



**Report of the Auditor-General
No. 9 of 2025-26**

*Follow up of Report of the Auditor-General
No.2 of 2021-22: Council general manager
recruitment, appointment and performance
assessment*

16 March 2026

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Foreword

Recruiting and the ongoing performance assessment of general managers is among the most important actions council undertake. General managers oversee critical services and infrastructure in their community and support council in setting its strategic direction. Four years ago, my Office made 4 recommendations to improve general manager recruitment, appointment and performance assessment processes in councils. In summary these were:

1. The Minister for Local Government to issue mandatory requirements and supplementary guidance on recruitment, appointment and performance assessment
2. Councillors undertake relevant training and/or be supported by a person with the required expertise
3. Councils review and improve recruitment and appointment processes, and
4. Councils review and improve the performance assessment processes.

In this follow up, we found that councils overall have made significant progress against the recommendations on training and in improving recruitment and performance assessment processes. This has been supported by legislative changes introduced by the Minister for Local Government with support from the Office of Local Government (OLG).

It is pleasing to note that OLG has now published guidance on general manager recruitment to enable all councils to undertake future recruitment process aligned to contemporary human resources practice.

The Minister for Local Government has, through legislative change, reintroduced a requirement for councils to seek applications for the general manager vacancies in most instances, and to appoint based on merit. While there was one council that was part of the follow up audit that directly appointed its general manager, this occurred prior to the above legislative changes and therefore did not contravene the *Local Government Act 1993*.

Most councils had processes to manage perceived, potential and actual conflicts of interest, however, there were a few councils which did not formally document how these were managed during the recruitment process. Retaining this information supports transparency and allows the council to defend its position if the appointment is challenged.

I would like to thank staff from the Department of Premier and Cabinet, and the 12 audited councils for their assistance during the audit.

Yours sincerely



Martin Thompson
Auditor-General

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2026
PARLIAMENT OF TASMANIA

**Follow up of Report of the Auditor-General No.2 of 2021-22: Council general manager
recruitment, appointment and performance assessment**

16 March 2026

Presented to both Houses of Parliament pursuant to
Section 30(1) of the *Audit Act 2008*

Acknowledgement of country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture, and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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Table of contents

Foreword	iii
Table of contents	vii
Executive summary	1
Background	1
Summary of findings	1
1. Guidance and training on the recruitment and performance assessment processes	6
Chapter summary	6
Implementation of recommendation 1	6
Implementation of recommendation 2	8
2. Recruitment and appointment process	10
Chapter summary	10
Implementation of recommendation 3	10
3. Performance assessment process	14
Chapter summary	14
Implementation of recommendation 4	14
Appendix A – Independent assurance report	18
Appendix B – Transmittal letter	22
Appendix C – Submissions and comments received	23
Appendix D – Our role, audit mandate and standards applied	24
Our role	24
Mandate	24
Acronyms and abbreviations	26

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Executive summary

Background

The *Report of the Auditor-General No.2 of 2021-22: Council general manager recruitment, appointment and performance assessment* (2021 audit) examined information for the following councils:

Recruitment, selection and appointment

- Brighton
- Burnie City
- Clarence
- George Town
- Meander Valley
- West Coast.

Performance assessment

- Circular Head
- Central Highlands
- Huon Valley
- Launceston City
- Northern Midlands
- Sorell.

Naming conventions

At the time of the audit, the *Local Government Act 1993* (the Act) and related guidance used the title 'general manager'. However, many of the councils in our audit refer to its general manager as the chief executive officer (CEO). For clarity, throughout this report we use the term 'general manager' to refer to either a general manager or a CEO.

Summary of findings

The audit assessed the implementation of recommendations made in the 2021 audit as listed in Table 1.

