

15 October 2026

The Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA

Via the [consultation hub](#)

Dear Treasury,

Establishing External Reporting Australia's standard-setting boards

Thank you for the opportunity to provide a submission on the *External Reporting Australia (Standard-setting Boards) Instrument 2026* (the **Instrument**) that will establish the External Reporting Australia (**ERA**) standard-setting boards, the Australian Accounting Standards Board (**AASB**), the Australian Auditing and Assurance Standards Board (**AUASB**), and the Australian Sustainability Standards Board (**ASSB**).

The Australian Institute of Company Directors Limited (**AICD**)'s mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of more than 54,000 includes directors and governance leaders of not-for-profits, large and small businesses and the public sector.

Consistent with our previous submissions we are supportive of the establishment of the ERA and its objective to effectively oversee high-quality corporate reporting, including the development of internationally aligned standards. The AICD's submission builds on our views expressed in our earlier submissions to the Senate Inquiry into the *Treasury Laws Amendment (Financial Reporting System Reform) Bill 2026*,¹ and Treasury's consultations in November 2025² and February 2025³ along with feedback from senior members from AICD's Reporting Committee.

1. Executive Summary

Consistent with earlier submissions, the AICD reiterates several points which would strengthen the establishment of the ERA standard-setting boards. These include enhancements in line with better policymaking principles and supporting the Government's priority in reducing regulatory burden by \$10.2 billion each year.

Building on the [2025 analysis](#) on the cumulative impact of the weight and complexity of federal regulation, the AICD again engaged economics advisory firm Mandala Partners to investigate Australia's economic dynamism challenge, the significant role of regulation in this challenge and reform options to reverse this trend.⁴

¹ Senate Inquiry, Treasury Laws Amendment (Financial Reporting System Reform) Bill 2026, March 2026, available [here](#).

² Treasury, Positioning Australia's financial reporting system for the future – draft legislation, AICD submission, November 2025, available [here](#).

³ Treasury, Positioning Australia's financial reporting system for the future, AICD submission, February 2025, available [here](#).

⁴ AICD and Mandala Partners, *The Stagnant Nation: Lifting Australia's Dynamism* – A detailed report by Mandala which presents the research, methodology and modelling to support key policy recommendations, October 2026, available [here](#).
AICD and Mandala Partners, *\$160 billion and counting: The cost of Commonwealth regulatory complexity*, November 2025, available [here](#).

In the report *The Stagnant Nation: Lifting Australia's Dynamism*, we recommended adopting the Productivity Commission's recommendations under its *Creating a more dynamic and resilient economy* inquiry to improve the quality of federal policy making processes (Recommendations 2.1 – 2.4).

In this context, the AICD makes the following recommendations:

- **Consultation:** The AICD has for many years advocated for standard minimum stakeholder consultation periods across all Commonwealth policy initiatives. This allows that complex legislation and regulation is not rushed resulting in unnecessary compliance costs or unintended consequences.⁵ Frequently exposure draft legislation will be released for consultation for a short number of days. These are not genuine consultation processes and deprive stakeholders to assess often highly complex legislation comprehensively in a short period of time. We strongly **recommend** the forthcoming ERA Due Diligence Document include a requirement for minimum stakeholder consultation periods (for example, four weeks) and appropriate implementation lead periods (for example, two years), with longer periods for major standards with greater technical complexity and regulatory impact.
- **Proportionality:** Cumulative impacts across the regulatory system have received less attention than individual evaluation of individual standards. We **recommend** the Explanatory Statement and ERA Due Process Document include 'proportionality' in addition to guiding principles of consultation, transparency and accountability. This will provide a degree of confidence that the regulatory impact of standards (especially on smaller organisations) is considered as part of each standard-setting board's decision-making process on appropriate application of the standards. As part of the Government's [Regulatory Reform Agenda](#), we also encourage the Government and ERA to conduct a periodic assessment of opportunities to improve regulatory efficiency, which may include consideration of consolidating or reviewing standard-setting board functions to ensure the new governance and structural arrangements continue to remain fit-for-purpose.
- **Analysis of collective stock of standards:** We also **recommend** that the ERA Due Process Document includes obligations for the boards to complete a comprehensive analysis of the collective stock of accounting, auditing and assurance, and sustainability standards at periodic intervals, in line with the Government's revised Impact Analysis Framework.⁶ This will assist in understanding whether volume of regulation on entities is necessary and proportionate, balanced against other objectives, such as international alignment and stakeholder expectations.

If you would like to discuss any aspects of our submission further, please contact Simon Mitchell, Acting Head of Policy (smitchell@aicd.com.au) or Sean Dondas, Policy Adviser (sdondas@aicd.com.au).

Yours sincerely,



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⁵ Treasury, 2026-27 Budget process, AICD submission, Page 9, February 2026, available [here](#).

⁶ Australian Government, *Impact Analysis Framework*, July 2026, available [here](#).