



Project:	AASB Agenda Consultation	Meeting:	AASB October 2025 (M216)
Topic:	Decision-making framework and assessment criteria	Agenda Item:	6.2
		Date:	30 October 2025
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		Decision-Making:	High
		Project Status:	Consideration of decision-making framework

Objective of this paper

- 1 The objective of this agenda paper is for the AASB to consider a decision-making framework, updated for feedback received at the October 2025 meeting, to support a consistent and objective assessment of stakeholder feedback and decision-making about the AASB's future Work Plan and other activities.

Decision-making framework and assessment criteria

- 2 To support consistent and objective decision-making, staff consider it is important to have a framework and assessment criteria against which feedback will be assessed. The Assessment Criteria set out in paragraphs 5 – 9 of this paper is broadly aligned with the [AASB Due Process Framework for Setting Standards](#).
- 3 In applying the criteria, staff expect the AASB will also consider the relative costs and benefits of undertaking or not undertaking a project, together with other relevant factors.
- 4 Changes to the decision-making framework criteria that have been made since the October meeting are shown in marked-up text below. New text is underlined and deleted text is struck through.

Assessment Criteria

- 5 Relevance to Stakeholders
 - (a) Existence of a problem to solve: Whether there is a clearly defined issue or gap in current practice that indicates a need for targeted action.
 - (b) Extent of stakeholder interest: How widely the topic was raised in the ITC responses.

- (c) Diversity of stakeholder groups: Whether the topic is relevant across a broad range of stakeholders and sectors (e.g. preparers, auditors, users, regulators, and public, private, and not-for-profit entities).
- (d) Pervasiveness: Whether the topic affects a significant number of entities across industries and sizes, indicating widespread impact, or a smaller number of entities that represent a substantial portion of a market – indicating a concentrated but significant impact.
- (e) Evidence-based assessment: Whether there is objective evidence, such as stakeholder input, regulatory insights and relevant research to support the topic's significance and urgency.

6 Urgency and timeliness

- (a) Emerging and anticipated topics: Whether the topic addresses a current matter requiring a timely AASB response, or an anticipated development where early action could support proactive guidance and thought leadership.
- (b) Regulatory or legislative drivers: Whether there are changes in legislation or developments in public policy that may necessitate timely consideration or action through standard-setting or related activities.

7 Impact on ~~financial, sustainability or external~~ reporting

- (a) Potential to improve reporting: Whether addressing the topic could ~~enhance the transparency, comparability, or relevance of financial, sustainability or external reporting – ultimately improving~~ improve the usefulness of information for ~~stakeholders~~ users and reduce the cost and complexity of reporting.
- (b) Decision usefulness: Whether the resulting information would be useful to users of external reporting – recognising that whilst preparers bear most of the effort and cost in producing disclosures, users also incur costs in accessing, analysing and interpreting that information, and therefore the benefits of reporting must justify the costs.
- (c) Complexity or ambiguity in current practice: Whether the topic involves significant judgement, inconsistency, or interpretive challenges in current practice – potentially indicating a need for further guidance, standard-setting, education or simplification to support consistent and high-quality reporting.
- (d) Coherence: Whether the topic supports alignment and compatibility across external reporting frameworks.

8 Feasibility and Resourcing

- (a) Strategic alignment and capacity: Alignment with AASB strategic objectives and the ability of the AASB to undertake the work.
- (b) Collaboration opportunities: Whether there is the potential to work with other standard-setting bodies and regulators.
- (c) Project synergies: Whether there are links to current or planned projects and relevant external research.
- (d) Complexity and practicality: The feasibility of developing and implementing solutions within a reasonable timeframe, considering technical challenges and stakeholder readiness.

- (e) **Actionability:** Whether the AASB has the capacity and whether the topic falls within its remit to address through its standard-setting activities – including its ability to influence international developments. For example, if the topic relates to the interpretation of an IFRS Accounting Standard, it would be more appropriately addressed by the IASB.
- (f) **Resourcing balance:** Whether the AASB has the capacity to manage competing priorities across:
 - (i) Adoption and maintenance of IFRS Accounting Standards.
 - (ii) Development and revision of domestic standards.
 - (iii) Implementation support for climate-related reporting requirements and possible development of additional sustainability reporting standards.

9 Alignment with Public Interest

- (a) **Contribution to the Australian economy and society:** Whether the topic supports high-quality external reporting that enhances transparency, accountability and decision-making, while also balancing the need to reduce the cost and complexity of reporting.
- (b) **Proportionality:** Whether the topic warrants attention relative to its scale, complexity, and impact, ensuring that possible standard-setting responses are appropriately balanced and do not impose undue burden on entities, particularly smaller or less complex ones.

Limitations

- 10 In applying the Assessment Criteria, it is important to recognise that the AASB may not be able to respond to all stakeholder feedback due to certain practical limitations. These include, but are not limited to:
 - (a) **Ability of the AASB to take action:** There might be some topics where it could be difficult for the AASB to take action. For example, in financial reporting, the AASB primarily adopts IFRS Accounting Standards and has limited scope to amend them due to strategic direction and compliance requirements. As a result, concerns about IFRS-based standards may be better addressed through influencing the IASB. In contrast, the AASB has greater flexibility in sustainability reporting, particularly for climate-related disclosures. However, its current mandate does not extend beyond climate topics, so feedback on other sustainability matters may need to be referred to other bodies such as the Australian Treasury.
 - (b) **Collaboration with other entities:** As a Commonwealth entity the AASB is expected to collaborate with other government agencies and regulators where appropriate. Collaboration is particularly important to ensure that standards are auditable and enforceable. In some cases, it may also be more effective for certain matters to be addressed jointly to avoid duplication, ensure consistency and support implementation. As there is also a requirement for the AASB to harmonise Australian Standards with international standards as far as possible, collaboration with international standard-setters is expected.¹ Where collaboration influences project outcomes, the AASB will clearly identify the role of other entities and the basis for shared decision-making.
- 11 While the Assessment Criteria are designed to support structured and evidence-based decision-making, the AASB will apply professional judgement in weighing these factors. The

¹ Harmonisation is a core part of the AASB's mission, strategy and mandate. Harmonisation is also consistent with the AASB's policy of trans-Tasman convergence as set out in the [Australia–New Zealand Protocol](#).

relevance and importance of each criterion may vary depending on the nature of the project. For example, a project may have limited synergies with existing work but address an emerging issue of strategic significance. In such cases, the AASB may consider urgency and strategic relevance to outweigh other criteria. To support transparency, staff will clearly explain how the criteria have been applied and the rationale for any staff recommendations to the AASB.

Questions for Board members

- Q1 Do Board members have any questions or comments on the Assessment Criteria set out in paragraphs 5 – 9?
- Q2 Do Board members agree with the Assessment Criteria and their application? If not, what alternatives do Board members suggest?