the jurisdictional roadmap or requirements that have already been introduced by law or regulation but where application by entities will only be required at a future date.

Regulatory approach to sustainability-related disclosures

Has the relevant authority(ies) in the jurisdiction published a decision to require sustainability-related financial disclosures?	Yes.
Does the jurisdiction's regulatory framework for sustainability-related disclosures adopt or otherwise use ISSB Standards?	Yes.
Description of and links to the relevant announcement, roadmap, standards and/or law or regulation.	Entities must prepare a sustainability report under the *Corporations Act 2001* (Cth) (Corporations Act) if they: - prepare an annual financial report under Chapter 2M of the Corporations Act (Ch 2M entities); and - meet one of the sustainability reporting thresholds under section 292A of the Corporations Act. The sustainability report must contain climate-related financial information required under the Corporations Act and AASB S2 *Climate-related Disclosures* (AASB S2). The AASB issued the first two Australian Sustainability Reporting Standards (ASRS) in September 2024. ASRS comprise AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (a voluntary sustainability standard) and AASB S2. AASB S2 is based on IFRS S2 and the parts of IFRS S1 that are relevant for preparing climate-related financial disclosures and for AASB S2 to work as a standalone mandatory standard. AASB S2 does not include a requirement to provide industry-specific disclosures. AASB S1 and AASB S2 are available at the following link: https://standards.aasb.gov.au/. AASB S1 and AASB S2 are also available as a pdf. *The Australian Securities and Investments Commission Act 2001* (Cth) (ASIC Act) was amended in 2024 to expand the AASB's functions and powers to set sustainability standards (see section 227) and the Auditing and Assurance Standards Board (AUASB)'s functions and powers to set sustainability auditing standards (see section 227B). The Corporations Act was amended in 2024 to require specified entities to prepare sustainability reports which contain climate-related financial

	information in accordance with the Corporations Act and AASB S2 (see sections 292A and 296A to 296D). The Australian Securities and Investments Commission (ASIC) issued ASIC Regulatory Guide 280 Sustainability Reporting (RG 280) on 31 March 2025. This guide is for entities required to prepare a sustainability report containing climate-related financial information under Chapter 2M of the Corporations Act (reporting entities). It explains how ASIC will exercise specific powers under legislation, how it interprets the law and the principles underlying ASIC's approach. It also provides practical guidance to entities about complying with their sustainability reporting obligations.
Summary of the timeline for the application of the jurisdiction's sustainability-related disclosure requirements by entities in the jurisdiction.	Ch 2M entities are required to prepare a sustainability report if they: - meet two of the three size criteria (revenue, assets, employees) in s292A(3) of the Corporations Act; - are registered corporations under the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) that meet the criteria in s292A(5) of the Corporations Act; or - are asset owners that meet the value of assets threshold in s292A(6) of the Corporations Act. These sustainability reporting requirements are phased in over three reporting cohorts: **Group 1: annual reporting periods commencing on or after 1 January 2025** Registered schemes, registrable superannuation entities (RSE) and retail corporate collective investment vehicles (CCIV) are excluded from Group 1 and should consider if they are in the Group 2 or 3 reporting cohort. A Ch 2M entity, other than a registered scheme, RSE or retail CCIV, is required to prepare a sustainability report as part of the Group 1 reporting cohort if the entity (and the entities it controls, if any) meets at least two of three criteria: 1. Consolidated revenue: Australian dollar A$500 million or more; 2. End of financial year consolidated gross assets: A$1 billion or more; 3. End of financial year employees: 500 or more. A Ch 2M entity, other than a registered scheme, RSE or retail CCIV, is also required to prepare a sustainability report as part of the Group 1 reporting cohort if it is a: - registered corporation under the NGER Act or is required to make an application to be registered under s12(1) of the NGER Act; and - is a member of a group (as defined in s8 of the NGER Act) that meets, for a financial year, the threshold in s13(1)(a) of the NGER Act.

