

A. Entity responses

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the Director-General, Department of Local Government, Water and Volunteers.

We also provided a copy of the report to the following entities and gave them the option of providing a response:

- Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers
- mayors and chief executive officers of all 77 councils
- Premier and Minister for Veterans
- Director-General, Department of the Premier and Cabinet.

This appendix contains the detailed responses we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



Comments received from Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers



Hon Ann Leahy MP
Minister for Local Government and Water and
Minister for Fire, Disaster Recovery and Volunteers

Our ref: CTS 07425/25
MC25/1931

1 William Street
Brisbane QLD 4000
GPO Box 2247
Brisbane QLD 4001
Telephone +617 3719 7420
Email lgwv@ministerial.qld.gov.au
ABN 51 242 471 577

10 APR 2025

Ms Rachel Vagg
Auditor-General
Queensland Audit Office

Email: qao@qao.qld.gov.au

Dear Ms Vagg

Thank you for your email of 20 March 2025 regarding the draft report to Parliament titled Local Government 2024 (the draft report) and for providing the Department of Local Government, Water and Volunteers (the department), with an opportunity to review the report. I note you also provided a copy of the draft report to the department's Director-General.

The area of focus included in the draft report, accounting for depreciation, is a particularly relevant consideration given the recent discussions on this topic, and the insights you provided will be valuable as this topic is explored further.

I was pleased to note your comments that the financial statements of councils, and council-related entities for the 2023-24 financial year, are reliable and complied with relevant laws and standards. It is, however, disappointing that there is an increase in the number of councils who are finalising financial statements in the last two weeks of October.

I note you made three recommendations for councils this year:

Recommendation 1: Implement policies and procedures to ensure ex-gratia payments are appropriate, defensible, and the decision made to make such payments are transparent. The appropriateness of using non-disclosure agreements when making such payments should also be considered.

The department supports this recommendation for councils and will write to each council to emphasise the importance of implementing it once the final report has been tabled.

Recommendation 2: Assess climate risks and add them to their risk registers.

The department notes this recommendation, however, it is not mandatory for councils to report on climate related risks and the department's current focus is on reducing the burden on councils. The department will engage with the Queensland Audit Office (QAO) to consider the ways that councils can be supported in assessing climate related risks.

Recommendation 3: Review the asset consumption ratio for water infrastructure assets and determine what action is required.

The department supports this recommendation for councils and will write to each council to emphasise the importance of implementing it once the final report has been tabled.



In the letter to councils, the department will also remind councils of the importance of taking action to address outstanding deficiencies, as identified by the QAO.

Regarding the two recommendations for the department, I provide the following comments:

Recommendation 4: Develop guidance material on ex-gratia payment for local governments.

The department supports this recommendation and will proceed with developing guidance material for councils to use as part of the department's complementary projects.

Recommendation 5: Amend the sustainability guideline to include an asset consumption ratio for each asset class.

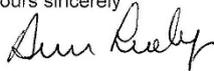
The department supports this recommendation in principle and will consider this amendment when reviewing the Sustainability Framework in 2026, following consultation with relevant stakeholders.

I also note the three department recommendations from previous reports identified as not implemented. I am advised that the department is working towards progressing these outstanding actions and will continue to engage with the QAO through regular updates

If you require any further information, please contact

assist. who will be pleased to

Yours sincerely



ANN LEAHY MP
Minister for Local Government and Water
Minister for Fire, Disaster Recovery and Volunteers



Comments received from Chief Executive Officer, Fraser Coast Regional Council

