

26
—
27

Auditor-General's Annual Plan

AUDITING FOR A BETTER TASMANIA



Audit
Tasmania

Image: View of the Hazards from Swansea. Credit: Stu Gibson.



Acknowledgement of Country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.



Image: Springlawn, Narawntapu National Park. Credit: Sam Shelley.

© Crown in Right of the State of Tasmania
June 2026

Auditor-General's reports and other reports published by the Office can be accessed via the Office's website below. For more information, please contact us:

Audit Tasmania

admin@audit.tas.gov.au
GPO Box 851, Hobart 7001
[audit.tas.gov.au](https://www.audit.tas.gov.au)

Hobart Office

(03) 6173 0900
Level 2, 144 Macquarie Street, Hobart

Launceston Office

4th Floor, Henty House, 1 Civic Square,
Launceston

Foreword from the Auditor-General

I am pleased to present my Annual Plan for 2026-27, pursuant to section 11 of the *Audit Act 2008* (Audit Act). It is the statement of intent for what I plan to achieve in the coming year.

The Premier's 2026 State of the State address highlighted why public sector audit is more important than ever. From my perspective, the address signalled that government is accelerating major project delivery, embracing AI, restructuring agencies, and seeking budget savings to manage fiscal sustainability without undermining services. Audit plays a key role in maintaining transparency, accountability, and trust while making recommendations to support better decision making and more sustainable long term results.

In a letter tabled in Parliament on 4 December 2025, the Premier and Treasurer committed to ensure that funding to Audit Tasmania over the forward estimates supports at least six (6) performance audits per annum. The revenue from appropriation included in the 2026-27 State Budget¹ is not sufficient to meet that commitment. It remains the preferred position of the Auditor-General that performance audits should be fully funded through appropriation as they are for the purpose of reporting to Parliament.

An option of raising fee revenue may be necessary to meet the commitment of 6 performance audit reports if the appropriation revenue remains at the reduced level of \$2.4 million rather than the \$3.1 million requested. See appendix on page 23 for more information.

Suitable coverage can only be achieved with adequate independence. My contribution to the Department of Treasury and Finance's review of the Audit Act, which started in 2024, has focused on ensuring the Auditor-General role is more independent from Executive Government. As noted in the Australasian Council of Auditors General 2026 Independent Report, this can be achieved through:

- more transparency, and greater involvement from the Public Accounts Committee, in setting Audit Tasmania's budget to match the level of audit coverage Parliament requires
- ensuring the Auditor-General can make decisions on Audit Tasmania's operations without needing to seek approval from Government
- the practice of some state entities to limit the Auditor-General's access to their information reduces the Auditor-General's ability to provide the Parliament with comprehensive reports.

I will continue to provide advice to the Government and Parliament regarding updating and strengthening the Audit Act.



Audit
Tasmania

25 November 2026
marks 200 years of auditing
for a better Tasmania

1. Table 8.1 Chapter 8 in the Government's Budget Paper No. 3 for 2026-27.



The need for transparency in relation to the setting of Audit Tasmania's budget has come to the forefront this year. The Government's efficiency dividend disproportionately affects Audit Tasmania and is a direct threat to independence. The efficiency dividend:

- imposes the same percentage cut across entities, regardless of whether an organisation has a small discretionary spend, is highly efficient or faces unavoidable cost pressures (such as demand growth, statutory obligations, or legacy ICT systems)
- disproportionately affects performance audit activity – a reduction in performance audit activity is the only way Audit Tasmania can respond to efficiency dividends. Our mandatory work, including our annual plan and all reports to parliament (including the 4 reports on the results of financial statements) are statutory obligations

funded through appropriation. It also co-funds all support services for Audit Tasmania. The remaining appropriation funds performance audit. Financial audits are undertaken on a cost recovery basis

- has compounding effects over time. Figure 1 shows Audit Tasmania's appropriation revenue has not grown at the same rate as the General Government Sector Revenue.

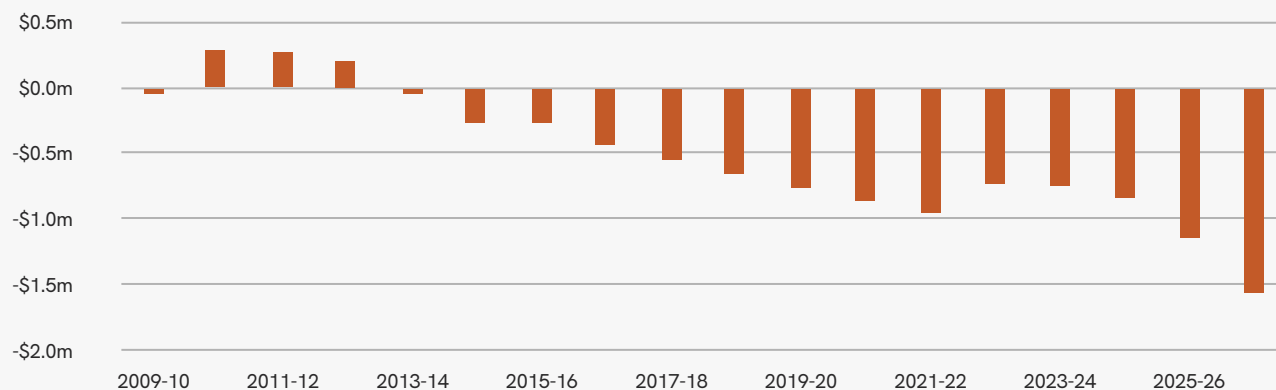
In response to the erosion of Audit Tasmania's budget, I have decided to:

- not follow up on individual performance audit reports. My auditors now follow up with State entities on the status of all Audit Tasmania's financial and performance recommendations in the audit outcomes reports every year. This information is then summarised in the Auditor-General's report

on the financial statements of State entities Annual Audit Update. This means that while the breadth of reporting to Parliament is better, the depth of reporting in relation to following up on performance audits has reduced

- consider a co-contribution model for performance audits to ensure Parliament receives the independent information it needs to effectively oversee the performance of public sector entities. If sufficient appropriation funding is provided a co-contribution model for performance audits will not be required. As noted above, financial audits are delivered on a cost-recovery basis, while appropriation funding is used to meet Audit Tasmania's statutory reporting obligations and deliver performance audits. The statutory reporting obligations (an annual plan, an annual report, and reports on financial statement audit activity) cannot change, so a reduction in appropriation funding reduces the number of performance audits undertaken each year.

