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**Submission from the Uniting Church in Australia, Synod of Victoria
and Tasmania, to the inquiry into the *Treasury Laws Amendment
(Financial Reporting System Reform) Bill 2026*
27 March 2026**

The Uniting Church in Australia, Synod of Victoria and Tasmania, welcomes the opportunity to make a submission to the *Treasury Laws Amendment (Financial Reporting System Reform) Bill 2026*.

The Synod believes that the Bill is a missed opportunity that only consolidates the Financial Reporting Council, the Australian Accounting Standards Board, and the Auditing and Assurance Standards Board into the single body, External Reporting Australia, while doing nothing to improve the ethical standards of entities and professionals governed. Thus, in its present form the Synod believes the Committee should recommend the Bill not be proceeded with, being a waste of government revenue to make the changes outlined in the Bill. The Bill should only proceed if amendments are made so that it would result in the standards being set were required to serve the public interest and ethical considerations were an explicit requirement in the standard setting.

In the wake of the evidence of unethical behaviour exposed by the two Parliamentary Committee inquiries¹ that followed the PwC scandal, there is a need to put in place structures, standards and processes that will lift the ethical standards of tax advisers, auditors, accountants and consultants.

We are disappointed that External Reporting Australia will not have mandatory information-gathering powers regarding professional accounting bodies, thereby reducing its ability to oversee the effectiveness of those bodies in implementing the standards.

While External Reporting Australia will be required to act in the best interests of the private and public sectors in the Australian economy, we urge that it also be required to act in the public interest, which goes beyond just considerations that benefit the economy.

We are concerned that the criteria for appointment to the Governing Council will not ensure that the Council is not captured by private-sector interests that could act against the broader public interest in the functions of External Reporting Australia. We believe the make-up of the Governing Council and standard-setting boards should be such as to ensure they act in the public interest (not in the interests of the professions over the public interest) and promote high standards.

¹ Parliamentary Joint Committee on Corporations and Financial Services 2023 inquiry “Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry” and the Senate Finance and Public Administration Committee 2023 inquiry into “The management and assurance of integrity by consulting services”.



There is a need to have representatives of consumer bodies on the Governing Council and its technical standard-setting boards. We note that for the standard-setting boards, such appointments will be considered as part of ensuring that the board reflects “the users of materials prepared in accordance with those standards” (section 231). We believe there is a need to ensure that the Governing Council and the technical standard-setting boards are not captured by those with conflicts of interest who could act to uphold undesirable existing subcultures within the industry. People working in the industry may unconsciously act to uphold the existing cultures in the places they work, some of which are likely to be undesirable. There is a need to chip away at a culture in which financial service professionals believe their only obligation is to act in their clients' interests, even when that would involve acting against the public interest through unethical conduct or looking the other way when clients are engaged in illegal activities.

The Governing Council and the technical standard-setting boards should be required to include members who have expertise in ethics. In sections 227A(4) and 231(4) we believe that “ethics” should be added to the list of fields that the Minister is satisfied the person has experience in.

We believe that the structure should include a stand-alone ethics board to advise the Governing Council and the technical standard-setting boards on ethical considerations and measures, and to uphold a broader public interest in the standards that are set.

In section 233C, it should be specified that the cost/benefit analysis should not just consider financial costs and benefits, but also social, ethical and environmental benefits and costs.

The Synod welcomes section 233E that requires meetings of the Governing Council and standard-setting boards to be held in public when considering the contents of the standards.

External Reporting Australia should have an arm that monitors the implementation of the standards. That body should have the ability to enforce them and to point out areas where they are deficient or not acting in the public interest. Monitoring of the implementation of the standards should not be left to the professional associations.

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