Group 2: annual reporting periods commencing on or after 1 July 2026

A Ch 2M entity is required to prepare a sustainability report as part of the Group 2 reporting cohort if it (and the entities it controls, if any) meets at least two of three criteria:

1. Consolidated revenue: A$200 million or more;
2. End of financial year consolidated gross assets: A$500 million or more;
3. End of financial year employees: 250 or more.

This may include companies, registered schemes, RSEs and retail CCIVs.

A Ch 2M entity is also required to prepare a sustainability report as part of the Group 2 reporting cohort if it is a registered corporation under the NGER Act or is required to make an application to be registered under s12(1) of the NGER Act.

A Ch 2M entity that is a registered scheme, RSE or retail CCIV is required to prepare a sustainability report if:

- the value of assets at the end of the financial year of the entity (and the entities it controls, if any) is A$5 billion or more; or
- it meets any of the other two Group 2 sustainability reporting thresholds.

Group 3: annual reporting periods commencing on or after 1 July 2027

A Ch 2M entity is required to prepare a sustainability report if it (and the entities it controls, if any) meets at least two of three criteria:

1. Consolidated revenue: A$50 million or more;
2. End of financial year consolidated gross assets: A$25 million or more;
3. End of financial year employees: 100 or more.

This may include companies, registered schemes, RSEs and retail CCIVs.

Extent of application of ISSB Standards

Requirements	
Applicable ISSB Standards: which ISSB Standards does the legal or regulatory framework adopt or otherwise use?	AASB S1 corresponds to IFRS S1 and covers all sustainability-related risks and opportunities. This voluntary standard has been issued in recognition of the Australian Government's intention to approach mandatory sustainability requirements from a 'climate first, but not only' perspective. This means that the voluntary standard provides the framework for any potential future expansion of topics beyond climate, as well as providing a basis for voluntary disclosures that extend beyond climate-related matters. The Australian Government has not announced a timeframe or a process for broadening mandatory sustainability reporting beyond climate. AASB S2 corresponds to IFRS S2 and focuses on climate-related risks and opportunities that could reasonably be expected to affect the reporting entity's prospects. The AASB developed AASB S2 by incorporating the content of IFRS S2, including the IFRS S2 paragraph numbering, modified to the extent necessary to take into account the Australian legal and institutional environment, and, in particular, to ensure that any disclosure and transparency provisions are appropriate. Unlike IFRS S2, at this time, AASB S2 does not require the provision of industry-specific information, nor does it include industry-specific guidance or climate examples equivalent to *Industry-based Guidance on Implementing IFRS S2*. The AASB intends to finalise mandatory requirements for industry-based disclosures by 2030 (see paragraph BC30 in the AASB's Basis for Conclusions that accompanies AASB S2). Entities are permitted to voluntarily disclose industry-specific information (see also section *Additional disclosure requirements*). In RG 280, ASIC states that it will administer the sustainability reporting requirements on the basis that reporting entities may include additional sustainability-related information in the sustainability report (including those in accordance with AASB S1), provided that the climate-related financial information required under the Corporations Act and AASB S2 is clearly identifiable and not obscured. RG 280 suggests that this could be done using an index table that identifies the mandatory disclosures required under the Corporations Act and AASB S2.
Scope: what information is an entity in the jurisdiction required to disclose?	Material information about the climate-related risks and opportunities that could reasonably be expected to affect a reporting entity's cash flows, its access to finance or the cost of capital over the short, medium or long term in accordance with AASB S2.

Focus: at whom is the information provided by sustainability-related disclosure requirements in the jurisdiction focused?	Existing and potential investors, lenders and other creditors.
Placement of disclosures: does the jurisdiction require that an entity include sustainability-related financial disclosures as part of its general purpose financial reports?	Yes. The sustainability report is one of four reports required as part of a reporting entity's annual report, alongside the annual financial report, directors' report and auditor's report. A sustainability report for a financial year consists of: (a) climate statements, (b) notes to the climate statements and (c) the directors' declaration about the climate statements and the notes.
Timing of reporting: does the jurisdiction require that an entity report sustainability-related financial disclosures at the same time as its related financial statements?	Yes. Paragraph 64 of Appendix D of AASB S2 states that '[a]n entity shall report its climate-related financial disclosures at the same time as its related financial statements'. This mirrors the requirements in IFRS S1, except that the transition relief for the first year of application in IFRS S1 is not available in AASB S2. In RG 280, ASIC states that the sustainability report and the annual financial report should be lodged at the same time and relate to the same reporting period (see RG 280.95).
Transition reliefs: do the jurisdiction's requirements include any **extensions** of the transition reliefs included in IFRS S1 and IFRS S2?	No.