Figure 1: How Audit Tasmania funding has failed to keep up with growth in revenue to the general government sector



Source: Audit Tasmania analysis of the Department of Treasury and Finance budget papers. Noting that it highlights the gap between Audit Tasmania appropriation funding growth to that of the General Government Sector since 2009-10.

Martin Thompson
Auditor-General
22 June 2026



Context

Audit Tasmania provides assurance to Parliament and Tasmanians on the performance of public sector entities.

Figure 2: Audit Tasmania's 2025-28 vision, purpose and strategic priorities

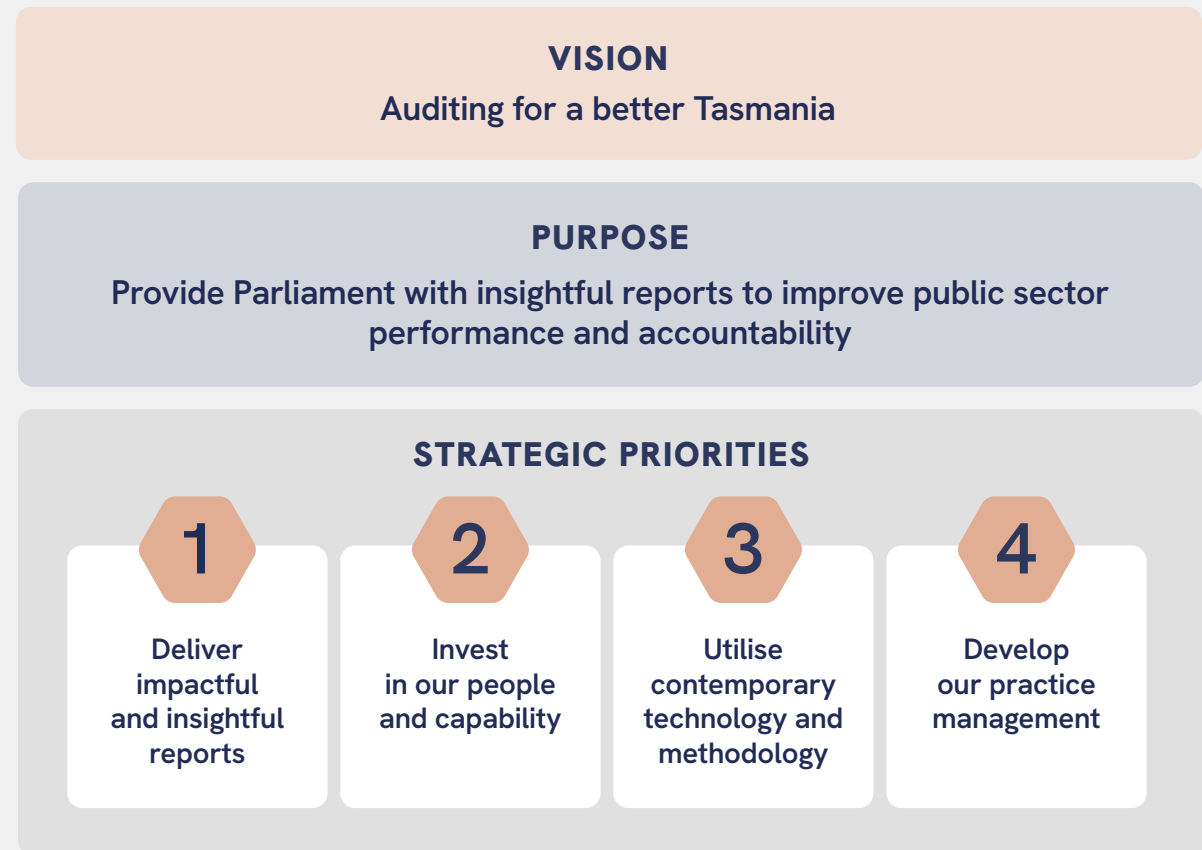


Image: Tessellated Pavement
Credit: Stu Gibson



Key changes in our annual plan for 2026-27

This year's plan focuses on how our reporting to Parliament is based on the audit activity we undertake each year and is informed by our assessment of significant risks.

Financial and sustainability assurance

Our Financial and Sustainability Assurance audit teams have contact with every state entity several times every year. One primary product of this work culminates in the signing of audit opinions in financial and sustainability reports of state entities. We assess whether financial statements present fairly the financial results and position in accordance with relevant legislation and accounting standards. This enables the reader to have confidence in the reliability of published financial and sustainability information.

Having completed this detailed audit work in every State entity, we are then able to provide Auditor-General's reports to Parliament on the audits of State entities financial and sustainability reports. Through these reports we meet our obligation under section 29(4)(a) to draw attention to any case in which the functions of an accountable authority have not been adequately and properly performed.

Performance audit

This intelligence also feeds into the development of our performance audit plan. We research significant risks that the State faces, analyse publicly available data to assess the level of that risk and then target our work program accordingly.

A change in how we follow up on performance audit recommendations

In prior years, Audit Tasmania worked with the Public Accounts Committee to follow up on all performance audit recommendations made. Recommendations were generally followed up on 2 years after the report was tabled.

This year we have moved to following up on performance audit recommendations annually through our Annual Audit Outcomes process. The results of this process will be reported in Auditor-General's report on the financial statements of State entities, Volume 1 – Annual Audit Update, Audit of State entities and audited subsidiaries of State entities. The reasons for this change are that it:

- ensures all Audit Tasmania recommendations, regardless of whether they come from financial audits or performance audits, are followed up the same way
- provides more regular and timely information to Parliament on how State entities are implementing performance audit recommendations
- means we can reallocate funding previously allocated to following up on individual reports to look at other aspects of public sector performance.



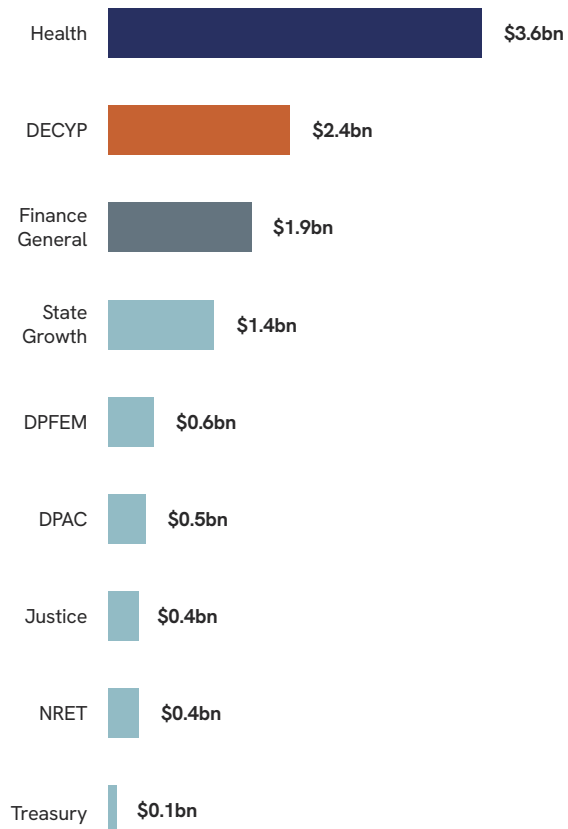
Image: Bellerive Beach
Credit: Samuel Shelley



