



12 December 2025

Senate Finance and Public Administration Committees
PO Box 6100
Parliament House
CANBERRA ACT 2600

By email: fpa.sen@aph.gov.au

Dear Committee Members,

RE: Inquiry into the Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025

Accounting Professional & Ethical Standards Board Limited (APESB) thanks you for the invitation to make a Submission to the inquiry into the *Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025* (the Inquiry).

The role and mandate of APESB

APESB was created as an independent body in 2006 by the Australian professional accounting bodies with a primary purpose to develop, issue and maintain high-quality professional and ethical pronouncements for the Australian accounting profession (including firms) in an independent manner with a public interest focus. APESB's structure is unique as it is a circumstance where one National Standard Setter issues professional and ethical standards for three professional accounting bodies, all members of the International Federation of Accountants (IFAC).

APESB's pronouncements apply to members of the three major Australian professional accounting bodies: Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia, and the Institute of Public Accountants (IPA). This requirement to apply APESB pronouncements extends to accounting firms established by members and to all professional services they provide to clients, including the public sector.

Co-regulatory environment

The Australian accounting profession exists in a co-regulatory environment, which involves APESB, other standard setters comprising the Auditing and Assurance Standards Board (AUASB) and the Australian Accounting Standards Board (AASB), the three Australian professional accounting bodies and applicable regulatory authorities (for example, the Australian Securities and Investments Commission (ASIC), and the Australian Taxation Office (ATO)).

The importance of professional and ethical standards

Professional and ethical standards are the cornerstone of the accounting profession. We believe that a strong framework of professional and ethical standards assists accountants in addressing ethical issues when they arise, and when adhered to, it also establishes robust professional conduct and contributes to confidence in capital markets and the outputs produced for clients.

The Australian Code ([APES 110](#)) is based on the [International Code](#) issued by the [IESBA](#), which has been adopted and used in over 130 jurisdictions worldwide. We believe that APES 110 and APESB's other professional and ethical standards represent global best practice.

It should be noted that consulting services are provided by many disciplines other than accounting, and some of those may have their own codes of conduct. However, in the absence of a professional code of conduct for consultants in a particular discipline, there may be no generally recognised framework to manage unethical behaviour.

Monitoring, enforcement, and collaboration with regulators

Similar to the AASB and AUASB, as a national standards setter, APESB's mandate does not include monitoring, enforcement or determining penalties for instances of non-compliance with our standards.

The three professional accounting bodies and regulatory authorities (i.e., ASIC, ATO) are responsible for monitoring and enforcing compliance by professional accountants, including conducting disciplinary proceedings for breaches of APESB standards and determining penalties. This clear separation of responsibilities is similar to that between Parliament and law enforcement authorities.

Government procurement process

APESB have previously commented on the ability of the Government's procurement processes to drive increased ethical behaviour by large professional services firms (refer to page 4 of our [submission](#) to the Inquiry into *Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry*). APESB were of the view that the Government could develop a rigorous Code of Ethics (such as APES 110) that could be applied to all professional services firms or persons that contract with or provide any form of professional services to the Government

Concluding comments

APESB appreciates the invitation to comment on this inquiry and acknowledges the federal government's efforts to consider mechanisms designed to achieve compliance with its procurement processes. However, we are unable to provide commentary on likely penalties for unethical behaviour, as such matters fall outside APESB's mandate.

Please note that APESB's submissions are public documents, and we request that this Submission be shared publicly on your website.

We trust that you find these comments useful in your deliberations. If you wish to discuss this further or should you require any additional information, please get in touch with APESB's Chief Executive Officer,

Yours sincerely

Nancy Milne OAM

Chairman