IFRS Sustainability

Jurisdictional modifications: do the jurisdiction's requirements include any modifications to the requirements in IFRS S1 and IFRS S2?	Yes.

	Description of modification	Duration of modification
IFRS S1	Australia's requirements take a 'climate first, but not only' approach, excluding the requirement to mandatorily report on all other sustainability-related risks and opportunities at this time. As a voluntary standard, entities are permitted to apply AASB S1 to report on all sustainability-related risks and opportunities (i.e., including those that are not climate-related). AASB S2's Appendix D contains the general disclosure requirements from AASB S1 (IFRS S1), insofar as they relate to the disclosure of information on climate-related risks and opportunities needed to make AASB S2 function as intended (AASB S2, BC25), with the exception of the requirements on industry-specific disclosures.	Indefinite
IFRS S2	AASB S2 does not require industry-based disclosures to be provided. AASB S2 also does not include the *Industry-based Guidance on Implementing IFRS S2.*	The AASB is undertaking a separate project to consider industry-based disclosures, with a view to finalising mandatory requirements for the disclosure of industry-specific information by 2030 (AASB S2, BC30).

Schedule of differences between ISSB Standards and jurisdictional requirements, if applicable and available.	AASB S2 contains a section titled 'Comparison with IFRS S2', which explains all differences and a section titled 'Deleted IFRS S2 Text'. Additional or changed requirements are identified in AASB S2 with the 'Aus' prefix to relevant paragraph numbers. Refer to AASB S2 for further details. AASB S1 contains a section titled 'Comparison with IFRS S1', which explains all differences and a section titled 'Deleted IFRS S1 Text'. Refer to AASB S1 for further details.
Dual reporting: is 'dual reporting' allowed, such that entities in the jurisdiction may assert compliance both with IFRS Sustainability Disclosure Standards as issued by the ISSB and another set of standards (for example, compliance with both ISSB Standards and the jurisdiction's sustainability-related disclosure requirements)?	Not prohibited. An entity could assert compliance with ASRS and IFRS Sustainability Disclosure Standards as issued by the ISSB if it voluntarily chooses to comply with parts of IFRS S2 not required by AASB S2 and with AASB S1. RG 280.92 states that climate-related financial information in sustainability reports should be clearly identifiable and not obscured by additional information.
Assertion of compliance: does the jurisdiction's legal or regulatory framework require entities to make an explicit and unreserved statement of compliance?	Yes—with Australian Sustainability Reporting Standards.

Reporting entities

Are all or most[4] **domestic** publicly accountable entities either required or permitted to comply with the jurisdiction’s sustainability-related disclosure requirements?

Current	**Target**
Yes—required.	Yes—required.
Required for listed and non-listed domestic entities captured based on the thresholds for Group 1 (see section *Summary of the timeline for the application of the jurisdiction’s sustainability-related disclosure requirements by entities in the jurisdiction*), constituting most of the market capitalisation. Permitted for all.	Required for listed and non-listed domestic entities subject to thresholds for Group 1–3 (see section *Summary of the timeline for the application of the jurisdiction’s sustainability-related disclosure requirements by entities in the jurisdiction*). Permitted for all.

Are entities without public accountability either required or permitted to comply with the jurisdiction’s sustainability-related disclosure requirements?

Yes.

Entities without public accountability are required to prepare a sustainability report if they are required to prepare an annual financial report under Chapter 2M of the Corporations Act and meet one of the sustainability reporting thresholds under s292A of the Corporations Act. They may include reporting entities that are unlisted public companies, large proprietary companies, registered schemes, RSEs and retail CCIVs.

Entities without public accountability that are not required to prepare a sustainability report under the Corporations Act may elect to voluntarily prepare a report containing climate-related financial information in accordance with AASB S2.