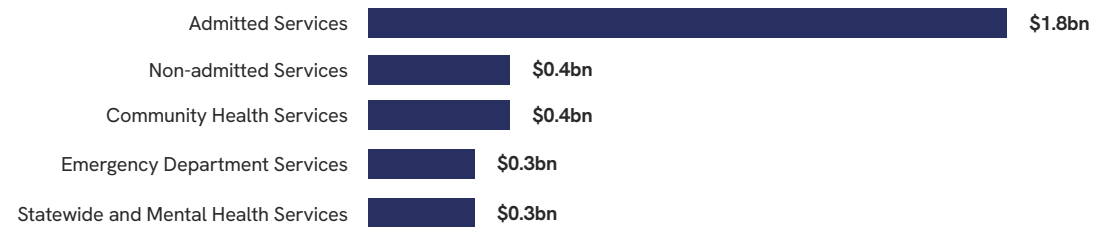
Public sector analysis

Figure 3: 2025-26 budgeted output expenditure by Tasmanian government department

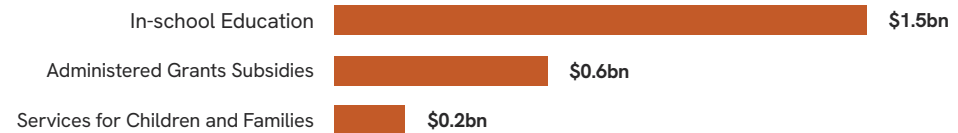
2025-26 Budget by Department



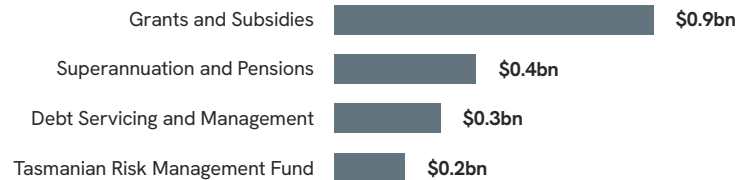
2025-26 Health Budget - Top 5 output groups



2025-26 DECYP Budget - Top 3 output groups



2025-26 Finance General Budget - Top 4 output groups



Source: Department of Treasury and Finance 2025-26 budget papers. Note that only top output groups are included on the right, whereas total expenditure included on left.



Strong governance and stewardship

Risk 1: Structural deficit and increasing debt

Tasmania's structural deficit means the government is spending more money than it earns. It is happening because costs like health, education, and wages keep rising faster than income from taxes and grants. Figure 3 provides expenditure by Tasmanian government departments.

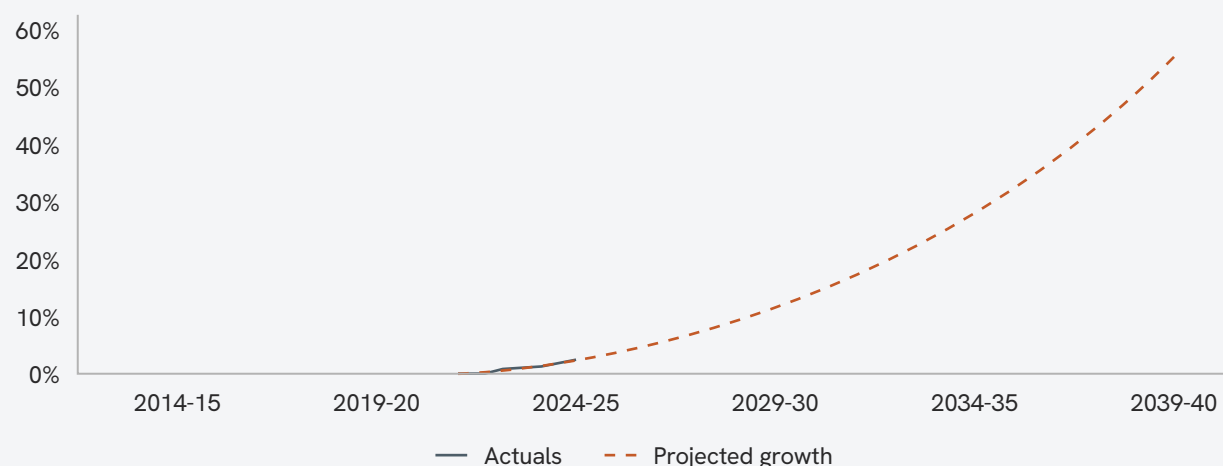
To cover the shortfall, the government borrows money, which leads to increasing debt. Over time, this debt grows because the government must keep borrowing just to maintain current services. If this continues, more future money will go toward repaying debt instead of improving services for the community as shown in Figure 4.

To help address this, the Efficiency and Productivity Unit in DPAC has been asked to find \$150 million a year in ongoing savings from 2027–28.

Planned audits/reports related to this risk

- Auditor-General's report on the financial statements of State entities, Volume 1 – Control Frameworks of State entities, recommendation implementation update and audits of State entities with financial year end of 31 December 2025 (August 2026)
- Treasury's oversight of government businesses (October 2026)
- Auditor-General's report on the financial statements of State entities, Volume 2 – Public Financial and Public Non-Financial Corporations with financial year end 30 June 2026 (October 2026)
- Auditor-General's report on the financial statements of State entities, Volume 3 – General Government Sector, including Treasurer's Annual Financial Report, State entities with financial year end 30 June 2026 (November 2026)
- Auditor-General's report on the financial statements of State entities, Volume 4 – Local Government State entities with financial year end 30 June 2026 (December 2026)
- Budget and performance management in the General Government Sector (June 2027).

Figure 4: Debt servicing costs as a ratio of operating revenue, actual and projected from historical expenditure



Source: Department of Treasury and Finance.



Sustainable communities and environment

Risk 2: Housing and homelessness

Tasmania does not have enough affordable homes for people to live in. House prices and rents have risen faster than wages, making it hard for many people to afford a place to live. The social housing waitlist is long, meaning people in need may wait years for a government-owned home. New housing is also slow to build because of construction bottlenecks, such as worker shortages, higher building costs, and planning delays. At the same time, the rental market is under pressure, with very few available properties and strong competition, which pushes rents even higher and increases the risk of homelessness.