Table 1: Recommendations assessed

Recommendation
1. The Local Government Division ¹ of the Department of Premier and Cabinet support the Minister for Local Government to develop and issue mandatory requirements and supplementary guidance on recruitment, appointment and performance assessment processes that are consistent with contemporary HR practice.
2. Councillors with limited recruitment or performance assessment experience involved in such activities either undertake relevant training to improve their knowledge on contemporary HR practice or be supported by a person with the required expertise to help them fulfil their obligations under the Act.
3. Councils review and, where appropriate, improve the recruitment and appointment process by: <ul style="list-style-type: none"> • managing potential conflicts of interest once applicants for the position become known • requiring all participants to declare and document perceived, potential or actual conflicts of interest prior to shortlisting applicants to be interviewed • retaining documentation that demonstrates how applicants were compared against each other to determine applicants to be interviewed and the preferred applicant • ratifying shortlisting to ensure all applicants were considered equitably • undertaking interviews that are consistent and equitable for each applicant interviewed and follow contemporary HR practice.
4. Councils review and, where appropriate, improve the performance assessment process by: <ul style="list-style-type: none"> • establishing specific, measurable, achievable, relevant and time-bound (SMART) performance measures • obtaining feedback on performance from a wider range of stakeholders • identifying actionable outcomes in performance assessments • linking remuneration increases and reappointment to the most recent performance assessment.

The Office of Local Government (OLG), of the Department of Premier and Cabinet (DPAC) is responsible for implementing recommendation 1. The audit assessed all 12 councils against recommendations 2, 3 and 4 regardless of the focus area from the 2021 audit (recruitment or performance assessment).

Table 2 records the assessed implementation status for each entity.

¹Now known as the Office of Local Government.

Table 2: Entities subject to the audit and the assessed implementation status for each recommendation

Entity	Rec. 1	Rec. 2	Rec. 3	Rec. 4
Office of Local Government (DPAC)	I	NA	NA	NA
Brighton Council	NA	I	NA	I
Burnie City Council	NA	I	I	I
Clarence City Council	NA	I	NA	LI
Circular Head Council	NA	I	I	LI
Central Highlands Council	NA	I	LI	LI
George Town Council	NA	I	NA	I
Huon Valley Council	NA	I	LI	I
Launceston City Council	NA	I	I	I
Meander Valley Council	NA	P	P	I
Northern Midlands Council	NA	I	NA	I
Sorell Council	NA	I	NA	P
West Coast Council	NA	I	P	LI

Legend:
I Implemented **LI** Largely implemented **P** Partially implemented
NA Recommendation not addressed to the entity (Rec 1) | Council has not undertaken a general manager recruitment since the 2021 audit (Rec 3)

Source: Audit Tasmania

Implementation of recommendation 1

OLG supported the then Minister for Local Government in issuing mandatory requirements and supporting guidance that applies to the recruitment and performance assessment of general managers. This addressed recommendation 1 from the 2021 audit.

Implementation of recommendation 2

Eleven councils implemented recommendation 2. These councils engaged a consultant to support councillors in fulfilling their obligations under the Act for the recruitment and performance assessment process. This addressed recommendation 2 from the 2021 audit.

One council partially implemented recommendation 2. The Council engaged a consultant to support councillors in the performance assessment process. However, as this council directly appointed its general manager, there was no training provided by the consultant on the recruitment and appointment process.

Implementation of recommendation 3

Five councils implemented or largely implemented recommendation 3. These councils conducted an effective recruitment, selection and appointment process consistent with contemporary HR practice. However, 2 of these councils could improve its process by documenting declared conflicts of interest, or lack thereof, in reports on the process.

Two councils partially implemented recommendation 3. For one council, we identified deficiencies in documenting how conflicts of interest were managed as well as shortlisting. The other council directly appointed its general manager. While this approach was permitted under the Act at the time, the council did not retain documentation to assist in demonstrating that the appointment was merit-based. However, this council adopted a HR policy to reflect the legislative changes introduced in 2024, such as the requirement to undertake a recruitment process in compliance with Section 61 of the Act.

Five of the 12 councils have not undertaken a general manager recruitment process since the audit. We were therefore unable to form a conclusion against recommendation 3 for those councils.

Implementation of recommendation 4

Most councils conducted an effective performance process that supported the general manager's development and monitored their progress towards meeting council strategic objectives. This addressed recommendation 4 from the 2021 audit. We identified 3 councils that could either adopt SMART performance measures or improve existing measures to assess the general manager's performance. There was one council which did not adequately document and report the outcome of the general manager's performance assessment.

