

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

Minister for Local Government
and Water and Minister for Fire,
Disaster Recovery and Volunteers

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FOR QUEENSLAND



Our ref: CTS 03027/26

12 MAR 2026

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Dear Ms Vagg

Thank you for your email of 17 February 2026 regarding the draft report to Parliament titled Local Government 2025 (the draft report) and for providing the Department of Local Government, Water and Volunteers (the department), with an opportunity to review the draft report. I note you also provided a copy of the draft report to the department's Director-General.

I recognise ongoing sector risks, including limited access to skilled staff can affect financial reporting quality and delay audits. Fraud remains a concern highlighting the importance of council's having strong internal processes and controls.

I note you made one recommendation for councils this year:

Recommendation 1: Assess the termination clauses included in executive contracts to ensure they are appropriate.

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.

Regarding the recommendation for the department, I provide the following comments:

Recommendation 1: Develop guidance material on executive contracts for local governments.

The department supports this recommendation in-principle, noting that section 194 of the *Local Government Act 2009* empowers councils to appoint an appropriately qualified Chief Executive Officer (CEO) and determine the CEO's conditions of employment.

The department has developed guidance materials to support councils in the recruitment and performance oversight of CEOs in conjunction with the Local Government Managers Australia and in consultation with the Local Government Association of Queensland. This guidance material brings together good-practice principles along with practical examples and checklists and is published on the department's online portal, LG Central.

I also note the two 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 Queensland Audit Office through regular updates.

If you have any questions, please contact [REDACTED]

Yours sincerely



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

Auditor-General’s response: We recognise the work undertaken by the department to provide guidance to councils on the processes to recruit and oversight the performance of council chief executive officers (CEOs). This guidance, developed and released to councils in February 2026, should be supplemented with further advice on determining contractual terms and conditions for CEOs or other executives in line with our recommendation.