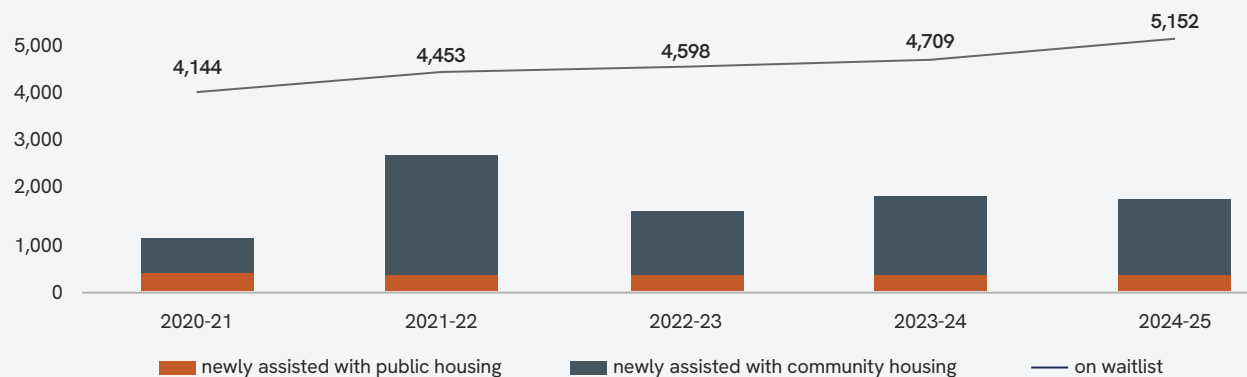
Risk 3: Our living environment

Tasmanians place a high value on our natural and built environment to encourage recreation and wellbeing.

Planned audits related to these risks

- Management of fresh water resources (February 2027)
- Management of the 20-year housing strategy (we plan to commence this audit in 2026-27)
- Sports funding (under consideration for future delivery).

Figure 5: Households assisted with public or community housing compared to those on the waitlist, 2020-21 to 2024-25



Source: Productivity Commission's 2026 Report on Government Services.

Image: Swan River Sanctuary
Credit: Stu Gibson



Healthy, skilled and safe Tasmanians

Risk 4: Health system performance

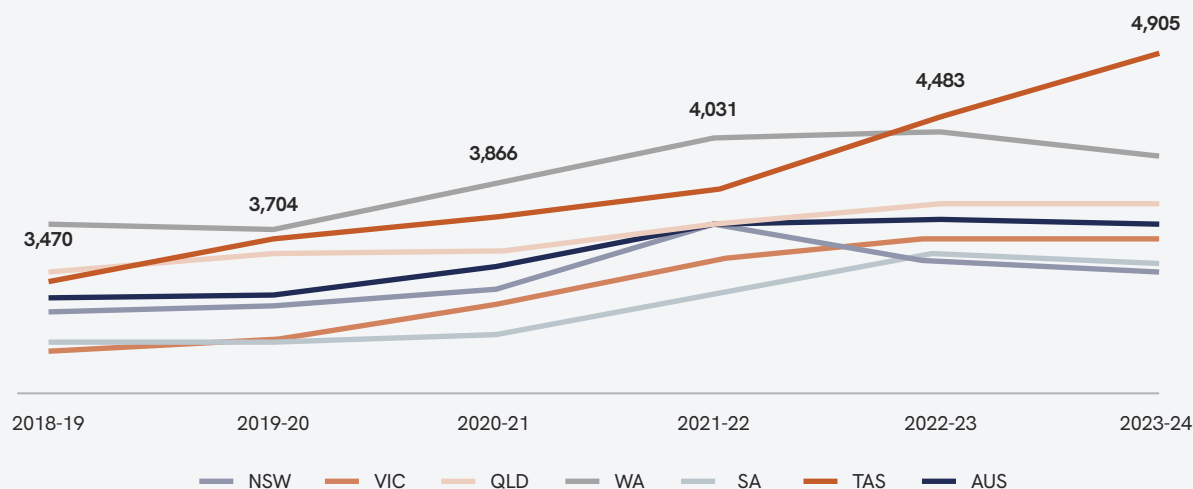
Tasmania's health system performs poorly compared to other states because it faces several linked problems:

- health spending already takes over one-third of the state budget, and costs are growing faster than the money the government collects, making the system hard to sustain
- Tasmania also has the oldest population in Australia, which means more people need ongoing care for long-term illnesses, putting extra pressure on hospitals and staff
- many hospital buildings and systems are old and outdated, and upgrading them is slow and very expensive
- at the same time, Tasmania struggles to attract and keep doctors and nurses, leaving staff overworked and services stretched
- the system lacks a clear commissioning model, meaning services are not always planned or funded in a coordinated way based on what patients actually need, leading to inefficiency and poorer outcomes.

Planned reports related to this risk

- Auditor-General's report on the financial statements of State entities, Volume 1 – Control Frameworks of State entities, recommendation implementation update and audits of State entities with financial year end of 31 December 2025 (August 2026)
- Auditor-General's reports on the financial statements of State entities, Volume 3 – General Government Sector, including Treasurer's Annual Financial Report, State entities with financial year end 30 June 2026 (November 2026).

Figure 6: Real recurrent expenditure (\$ per person, in 2024 dollars) on public hospital services, by State and over time



Source: Productivity Commission's 2026 Report on Government Services.



