



Auditor-General for Australia



29 April 2019

The Hon. David Littleproud MP
Minister for Agriculture and Water Resources
By email: minister@agriculture.gov.au

Dear Minister

Performance audit—purchases of environmental water

You wrote to me on 23 April 2019 requesting that a potential audit of purchases of environmental water listed on the Australian National Audit Office's (ANAO's) current work program, be brought forward and expanded to cover all water purchases undertaken by the Commonwealth.

In your letter you acknowledge that the decision to audit rests with the Auditor-General. The ANAO undertook work to scope this potential performance audit from February 2019 including initial work with the Department of Agriculture and Water Resources (the department).

This performance audit has now formally commenced and I have advised the Secretary of the department accordingly. The criteria for this audit are listed at <https://www.anao.gov.au/work/performance-audit/procurement-strategic-water-entitlements>. In short, the performance audit will look at the design of the current policy for water buy-backs, and whether its implementation has been effective. At this stage, I do not anticipate that the performance audit will cover in detail the period from 2008.

Your letter further indicates, in respect of this audit, that all documentation and relevant staff will be available to assist. Thank you for this assurance.

While information gathered during ANAO audits is usually provided through such professional co-operation, I thought it would be useful to briefly explain the information gathering powers available to be used in carrying out Auditor-General functions under the *Auditor-General Act 1997* (the Act).

The information gathering powers contained in section 32 of the Act allow the Auditor-General to direct a person to do all or any of the following: (a) provide the Auditor-General with any information that the Auditor-General requires; (b) to attend and give evidence before the Auditor-General or an authorised official; (c) to produce to the Auditor-General any documents in the custody of or under the control of the person. Subject to certain restrictions relating to parliamentary privilege, this may include a Member of Parliament or Minister as well as public servants and Commonwealth partners (that is persons or organisations who receive Commonwealth money for a particular purpose). Section 32 also provides for information to be given to the Auditor-General under oath or affirmation. Further, the Auditor-General has powers under section 33 of the Act to enter premises and inspect records of Commonwealth entities and certain other entities. Whether and when to invoke specific powers is a matter considered in each performance audit.

I expect that the performance audit report for this topic will be presented to the Parliament in December 2019.

I note that you copied your correspondence to the Hon. Tony Burke MP, Shadow Minister for Environment and Water. I have provided a copy of this correspondence to the Shadow Minister.

Yours sincerely

A handwritten signature in black ink that reads "Grant Hehir". The signature is written in a cursive style with a small dot at the end of the last letter.

Grant Hehir
Auditor-General