

MEDIA RELEASE – Tuesday, 21 May 2024

Auditor-General recommends improved transparency and compliance for private works undertaken by Councils

Mr Thompson said, ‘The aim of this review was to assess how well councils were managing private works, and to promote transparency and consistency across the local government sector. Private works are services that some councils provide to individuals, community organisations and government entities at their request on a fee-for-service basis. I expected councils to have defined policies and processes, including for managing conflicts of interest, disputes, compliance, and competitive neutrality.’

The review assessed councils’ processes for managing around \$3.5 million of private works revenue in the 2021-22 financial year.

Mr Thompson said, ‘The review found councils were not effectively managing private works because they had not established transparent and consistent processes or complied fully with relevant legislative requirements.’

Mr Thompson noted mixed results in managing conflicts of interest and disputes, and overall non-compliance with the requirements of the *Local Government Act 1993* and the Competitive Neutrality Policy.

To improve private works processes, Mr Thompson recommended:

- Councils that undertake or may undertake private works establish private works policies that are publicly available, establish clear and transparent decision-making processes, and outline or reference existing dispute resolution and conflict of interest policies.
- Councils implement appropriate controls to ensure compliance with their policies.
- Councils that undertake or may undertake private works establish a list of fees and charges and make these available for public inspection as required by the *Local Government Act 1993*.
- Councils apply the Competitive Neutrality Policy and associated guidance to their private works activities. This includes regularly documenting their reasoning as to whether private works is a significant business activity.

Further detail and the full audit report can be accessed here:

<https://www.audit.tas.gov.au/publication/private-works-undertaken-by-councils>

ENDS

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