Image: Bay of Fires
Credit: Tourism Tasmania
and Rob Burnett



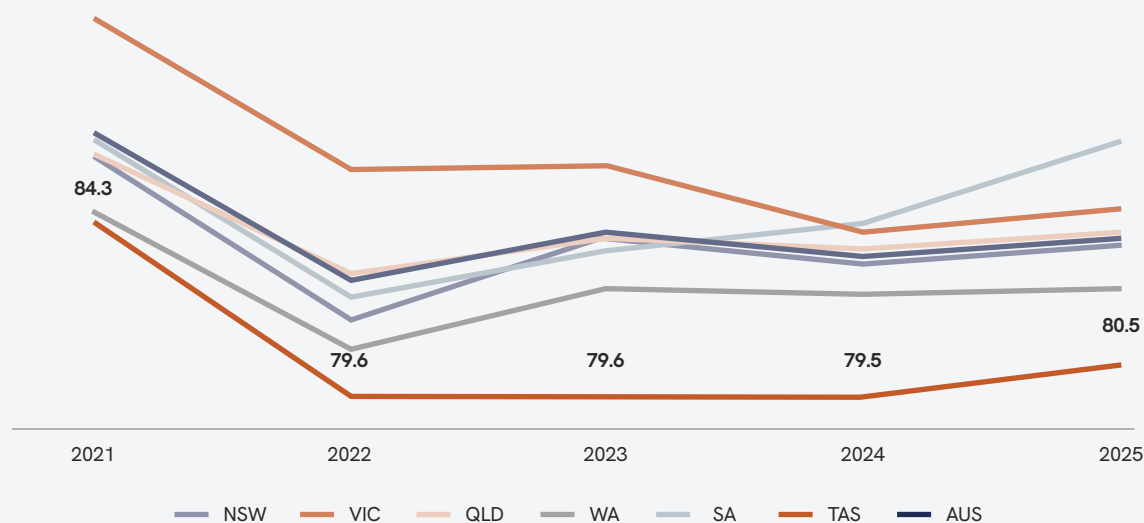
Healthy, skilled and safe Tasmanians

Risk 5: Education system performance

Tasmania's education system struggles compared to other states because it faces long-standing and connected challenges. These are:

- student outcomes are generally lower than the national average, especially in literacy, numeracy, and Year 12 completion rates, meaning many young people leave school without strong foundations
- the system is under financial pressure, with rising costs making it hard to invest enough in early learning, schools, and support services
- Tasmania also has workforce shortages, particularly in rural and regional areas, making it difficult to attract and keep experienced teachers and leaders.

Figure 7: Attendance rates (%) for year levels 7-10 in government schools by state, 2021-25



Source: Productivity Commission 2026 Report on Government Services.

Planned audits related to this risk

- Safety of staff in schools (under consideration for future delivery)
- Literacy attainment (under consideration for future delivery).

Image: The Bend Vineyard
Credit: Jasper Da Seymour

Healthy, skilled and safe Tasmanians

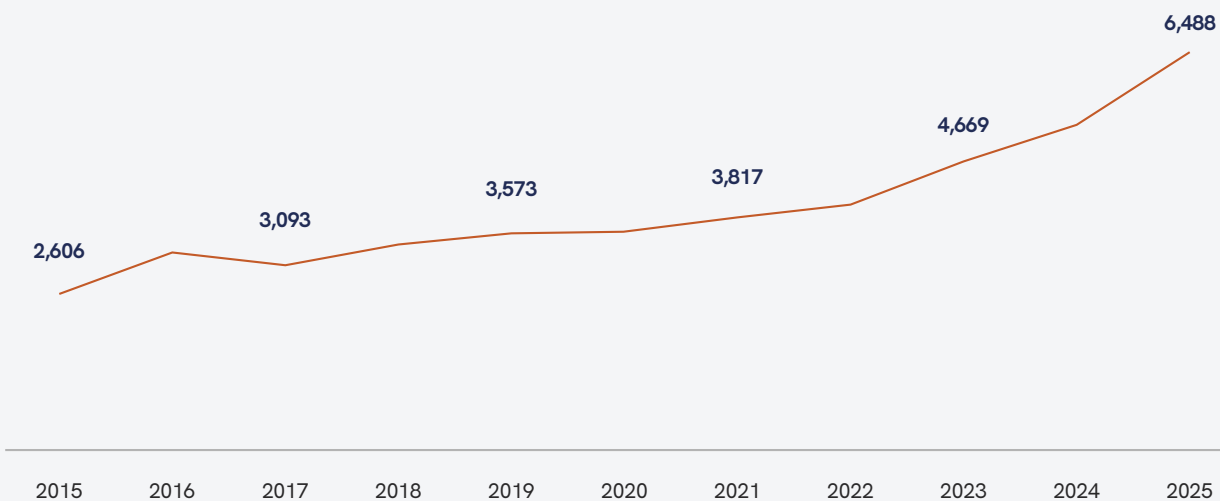
Risk 6: Safe families and communities

Family violence incidents reported to Tasmania Police have been steadily increasing over the past 10 years. Many challenges facing Tasmanians, including the lack of affordable housing, long waiting times for health and mental health care, high demand for community support services, and financial stress, are risk factors associated with family violence. These challenges also impact the safety and ongoing wellbeing of those escaping or trying to escape family violence.

Planned audits related to this risk

- 'Safe at Home' Family Violence Program (June 2027)
- Efficiency of the Courts (under consideration for future delivery).

Figure 8: Family violence incidents reported to Tasmania Police, 2015-25



Source: Tasmania Police Annual Corporate Performance Reports, 2014-15 to 2024-25.



Fit-for-purpose infrastructure

Risk 7: Infrastructure capability and sustainability

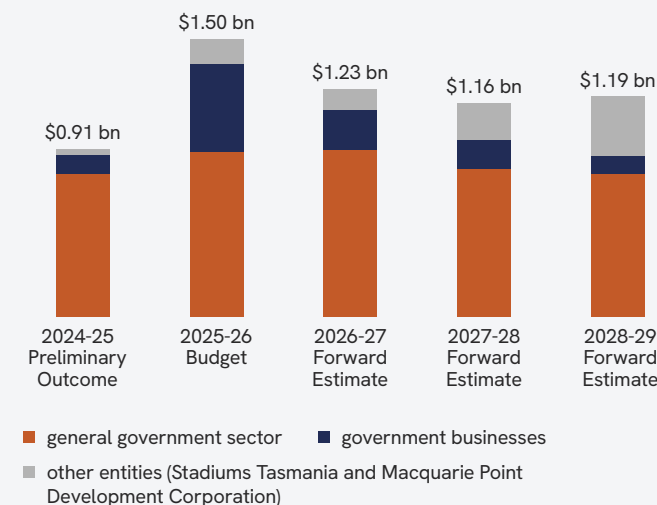
Tasmania faces challenges delivering fit for purpose infrastructure, meaning roads, hospitals, schools, utilities, and public assets are not always the right standard to meet community needs. Many assets are old and poorly maintained, which increases breakdowns, safety risks, and long term costs.

While the Government has identified broad areas that need investment, Tasmania has limited long term planning and prioritisation, making it hard to clearly decide which projects are most urgent and deliver the best value. Frequent changes to plans and funding decisions also weaken confidence and delay delivery.

As a result, infrastructure spending is often reactive rather than planned, reducing efficiency and making it harder to support population growth and essential services over time.

