

## Rona Mellor PSM - RWGEA opening address

### Welcome:

- Thank you to Aunty Violet Sheridan for the Welcome to Country.
- I'd like to begin by acknowledging the Traditional Owners of the land on which we meet today and pay my respects to Elders past and present.
- It is fantastic to see so many attendees from such a broad range of audit offices here today:
  - o Queensland, ACT and NSW as well as New Zealand, Fiji, Marshall Islands just to name a few
  - o I would like to welcome and acknowledge
    - Sefita Tangi – Auditor-General Tonga
    - Erick Paul – Public Auditor Pohnpei State
- Thank you:
  - o Michael Harris and ACT Audit Office – they have assisted with planning for the working group and have kindly funded the optional excursion to the Great Southern Land exhibition at the National Museum of Australia.
  - o John Ryan – Comptroller and Auditor General NZ and PASAI Secretary General, and the NZ Audit Office team.
  - o PASAI – in particular Esther Lameko-Poutoa who is the Chief Executive of the PASAI Secretariat team, and Mike Scott who is attending on her behalf.
    - Mike has also played a significant role in supporting the preparations for this event, and has been doing some excellent work in the capability space for PASAI.

## OFFICIAL

- Dr Vivi Niemenmaa - Secretary-General, INTOSAI Working Group on Environmental Auditing, National Audit Office of Finland
  - Vivi has extensive experience in environmental auditing and has helped with preparing for this working group as well as the event last year. It's always great to hear from Vivi on what are the current and emerging focus areas in environmental auditing.
- Jonathan Keate - Jonathan is the Regional Coordinator for the Working Group on Environmental Auditing and is the driving force behind these working group meetings. Jonathan was already thinking about this event before the last one in May last year in Sydney was over.
- Finally, to the External Relations team at the ANAO for organising the event. Everything from identifying a venue, to organising the speakers, and making sure there is a steady flow of tea and coffee, they have been working for several months to prepare. I hope you all learn and enjoy from this experience.

### **The significance of environmental auditing and the blue economy**

- The main theme for this meeting of the working group is auditing the blue economy. There are two sub-themes.
  - oceans and waterways, and
  - climate change and natural disasters.

## OFFICIAL

- The blue economy is an emerging focus area for PASAI. As island nations, oceans and waterways are key components of our way of life.
- In Australia, the Australian Government's focus in terms of the Blue Economy tends to be on delivering programs through third parties (largely non-government organisations established to achieve specific environmental outcomes) and regulating private enterprise.
- This includes activities such as:
  - o the regulation of economic activity, including fisheries;
  - o the management of marine national parks, including the Great Barrier Reef Marine Park;
  - o supporting scientific research into the blue economy, including the significant investment in the Antarctic region; and
  - o improving the health of rivers and freshwater ecosystems.
- As a result, ANAO audits of the Blue Economy focus on the primary risk areas of the oversight by government delivery of outcomes through third parties, with a focus on activities such as grants and procurements administration and the effective implementation of risk based regulatory frameworks. In addition, ANAO audits of the Blue Economy also consider organisational governance (including monitoring performance).
- Each of your offices will have a different context that shapes the focus of your audits. Many of you will be focussed on the sustainable development goals. You will also have a variety of different stakeholders – both those impacted by and that have an impact on the blue economy.
- Because of the different context, our different offices will take an interest in these audits in different ways.

- Despite that, we will face similar challenges in undertaking environmental audits and audits of the blue economy.

### **Emerging challenges**

- There are a number of emerging audit themes that audit offices must be alert to in the context of the blue economy and broader environmental auditing.
- Sustainability reporting is an emerging area in reporting and auditing frameworks both internationally and in Australia.
- In relation to environmental auditing and the blue economy, we are also facing challenges presented by complex methodologies used by the entities we audit. This presents an ongoing challenge for audit offices to ensure we have sufficient and appropriately skilled staff to undertake these audits, and to support accountability and transparency over the reporting undertaken by the entities responsible for implementing and delivery environment related programs.
- We will need to be committed to learning, including from each other.

### **Maximising impact**

- Whatever the audit is that we undertake, we all seek to maximise the impact of these audits.
- To do this, we need to pick the 'most important' audits – what is most important can be subjective and will vary depending on the context the



Australia's commitment to address climate change risk. The strategy will consider risks to the Australian government in achieving its international obligations, inward looking risk to entities and lessons from international supreme audit institutions.

- However, a balanced audit program needs to include much more than climate change.
  
- Sometimes our audits generate impact by influencing change within entity operations as our audits take place.
  - In a 2023 audit of the Wildlife and Habitat Bushfire Recovery Program, the responsible department started collating information for a lessons learned process, and commenced an evaluation process for the program while the audit was underway.
  - In a 2022 audit of the National Waste Policy Action Plan, the responsible department documented its processes for collating and approving quarterly progress reports.
  
- Your offices have also produced significant audits on environmental auditing and the blue economy in recent years. A few examples include:
  - In 2019, Tonga published a report on [Preparedness for implementation of Sustainable Development Goals](#). This audit made a number of recommendations directed at a broad range of entities, acknowledging and reflecting the broad nature of the SDGs and the different players involved to successfully implement them.

- In 2021, Fiji published a report on [Licensing and monitoring of river gravel and sand extractions](#). This report included some excellent data analytics and insights into gaps in data and monitoring.
- These two examples demonstrate two different approaches – broad and wide, and specific and detailed.
- Many of these audits will form the discussions you have over this working group meeting.

### **Potential future audits of the Blue Economy by the ANAO**

The ANAO will have a continued focus on environmental and climate change related audits in the coming years. In addition to planning for the implementation of ESG reporting, we have our eyes on a number of potential areas for auditing.

Potential future audits of the Blue Economy identified in the 2024-25 Annual Audit Work Program include:

- Australian Antarctic program – management of Australia’s Antarctic presence, including arrangements to support Australia fulfilling its environmental responsibilities – this is a follow on from an audit conducted in 2016
- Award of funding under the Urban Rivers and Catchments Program – examining a grants program intended to restore the health of urban waterways for native plants, animals and local communities

Potential future audits relating to climate change and the environment identified in the 2024-25 Annual Audit Work Program include:

- Commonwealth Climate Risk and Opportunity Management Program (CROMP) – a program intended to support government entities to manage and report climate risk
- Establishment of Environment Protection Australia – a new entity responsible for national environmental protection
- Implementation of the National Environmental-Economic Accounting Strategy and Action Plan – a strategy intended to support nationally consistent application of the United Nations System of Environmental-Economic Accounting.
- Management of Commonwealth National Parks — Follow-up – examining recommendations previously made by the ANAO in relation to operational activities of Australia’s national parks.

### **Closing statement**

- The value of these conferences is to share experiences and challenges with others.
- The presentations and sessions that have been scheduled over the next two and half days are designed with this in mind.
- However, equally as important are the conversations you have with your colleagues over coffee and lunch.
- Thank you for making the effort to come to Australia or to Canberra for this meeting of the working group.
- Hand over to John Ryan, PASAI Secretary-General and Auditor-General for New Zealand.