Implementation of the review recommendation (Huon Valley Council)

The 2021 audit also contained a review of the process run by the Huon Valley Council to recruit a general manager. This review covered Council's management of conflicts of interest in the recruitment process, which ran from 31 March 2021 to 15 September 2021.

The suitability of the applicant selected for interview and subsequently appointed was not within the scope of the review.

This review contained the following recommendation:

Council review and improve the recruitment and appointment process by developing guidance and implementing a process whereby those involved in a recruitment process:

- *declare conflicts of interest, or lack thereof, once applicants are known*
- *implement management strategies that are commensurate with the nature and extent of the conflict of interest.*

We found that Huon Valley Council has implemented this recommendation.

1. Guidance and training on the recruitment and performance assessment processes

In this chapter, we assessed the implementation of recommendations 1 and 2 from the 2021 audit.

Chapter summary

The Office of Local Government (OLG) of the Department of Premier and Cabinet (DPAC) supported the then Minister for Local Government in issuing mandatory requirements and supporting guidance that applies to the recruitment and performance assessment of general managers. This addressed recommendation 1 from the 2021 audit.

Eleven councils have implemented recommendation 2. These councils engaged a consultant to support councillors in fulfilling their obligations under the *Local Government Act 1993* (the Act) for the recruitment and performance assessment process. This addressed recommendation 2 from the 2021 audit.

One council partially implemented recommendation 2. The Council engaged a consultant to support councillors in the performance assessment process. However, as this council directly appointed its general manager, there was no training provided by the consultant on the recruitment and appointment process.

Implementation of recommendation 1

Findings from the 2021 audit

- 1.1 The 2021 audit found there was a lack of clear, mandatory requirements and supplementary guidance provided centrally to support councils with the recruitment, appointment and performance assessment processes.
- 1.2 In the absence of central guidance, councils relied on consultants to provide support and training to improve councillors' knowledge of contemporary HR practice and to ensure that it fulfilled its obligations under the Act.

The Office of Local Government has issued both mandatory requirements and supplementary guidance

- 1.3 OLG **implemented** recommendation 1.
- 1.4 In July 2024, OLG supported the then Minister for Local Government in issuing a Ministerial Order² (the Order) that applies to the recruitment and performance assessment of general managers.

² *Local Government (Appointment and Performance of General Managers) Order 2024*

1.5 The Order:³

- introduces robust requirements in respect of conflicts of interest in the recruitment of general managers
- sets guiding principles
- requires councillors to obtain professional support
- establishes an annual performance review cycle based on agreed success measures.

1.6 OLG published the following guidance on recruitment and performance monitoring in support of the Order:⁴

- Information Sheet - General Manager Recruitment
- Information Sheet - General Manager Performance Monitoring.

1.7 These guidance materials were developed in collaboration with the Local Government Association of Tasmania (LGAT).

1.8 OLG also developed a suite of learning modules on core responsibilities as an elected member. One of these modules includes recruitment and performance assessment of the general manager.

1.9 Prior to the 2026 local government elections, OLG intends to introduce a pre-election information session to provide prospective candidates with an understanding of their roles and responsibilities as an elected member, including the performance assessment of the general manager.

The Local Government Association of Tasmania has developed guidance

1.10 LGAT developed guidance documents to assist councillors with fulfilling their obligations under the Act:

- General Manager Recruitment and Performance Monitoring Guide (the Guide)
- General Manager Recruitment and Performance Monitoring Toolkit (the Toolkit).

1.11 The Guide provides guidance on the recruitment process, and the performance monitoring process, including performance agreements, remuneration, and renewal of the general manager's contract.

1.12 The Toolkit provides practical tools to support the Guide, including roles and responsibilities of each participant in the recruitment and performance assessment

³ Department of Premier and Cabinet, Office of Local Government [General manager recruitment and performance monitoring](#). Accessed 5 December 2025

⁴ Department of Premier and Cabinet, Office of Local Government [General manager recruitment and performance monitoring](#). Accessed 5 December 2025

process. The Toolkit includes a Conflict of Interest Declaration and Management Form template, which must be completed by persons involved in the recruitment process.

