

MEDIA RELEASE - TUESDAY, 27 OCTOBER 2026

Auditor-General's report to Parliament finds Government businesses performance deteriorated as they again failed to meet expectations

In the foreword to the report, Mr Thompson noted: "In my equivalent report last year, I emphasised the declining financial performance of the government businesses as well as issues relating to compliance. While I raised concerns across a number of businesses, significant focus was placed on my conclusion that TT-Line was unable to repay the debt it had incurred and as such was insolvent. Subsequent events, including the need for significant capital injections support my original conclusions. This year TT-Line has made appropriate disclosures about the ongoing challenges that they are facing, including the existence of material uncertainty as to their ability to continue as a going concern into the future."

"What may have been missed in last year's report is that TT-Line is not alone."

The financial challenges for the sector are continuing to grow, more businesses are showing signs of financial distress and are underperforming against the expectations they have set for themselves.

"In preparing this report I observed an ongoing lack of public reporting of performance information by government business entities and while the proposed reforms to the sector will go some way to improving accountability and transparency, there is still some way to go" Mr Thompson said.

"This year, I have included a brief performance summary for each business".

Government businesses are not meeting the expectations they set for themselves, and this is not being reported transparently

Analysis of information relating to Government Businesses, that is not transparently reported to the Parliament or the public, identified 128 financial performance targets relevant to 2025-26, of which 64 (50.0%) were not met. If this level of achievement continues, financial performance will continue to be worse than forecast by the government businesses.

Government business performance is worse than previous years, and it is unclear if this is going to change in the future

The performance of government businesses is continuing to decline. Rather than generating returns to government, these businesses, in 2025-26 were a net cost to the General Government Sector. Underlying profit decreased by \$54.33 million, the support provided by the government increased by \$228.88 million (equity and subsidies), returns dropped by \$122.61 million, and borrowings increased \$507.92 million.

The net cost to support government businesses in 2025-26 was \$584.64 million, a \$351.49 million increase from 2024-25

Analysis of the 2026-27 state budget identifies that planned support to government businesses will continue to grow, peaking at \$909 million in 2028-29. Across the budget and forward estimates the net support to be provided totals \$1,810 million. Much of this support is required to enable the renewal of infrastructure at or near its end of life, or to deliver new infrastructure.

“Government business performance is not meeting expectations, so where is the oversight?”

Mr Thomson said “This report identifies that government businesses are not meeting expectations and their performance has worsened significantly in recent years. A reasonable question to ask is how effective was the system of oversight during this period of declining performance? To help answer this question, I encourage readers of this report to also consider my report, Auditor-General Report No. 2 of 2026-27: Treasury’s oversight of government business. This report found that the corporate governance framework for government businesses was not fit for purpose because it did not have effective monitoring and reporting of compliance and that Treasury did not always support the Treasurer through the provision of advice adequate to support informed decision making”.

Click through to the report – [AGR 2025-26 Volume 2](#)

ENDS

Further information contact Jonathan Wassell, Deputy Auditor-General, on (03) 6173 0900