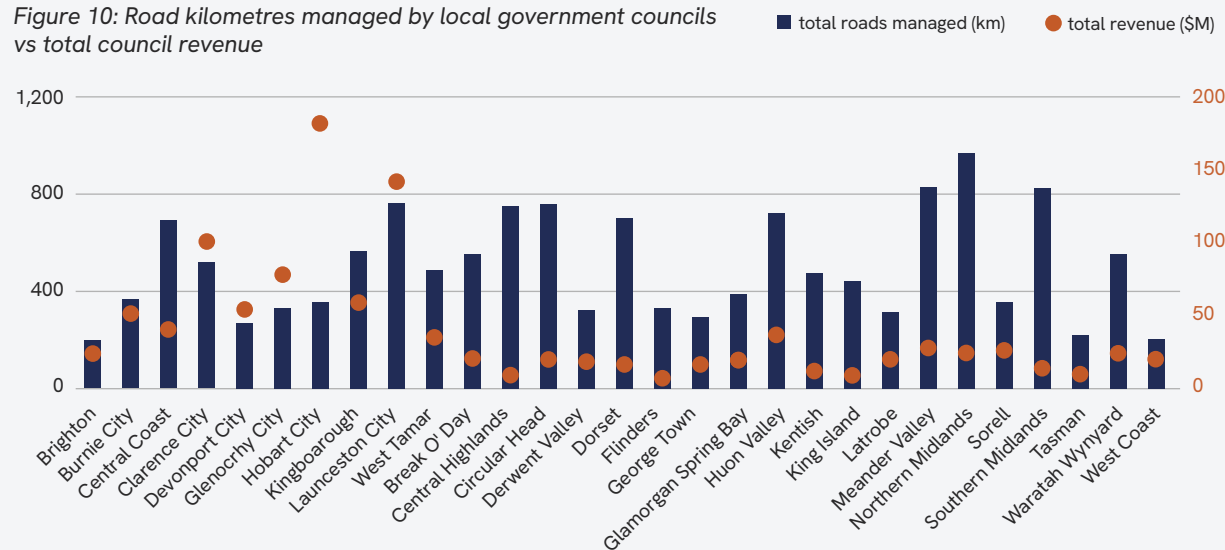
In local government, this risk shows up as councils struggling to maintain roads, bridges, and community facilities because they lack clear long term asset plans and reliable funding. As a result, maintenance is often delayed until assets fail, leading to higher costs, service disruptions, and growing pressure on council budgets and rates.

Figure 9: Planned infrastructure investment, 2024-25 to 2028-29



Source: Department of Treasury and Finance 2025-26 budget papers.

Figure 10: Road kilometres managed by local government councils vs total council revenue



Source: Audit Tasmania and Tasmanian Local Government Consolidated Data Collection – Statewide Data Repository for 2015 to 2025.

Planned audits/reports related to this risk

- Management of port infrastructure (November 2026)
- Auditor-General's report on the financial statements of State entities, Volume 2 – Public Financial and Public Non-Financial Corporations with financial year end 30 June 2026 (October 2026)
- Auditor-General's report on the financial statements of State entities, Volume 4 – Local Government State entities with financial year end 30 June 2026 (December 2026)
- Asset management in local government (August 2027).



Summary of audits to be tabled or commenced in 2026-27



Treasury's oversight of government businesses (underway)

Tasmanians own 14 government businesses. The State Government, through the Treasurer and another responsible Minister, looks after these businesses on their behalf.

In 2024, the State Government decided the framework for overseeing government businesses needed to improve. This framework is developed and managed by the Department of Treasury and Finance. Treasury has now finished the first phase of the work and is now working on the second phase.

This audit will assess how well Treasury administers the framework for overseeing government businesses. It will do this by asking if Treasury maintains a framework that aligns with contemporary practice and is fit-for-purpose. It will also ask if Treasury gives the Treasurer the information needed to make informed decisions about government businesses.



Management of port infrastructure (underway)

Tasmania's ports are essential infrastructure. More than 99% of goods entering and leaving the state move through the port network.

Inadequate port infrastructure management creates significant operational, safety, and economic risks.

This audit will assess whether the Department of State Growth and TasPorts manage Tasmania's port infrastructure in a way that is responsive to current and future needs. It will do this by asking if the strategy for managing port infrastructure is based on clear understanding of needs and supports coordinated and consistent decision-making on ports infrastructure. It will also ask if port infrastructure management practices are realistic, risk-based and aligned with needs.



Image: Table Cape
Credit: Pete Harmsen



Summary of audits to be tabled or commenced in 2026-27



Management of freshwater resources

Fresh water is essential for life. It is also key to some of the Government's economic policies, including a \$10 billion agricultural sector by 2050, doubling renewable energy production from hydroelectric by 2040, hydrogen industry development, and support for artificial intelligence factories.

Recent reports on Tasmanian rivers and waterways suggest these systems are under pressure. In farming areas, many rivers and streams are nearing allocation limits. Long periods of dry weather have reduced water levels, leading to operational challenges. Climate change is expected to make this problem worse by changing when and how much rain falls, making water supplies less predictable.

This audit will assess whether there are adequate governance, communication and information frameworks to manage Tasmania's freshwater systems.



'Safe at Home' Family Violence program

In 2004, Tasmania was one of the first jurisdictions in Australia to develop an integrated whole-of-government response to family violence, called Safe at Home. It aims to address the risk and safety needs of victims and children and hold perpetrators accountable.

This audit will assess the efficiency and effectiveness of Safe at Home in responding to family violence and ensuring victims' safety. This includes whether its governance arrangements:

- facilitate interagency collaboration to address practical, policy, and operational issues related to family violence
- promote efficiency and effectiveness of resources used to respond to family violence
- monitor the program's impact on reducing family violence and improving victim outcomes.



Budget and performance management in the General Government Sector

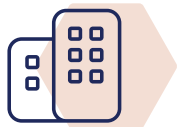
Poor budget process management may hinder consistent fund allocation decisions. Treasury is responsible for management of the budget process.

This proposed audit will improve Parliament's knowledge of Treasury's management of budget process by assessing if:

- Treasury's processes for developing, analysing and recommending budget proposals are robust, consistent, transparent, and evidence-based
- Treasury monitors performance against budget and proactively supports agencies when issues emerge
- Treasury provides high-quality, balanced, reliable, and outcome-focused advice that enables government to make value-for-money decisions.



Summary of audits to be tabled or commenced in 2026-27



Asset management in local government

Tasmanian local government councils are responsible for managing significant public infrastructure assets that support essential community services. Historically, asset management practices across councils have been affected by incomplete and inaccurate asset registers, inconsistent recording of revaluations, additions and disposals, and reliance on manual processes due to system and capability constraints.