1.13 LGAT were consulting councils on these guidance documents at the time of the audit.

Implementation of recommendation 2

Councils sought external expertise to support councillors in fulfilling their obligations under the *Local Government Act 1993*

1.14 The 2021 audit found there was lack of training and support provided to councillors to support them in undertaking the general manager recruitment, appointment and performance assessment processes.

1.15 Eleven councils **implemented** recommendation 2.

1.16 These councils were supported by a consultant with the required expertise in the recruitment and performance assessment of the general manager. Although the audit did not evaluate the suitability or effectiveness of consultants, the services they delivered were broadly consistent.

1.17 We found a few councils engaged a consultant to deliver training or workshops on the recruitment and performance assessment processes. The workshop content varied across councils, but typically covered:

- legislative requirements
- contract negotiation
- management of conflicts of interest
- establishment of KPIs
- probation review and remuneration.

1.18 Meander Valley Council **partially implemented** recommendation 2.

1.19 Meander Valley Council engaged a consultant to support the performance assessment process for the general manager. However, it did not for its recruitment and appointment process, which was a direct appointment.

Impact of implementing recommendation 2

1.20 Councils told us that engaging consultants has helped with improving councillors' knowledge on contemporary HR practice for the recruitment and performance assessment processes.

'The outcome is that Councillors were supported through all aspects of the recruitment process, then through contract negotiation, establishment of performance indicators, and probation review and will continue to be supported through to the annual performance review. The Chief Executive Officer has clear, contemporary and measurable performance indicators and the Council's

obligations under the employment contract around performance reviews have been met.'

Launceston City Council

'Councils' engagement of consultants to undertake training of councillors and facilitate the performance assessment process has resulted in a Councillors having improved knowledge relating to HR practices and their obligations under the Act. Until 2025 all Councillors formed part of the review panel. New councillors and existing Councillors are provided with ongoing support and training ensuring engagement by the whole review panel.'

George Town Council

2. Recruitment and appointment process

In this chapter, we assessed the implementation of recommendation 3 and the review recommendation from the 2021 audit.

Chapter summary

Five councils implemented or largely implemented recommendation 3. These councils conducted an effective recruitment, selection and appointment process consistent with contemporary HR practice. However, 2 of these councils could improve its process by documenting declared conflicts of interest, or lack thereof, in reports on the process.

Two councils partially implemented recommendation 3. For one council, we identified deficiencies in documenting how conflicts of interest were managed as well as shortlisting. The other council directly appointed its general manager. While this approach was permitted under the Act at the time, the council did not retain documentation to assist in demonstrating that the appointment was merit-based. However, this council adopted a HR policy to reflect the legislative changes introduced in 2024, such as the requirement to undertake a recruitment process in compliance with Section 61 of the Act.

Five of the 12 councils had not undertaken a general manager recruitment process since the audit. We were therefore unable to form a conclusion against recommendation 3 for those councils.

Implementation of recommendation 3

Findings from the 2021 audit

2.1 The 2021 audit identified the following limitations across a few of the recruitment processes we assessed:

- managing potential conflicts of interest
- retaining appropriate documentation on how candidates were compared against each other
- ratifying shortlisting to ensure equitable treatment of candidates
- undertaking interviews that are consistent and follow contemporary HR practice.

Most councils adequately documented the selection and appointment process and conducted interviews consistent with contemporary HR practice

2.2 Burnie City, Circular Head, and Launceston City councils **implemented** recommendation 3.

2.3 We reviewed general manager recruitment processes undertaken by these councils since the 2021 audit and found:

- conflicts of interest were appropriately managed and documented

- documentation (such as reports and council minutes) were retained to demonstrate how applicants were shortlisted and selected for interview
- a consistent approach to conducting interviews, such as the makeup of the recruitment panel, interview format and questions
- evidence of how the recruitment panel reached its decision on the preferred candidate.

