

Auditor-General Opening Statement Senate Estimates October 2025

With the Committee's agreement I seek to make some brief opening remarks.

It is a privilege to appear as Auditor-General for Australia following my appointment to the role in November 2024. The ANAO has a proud 125 year history in bringing independent reporting and transparency to the Parliament to assist it in scrutinising the activities of executive government as well as to improve public sector performance. The independence we bring to our work is a hallmark in our system of democracy.

The ANAO's annual report was tabled on 23 September 2025. In the last 12 months, we have continued to bring independent reporting to the Parliament in the context of a changing world. That work resulted in :

- audit opinions for 244 annual financial statements of Commonwealth entities, Commonwealth companies and their subsidiaries and for the Commonwealth's consolidated financial statements;
- audit opinions for 14 annual performance statements and performance measures of material Commonwealth entities;
- 44 performance audits and one priority assurance review, the 2023–24 Major Projects Report; and
- a range of other assurance activities, publications and services to support transparency, accountability and performance in the Australian government sector.

We have also focussed on developing a forward strategy with priorities to improve our impact, drive our performance through innovation and inspire and develop our people.

Across our work, we observe many areas of good practice and improvement in the Australian public sector. We also observe deficiencies. Financial statements audits point to ongoing weaknesses in IT controls and persistent legislative breaches. In our performance statements audits, while entities are maturing their reporting systems, we see incomplete and insufficient evidence for performance information, and the need for more meaningful reporting to fulfill accountability requirements and inform business improvement.

Across the 44 performance audits published in 2024–25, a continued theme was the need for the public sector to maintain its focus on integrity, including 'getting the basics right' by adhering to applicable policies, frameworks and laws. Opportunities for greater stewardship — by keeping governance and frameworks fit-for-purpose — as well as strengthening risk management, performance monitoring and management were also common themes.

The ANAO's audits have driven improvements in public sector performance. More than 96 per cent of ANAO performance audit recommendations were agreed to by audited entities, and more than 80 per cent of recommendations have been implemented within 24 months of reports being presented. Audits have also led to changes in frameworks that apply across the public sector. During 2024, for example, 22 per cent of changes in the Commonwealth Procurement Rules related to recommendations made by the ANAO. Undergoing an audit can help agencies to be more efficient, effective, economical and ethical in managing their resources.

Continued for 8

The continued work of the ANAO is not without challenge. We have operated our budget in deficit for 10 years and have reported to the Joint Committee of Public Accounts and Audit (JCPAA) in 2024-25 that this is no longer sustainable. Externally driven cost pressures continue to rise mainly as a result of market-driven auditing costs, costs of essential cybersecurity, and systems to support secure information collection in an increasingly complex public sector. Demand for audit services continues to grow, including the need for audits of climate disclosures and auditing emerging technologies (such as AI).

Within our current budget envelope these pressures can only be dealt with through more efficient audit processes – which we continue to pursue - and a reduction in performance audit reporting, which is the main discretionary area of our work. The ANAO's performance audit target has been reduced to 38-42 reports for 2025-26. Last year, the target was 48, which is what the Parliament has indicated it expects from the ANAO.

During the implementation of our strategy, I expect that we will see many advances in audit techniques and through that support for the Parliament and impact on public sector performance.

- We are reviewing our risk settings across our financial and performance statements "book" to ensure that our audit work aligns with risk, while preserving the quality expected of us.
- We are continuing to automate audit work within our current systems.
- We are developing approaches to performance auditing and reporting, learning from international counterparts, to bring reports more swiftly to the Parliament where that makes sense.

We are building a strong and purposeful relationship with the 49th Parliament, with a particular focus on our relationship with the Joint Committee of Public Accounts and Audit. And we are working more purposefully within the public sector to share lessons and messages from our audit work.

I would like to acknowledge the professionalism and dedication of our ANAO team, who are approaching the final stage of an intense period of year-end audits. I'm impressed by the commitment of the ANAO's people to look for ways to execute our important work in independent reporting to the Parliament and supporting transparency, accountability and performance in the public sector.

Together with the ANAO leadership team I look forward to answering the Committee's questions.