This audit will assess whether Tasmania has effective and efficient arrangements for managing local government assets. It will focus on whether:

- the Local Government Association of Tasmania supports local government councils to effectively and efficiently manage local government assets

- the Office of Local Government ensures councils are complying with relevant legislative and regulatory provisions, including the efficient and effective management of assets
- councils are managing assets in accordance with legislative requirements
- councils are continuously improving their asset management practices.

The audit will provide Parliament with insights into the state of asset management across the local government sector, the extent to which legislative responsibilities are being met, and the key risks and improvement opportunities affecting the stewardship of public assets in Tasmania.

*Image: Ocean Dunes Golf Course.
Credit: Derna Bond.*



Summary of audits tabling and audits commencing 2026-27



Management of the 20-year Housing Strategy

The Tasmanian Housing Strategy (the Strategy) lays out a 20-year plan to end homelessness in Tasmania. It aims to improve the entire housing system and reduce reliance on social housing by partnering with local councils, community and the private sector.

The Strategy was to be delivered by Homes Tasmania through 4-yearly Action Plans. The 2023-27 Action Plan promises 2000 social homes delivered by 2027, designed to contribute to the goal of 10,000 social and affordable homes by 2032, expected to cost \$1.5 billion. Shortly before this plan was finalised, Home Tasmania was abolished and its functions incorporated into the new Building Tasmania.

The status of and responsibility for the Strategy is unknown, and the scope of this proposed audit will be adjusted to reflect any policy or strategy changes, or revised delivery models.

This audit will assess if selected entities are effectively implementing the Strategy. It will focus on whether:

- advice to government entities on the strategy is effective and reflects evolving trends in housing and homelessness.
- relevant entities can demonstrate they are on track to achieve the 2023-27 Action Plan's goals.

Audits under consideration for future delivery

- Sports funding
- Safety of staff in schools
- Literacy attainment
- Efficiency of the Courts.

Audits removed from previous plan

- Reimbursement of councillor expenses
- Stadiums Tasmania governance.

These audits were removed from the plan because they were reassessed as a lower priority than those that are now included.



Financial and sustainability audit

Delivering financial audits and sustainability assurance engagements

Our financial audit program supports accountability, transparency and effective financial management across the Tasmanian public sector. Our audit opinions provide Parliament and Tasmanians with confidence that public sector financial reports are reliable and can be used to support informed decision-making.

Our financial audits are conducted in accordance with Australian Auditing and Assurance Standards issued by the Australian Auditing and Assurance Standards Board. While not a legislative requirement, our annual financial audits also consider probity matters relating to the management and use of public resources.

Financial Audits are undertaken by our staff or by contracted audit service providers. When external providers are engaged, our staff retain responsibility for project management and quality assurance. All audit opinions are issued by the Auditor-General or an authorised delegate.

Our audit portfolio management seeks to balance audit work between internal staff and contracted audit service providers. This balance takes into account available funding, staffing capacity, and the need for specialised technical expertise. Where required skills are not available internally, and it is not practical to develop them or build this expertise internally, external specialists are engaged.

Sustainability assurance

Sustainability reports provide information about sustainability-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, access to finance or cost of capital over the short, medium and long term. Reports also describe governance arrangements, strategy, risk management approaches in relation to those risks and opportunities, and related metrics and targets.

The 2025-26 financial year is the first year in which sustainability assurance engagements are conducted under Australian Sustainability Reporting Standards AASB S1 – General Requirements for Disclosure of Sustainability-related Financial Information and AASB S2 – Climate-related Disclosures. In this initial year, assurance engagements will apply to:

- Tasmanian Water and Sewerage Corporation Pty Ltd
- Tasmanian Networks Pty Ltd
- TT-Line Company Pty Ltd.

These entities are required to report under Chapter 2M of the *Corporations Act 2001* and meet thresholds relating to revenue turnover, full-time equivalent staff numbers and assets values. In future years, additional public sector entities reporting under the *Corporations Act 2001* will also require sustainability assurance on their sustainability reports.

The sustainability report will be presented as a separate report within the entity's Annual Report and

will complement the financial statements, directors' declaration and Independent Auditor's Report. There is currently no requirement for other public sector entities to report under these standards.

For these engagements, initially we will provide limited assurance. This means we assess whether nothing came to our attention that would cause us to believe the sustainability report is materially misstated. Limited assurance involves less extensive procedures than a full audit. After 3 years of limited assurance engagements, entities will be required to move to an audit providing reasonable assurance.

In 2026-27, a further 5 entities under the *Corporations Act 2001* will be required to prepare and gain audit assurance on their sustainability reports. These are:

- Aurora Energy Pty Ltd
- Metro Tasmania Pty Ltd
- Tasmanian Irrigation Pty Ltd
- Tasmanian Ports Corporation Pty Ltd
- Tasmanian Railway Pty Ltd.

Other audits

Other audits that were undertaken during 2025-26 related to a compliance audit on a major procurement contract and a targeted information systems audit on Service Tasmania and Department of Premier and Cabinet's Digital Strategy and Services unit. Similar ad hoc audits may occur in future financial years.



Delivering financial audits and sustainability assurance engagements

Opinions on financial statements of State entities

Our audits of State entities assess whether financial statements present fairly the financial results and position in accordance with relevant legislation and accounting standards. We provide an independent audit opinion confirming the reliability of published financial information.

Opinion on the Annual Financial Report of the State of Tasmania

Under the Audit Act, the Auditor-General must provide an opinion on whether the Treasurer's Annual Financial Report (TAFR) is fairly presented in accordance with the *Financial Management Act 2016* and applicable Australian Accounting Standards.

The TAFR is a key accountability document for informing Parliament and Tasmanians. It presents the consolidated financial position and performance of the Total State Sector and the General Government Sector.

Our audit opinion on the TAFR provides assurance that the State's reported financial outcomes are reliable and can be confidently used to inform decision-making.

Parliamentary reports on results of financial audits

At both the commencement and end of each audit cycle, the Auditor-General reports the results of financial audits to Parliament. For the 2025–26 financial year, these results will be reported across four volumes.

Volume 1

Audit findings related to the control frameworks of State entities and progress by Management in relation to prior year findings from our financial audits. It also includes progress against implementation of our performance audit recommendations and other investigations, and the results for entities whose financial year ended 31 December.

EXPECTED TO BE TABLED IN
August

Volume 2

The status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the Public Financial and Public Non-Financial Corporations.

EXPECTED TO BE TABLED IN
October

Volume 3

The status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the General Government Sector and other uncategorised State entities and audited subsidiaries.