What sustainability-related disclosure requirements apply to **foreign** publicly accountable entities?

The sustainability reporting requirements do not apply to foreign companies registered under Div 2 of Pt 5B.2 of the Corporations Act or entities incorporated in a foreign jurisdiction (see RG 280.48(a)).

Australian subsidiaries of a foreign parent that fall within the scope of the sustainability reporting requirements under Ch 2M must still prepare an individual sustainability report (see section *Summary of the timeline for the application of the jurisdiction’s sustainability-related disclosure requirements by entities in the jurisdiction*). In this case, reporting is

[4] In accordance with the *Jurisdictional Guide*, ‘most’ publicly accountable entities is intended to capture the weight of the entities in relation to the economy or activity in the jurisdiction, instead of the number of entities subject to the requirements. It is based on the relative weight of listed entities captured by the requirements in relation to the jurisdiction’s gross domestic product or the overall market capitalisation in the main equity index.

	required for the Australian subsidiary. A foreign parent entity of an Australian subsidiary does not have the option of preparing a consolidated sustainability report on behalf of the consolidated entity to meet the sustainability reporting requirements on behalf of the Australian subsidiary. This is the position under the Corporations Act.
Reporting entity: do the jurisdiction's requirements specify that an entity's sustainability-related financial disclosures shall be for the same reporting entity as the related financial statements?	Yes. Paragraph Aus20.1 of Appendix D of AASB S2 states that '[a]n entity's climate-related financial disclosures shall be for the same reporting entity as the related financial statements, unless otherwise permitted by law'. Under s292A(2) of the Corporations Act, a parent entity that is a Ch 2M entity may elect to prepare a sustainability report on behalf of the consolidated entity for a financial year if the accounting standards require the parent entity to prepare financial statements in relation to a consolidated entity for a financial year. If a parent entity makes this election, subsidiaries that are part of the consolidated entity that would also otherwise be required to prepare a sustainability report do not need to do so.

Other sustainability reporting considerations

Additional disclosure requirements: does the jurisdiction require or permit an entity to provide additional disclosures within the report that contains sustainability-related financial disclosures based on ISSB Standards?	Yes—permitted. RG 280 notes that '[e]ntities may wish to disclose voluntary and other mandatory sustainability-related information to meet the information needs of users.' Only climate-related information is mandatory, so examples of such disclosures include sustainability-related financial information other than climate-related financial information by applying all or parts of the voluntary AASB S1 standard, or sustainability-related information disclosed under sustainability reporting standards or frameworks other than AASB S1 or AASB S2 (see paragraph 280.91).
If additional disclosures are permitted or required, what is the basis for such additional information?	Additional disclosures are permitted. ASIC will administer the sustainability reporting requirements on the basis that reporting entities may include additional sustainability-related information in the sustainability report, provided the climate-related financial information required under the Corporations Act and AASB S2 is clearly identifiable and not obscured (see RG 280.94).

	RG 280 provides the example of voluntary disclosure of sustainability-related financial information by applying all or part of AASB S1 and notes that disclosures may also be under other standards or frameworks (see paragraph RG 280.91).
Does the jurisdiction require that any such additional disclosures are clearly identified and do not obscure information required by ISSB Standards?	Yes. RG 280.92 states that climate-related financial information in sustainability reports should be clearly identifiable and not obscured by additional information.
Digital reporting: is digital reporting of sustainability-related disclosures required?	No.
If yes, what digital reporting taxonomy is used (if applicable)?	Not applicable.
Assurance: what level of assurance over sustainability-related disclosures does the jurisdiction require?	Assurance requirements will apply to all entities required to present a sustainability report under the Corporations Act. Mandatory climate reporting under the Corporations Act will be subject to the phasing in of limited and reasonable assurance under the Auditing and Assurance Standards Board Standard ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*. For an entity's first year of reporting, limited assurance is required over the disclosures relating to: (i) governance, in accordance with paragraph 6 of AASB S2; (ii) strategy (risks and opportunities), in accordance with subparagraphs 9(a), 10(a) and 10(b) of AASB S2; (iii) Scope 1 and Scope 2 greenhouse gas emissions, in accordance with subparagraphs 29(a)(i)(1) and (2) and 29(a)(ii)–(v) of AASB S2; and (iv) any statement that there are no material risks or opportunities relating to climate and how that applies to the entity under s296B(1)(c) and (d) of the Corporations Act or any similar statement otherwise made in the sustainability report. Group 1 entities with years commencing 1 January to 30 June will be subject to the Year 1 provisions twice (e.g., years commencing 1 January 2025 and 1 January 2026). Reporting of Scope 3 emissions is required for years commencing 1 January 2026 to 30 June 2026 for these Group 1 entities.

