

MEDIA RELEASE - MONDAY, 16 MARCH 2026

Auditor-General's report to Parliament highlights concerns stemming from audits of financial reports in the Local Government Sector

The Auditor-General, Martin Thompson, today tabled Volume 4 of his report to Parliament on the audit of financial statements of State entities and audited subsidiaries of State entities for the years ended 31 December 2024 and 30 June 2025. This is the fourth of four volumes that form part of the Auditor-General's reports to Parliament on the audit of State entities under section 29 of the *Audit Act (2008)*. This volume details the results for entities in the Local Government Sector.

While in aggregate, councils continued to report generally positive outcomes, individual councils reported mixed results, reflecting the unique nature and characteristics of each of Tasmania's 29 councils. This report also notes, in a number of areas, the greater challenges faced by smaller rural councils in maintaining financial viability.

In aggregate, councils generated an underlying surplus of \$14.15 million for 2024-25, a decline of \$18.31 million on the previous year. This decline was evident across both urban and rural councils. This reverses the improving trend that was identified across the previous years of analysis.

As noted in the prior years, councils are not achieving their capital expenditure budgets, in aggregate 87.3% of the budget being spent in 2024-25. Urban and rural councils noted a decrease in their asset sustainability ratios indicating a reduced focus on renewal works compared to the prior year.

In aggregate, councils have continued to reduce their borrowings. In 2024-25, total borrowings reduced by \$21.36 million to \$154.06 million in 2024-25. Cash holdings have also increased, in aggregate, although this is heavily influenced by a small number of urban councils with significant cash balances. A small number of councils were identified as having a low or negative cash expense cover ratio, increasing the risk that funds set aside for future use may have to be called upon to fund day to day operations.

Overall, while variations exist within individual councils, the financial performance, position and cash flows of the Local Government Sector remains reasonable, continuing to show a modest improvement across a number of key areas.

Click through to the report – [AGR 2024-25 Volume 4](#)

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