EXPECTED TO BE TABLED IN
November

Volume 4

The status of financial statements audits and provides analysis and commentary on State entities and audited subsidiaries in the Local Government Sector.

EXPECTED TO BE TABLED IN
December



Delivering financial audits and sustainability assurance engagements

Audits by arrangement

Under the Audit Act the Auditor-General may conduct audits and provide other services commonly performed by auditors. These audits by arrangement include work required by regulators, other authorities, audits of council special committees, and grant acquittals.

Financial audit outputs

Our financial audit program must respond to changes across the public sector, including the creation or dissolution of State entities and other machinery-of-government changes. As a result, the number of audits and assurance engagements can vary over time. Figure 11 provides an overview of the outputs we expect to deliver in the coming year.

Data analytics in financial audits

Audit Tasmania has increasingly incorporated data analytics into financial audit work in recent years to improve audit quality and efficiency.

In the 2025-26 audit cycle, we continue to undertake data analytics for payroll expenditure for all government departments. The 2026-27 audit cycle will see us expand our analysis to include general government sector entities that are consolidated, or have relationships with, the government departments. Over time, we will use data analytics in more audit areas and sectors. How quickly this expands will depend on access to reliable data, staff capability and availability.

Figure 11: Financial audits and assurance activities expected to be conducted for the 2026-27 financial year

Financial Statement audits ¹	Number
Opinions of entities financial reports	121
Opinions on the TAFR	1
Opinion on the Public Sector	1
Sustainability assurance	
Limited assurance engagements	8
Other audits	
Audits by arrangement, including regulatory audits and financial acquittals ²	98
Parliamentary reports	
Reports on the audit of financial statements of State entities and audited subsidiaries for the years ended 31 December 2025 and 30 June 2026	4 Volumes

Notes

1. The number of audits conducted varies each year due to changes in the number of public sector entities and the level of audit dispensation provided.

2. Based on 2023-24 data.



Public Accounts Committee acceptance of the Annual Plan



**Parliamentary Standing Committee
of Public Accounts**

28 May 2026

Martin Thompson
Auditor-General
Audit Tasmania

Email: martin.thompson@audit.tas.gov.au

Dear Martin

Draft Annual Plan of Work 2025-26

On behalf of the Parliamentary Standing Committee of Public Accounts, in line with section 11(3) of the *Audit Act 2008*, I would like to inform you that the Committee resolved to accept the final draft of the Annual Plan of Work, as per your correspondence to the Committee (dated 24 March 2026) and briefings to the Committee.

The Committee notes the priority accorded to the proposed six performance audits and that there may be some challenges associated with the 'Water Management' performance audit. The Committee also notes your intention to consider conducting a future performance audit into the efficiency of the Courts: the Committee welcomes this consideration as it is a topic of interest for the Parliament and the general Tasmanian community. The Committee looks forward to receiving the tabled audits over the coming year.

For your information, with respect to the Committee conducting follow-up inquiries into past Auditor General performance audits, the Committee is finalising:

- Expressions of interest for tourism opportunities (No.3 of 2020-21), and
- Improving outcomes for Tasmanian senior secondary students (No.1 of 2022-23).¹

Noting that the Committee has ten ongoing inquiries at present, the Committee will consider what other follow-up inquiries it may pursue at future date.

Thank you for your continued assistance with the Committee.

Kind regards



Hon Ruth Forrest MLC
Chair

¹ On 26 March 2026, the Committee tabled its Follow-up of the Report of the Auditor-General ICT Strategy, Critical Systems and Investment (No.4 of 2020 - 2021): https://www.parliament.tas.gov.au/data/assets/pdf_file/0025/103759/FINAL-PAC-Report-Follow-Up-AGR-No.4-of-2020-21-ICT-Strategy-and-Critical-Investment-as-at-25-March-2026.pdf

Parliament House Hobart TAS 7000
☎ (03) 6212 2245
✉ pac@parliament.tas.gov.au

Page 1 of 1



Acquittal of the 2025-26 plan

Reports to Parliament tabled in 2025-26	Originally planned for	Delivered in
Auditor-General's report on the financial statements of State entities, Volume 1 – Annual Audit Update	July 2025	September 2025
Management of landfills	September 2025	September 2025
Proposed sale of Wilkinsons Point land	September 2025	September 2025
Audit Tasmania Annual Report 2025-26	October 2025	October 2025
Auditor-General's report on the financial statements of State entities, Volume 2 – Public Financial Corporations and Public Non-Financial Corporations	October 2025	November 2025
Auditor-General's report on the financial statements of State entities, Volume 3 – General Government Sector, including Treasurer's Annual Financial Report	November 2025	December 2025
Follow up of the Management of the state road network	December 2025	December 2025
Investment facilitation through the Office of the Coordinator-General	December 2025	December 2025
Auditor-General's report on the financial statements of State entities, Volume 4 – Local Government	December 2025	March 2026
Follow up of recruitment and performance management of General Managers	March 2026	March 2026
Management of gifts and benefits by State Government entities	March 2026	June 2026
Human Resources Information System (HRIS) – pre-implementation review	May 2026	May 2026
Follow up of The Strong Families Safe Kids Advice and Referral Line	June 2026	June 2026



Additional appropriation or fee revenue required to meet committed level of reporting to Parliament

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual	Forecast	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Revenue for reporting to Parliament						
<i>Output Group 1.1 - Public Sector Performance and Accountability</i>						
Appropriation - Table 8.1 2026-27 Budget Paper No. 3	2,604	2,727	2,430	2,409	2,494	2,562
Either additional appropriation or audit fee revenue	-	-	670	690	711	732
Total	2,604	2,727	3,100	3,099	3,205	3,294
Reports to Parliament						
Investigations and examinations	2	1	*	*	*	*
Reports on the results of financial statement audits	4	4	4	4	4	4
Follow up of previous reports	3	3	**	**	**	**
Performance audit	2	4	5	6	6	6

* every year Audit Tasmania receives up to 100 requests to undertake investigations and examinations from members of the public, Parliament, Public Accounts Committee or other integrity bodies. We thoroughly assess all requests and if the Auditor-General deems the matter sufficiently important, an investigation or examination will be undertaken by deferring or removing an otherwise planned performance audit.

** as part of our efficiency initiatives, follow up reports will no longer be undertaken as stand alone reviews, rather they will be incorporated in the reports on the results of our financial statement audits. This will result in an incremental increase in the cost of the results of financial statement audits, however will represent an overall cost saving to be invested into our performance audit capacity.

Image: Trowutta Arch. Credit: Tourism Tasmania and Rob Burnett.



Audit
Tasmania