	In an entity's second and third year of reporting, limited assurance is required over all disclosures required to be reported under the Corporations Act. In an entity's fourth year of reporting, reasonable assurance is required over all disclosures required to be reported by the Corporations Act. Limited and reasonable assurance is required to be conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements*, which is the Australian equivalent of International Standard on Sustainability Assurance 5000, *General Requirements for Sustainability Assurance Engagements*.
Other comments regarding the content of sustainability-related financial reporting or the use of ISSB Standards in the jurisdiction.	ASIC recognises that there will be a period of transition as reporting entities continue to build their capability. Accordingly, ASIC has indicated that it will take a proportionate and pragmatic approach to supervision and enforcement as the requirements are being phased in (see RG 280.152–RG 280.155). For sustainability reports prepared for the financial years commencing between 1 January 2025 and 31 December 2027, modified liability settings apply, in specific circumstances to certain types of statements (see paragraphs RG 280.61–RG280.69). Scenario analysis Section 296D(2B) of the Corporations Act prescribes that, for the purposes of s296D(1), a disclosure of a scenario analysis, information derived from a scenario analysis or information about a scenario analysis is taken not to satisfy the requirement in s296D(1) unless the scenario analysis is carried out using at least the following scenarios: (a) the increase in the global average temperature well exceeds the increase mentioned in subparagraph 3(a)(i) of the Climate Change Act 2022; and (b) the increase in the global average temperature is limited to the increase mentioned in subparagraph 3(a)(ii) of that Act.

Jurisdictional authorities

Organisation(s):	Department of the Treasury (Treasury) Australian Accounting Standards Board (AASB) Auditing and Assurance Standards Board (AUASB) Financial Reporting Council (FRC) Australian Securities and Investments Commission (ASIC)

Role of the organisation(s):	The functions and powers of the relevant authorities are set out in the *Australian Securities and Investments Commission Act 2001*: - the AASB serves as the standard setter, responsible for developing, issuing, and maintaining sustainability standards for Australian entities; - the AUASB is tasked with developing, issuing and maintaining audit and assurance standards for sustainability-related information, and for setting the phasing of assurance of the sustainability reports under the Corporations Act from limited to reasonable assurance between 1 Jan 2025 and 30 June 2030; and - the FRC provides broad oversight of the AASB's and AUASB's process for setting standards in Australia. The FRC appoints the board members of the AASB and the AUASB (other than the Chair of each respective board), and can issue broad strategic directions to each of the boards of AASB and AUASB. However, it is not the FRC's role to become involved in the technical deliberations of these boards. Treasury is the Australian Government's lead economic adviser. Treasury provides advice to the Australian Government and implements policies and programs to achieve sustainable economic and fiscal outcomes for Australians. ASIC is Australia's integrated corporate, markets, financial services and consumer credit regulator. ASIC is established under and administers the ASIC Act, and carries out most of its work under the Corporations Act. ASIC is responsible for administering and enforcing the sustainability reporting (and financial reporting) requirements under the Corporations Act. ASIC also has the authority to enforce compliance with AASB S2 and ASSA 5000. Under the Corporations Act, ASIC has the discretionary power to grant relief to a reporting entity from the requirement to comply with its sustainability reporting and audit obligations under Pt 2M.2, Pt 2M.3 and Pt 2M.4 (other than Div 4), provided the relevant jurisdictional threshold in s342(1) has been met.
Website:	https://www.aasb.gov.au/