Councils did not always document their management of conflicts of interest adequately

2.4 Retaining a record of how conflicts of interest were managed, including nil conflicts, supports transparency and allows the council to defend its position if the appointment is challenged.

Central Highlands Council

2.5 Central Highlands Council **largely implemented** recommendation 3.

2.6 We reviewed documents for the 2022 general manager recruitment process. The Council conducted a recruitment, selection and appointment process which was largely effective. The consultant advised that all parties signed a conflict of interest declaration. If a conflict was identified, then the panel would act depending on the nature of the conflict. However, while the Council advised no conflicts of interests were declared, this was not noted in the documents retained from the process.

Huon Valley Council

2.7 Huon Valley Council **largely implemented** recommendation 3.

2.8 We reviewed documents for the 2023 general manager recruitment process. The Council conducted a recruitment, selection and appointment process which was largely effective. The recruitment panel was comprised of 9 councillors, who were all aware of their obligations in relation to conflicts of interest at the start of the recruitment process.

2.9 During the recruitment process, it was identified that all councillors had a professional association with the internal candidate. The Council advised that the management action was not significant, and that the recruitment panel could proceed in their assessment of the application. However, the Council did not formally document this declaration in the selection report.

West Coast Council

2.10 West Coast Council **partially implemented** recommendation 3.

2.11 We reviewed documents for the 2024 general manager recruitment process. We found that conflicts of interest, or lack thereof, were not formally documented by the Council.

- 2.12 While the Council claimed that councillors signed a conflict of interest form for the recruitment process, we were unable to determine whether conflicts of interest were declared in relation to any of the applicants and how these were managed.
- 2.13 The Council only partially addressed the part of recommendation 3 relating to retaining documentation that demonstrates how applicants were compared against each other to determine which applicants proceed to interview.
- 2.14 The Council's decision to exclude the internal applicant from interview, despite being shortlisted, was not explained in the selection report. This matter was addressed when the full council considered the selection panel's preferred candidate. However, this occurred after the conclusion of the shortlisting and selection process.
- 2.15 We were advised by a member of the selection committee that the outgoing General Manager, who was not on the recruitment panel, influenced the Council's decision not to interview the internal applicant, who had been shortlisted, by stating they may not be ready to step into the role at that stage. These considerations were not documented as part of the recruitment process.

Meander Valley Council directly appointed its general manager

- 2.16 Meander Valley Council **partially implemented** recommendation 3.
- 2.17 Meander Valley Council directly appointed its General Manager in 2023, and there was no external recruitment process. While direct appointments were permitted under the Act at the time, this approach is challenging to demonstrate the appointment was merit-based.
- 2.18 The Council did not retain documentation which demonstrated that a merit-based appointment process was completed. However, the Council has adopted a HR policy to reflect the legislative changes introduced by the Minister for Local Government in 2024, such as the requirement to undertake a recruitment process in compliance with Section 61 of the Act.

The Huon Valley Council review recommendation

- 2.19 The 2021 audit contained a review of the process run by the Huon Valley Council to recruit a general manager. The review covered Council's management of conflicts of interest in the recruitment process.
- 2.20 We recommended that the Council improve the recruitment and appointment process by developing guidance, and ensuring processes were implemented to appropriately manage conflicts of interest.
- 2.21 Huon Valley Council has **implemented** the review recommendation.
- 2.22 In response to the review, the Council adopted a Management of Conflicts of Interest Policy and implemented the following actions for the 2023 general manager recruitment process:
- all councillors and other staff involved in the recruitment process signed a conflict of interest declaration prior to the process commencing

- councillors attended a workshop facilitated by the consultant which covered conflicts of interest.

'As all Councillors were involved in the recruitment process and all received the same training from the consultant, the Councillors were confident and supportive of the appointment decision they made.'

Huon Valley Council

3. Performance assessment process

In this chapter, we assessed the implementation of recommendation 4 from the 2021 audit.

Chapter summary

Most councils conducted an effective performance process that supported the general manager's development and monitored their progress towards meeting council strategic objectives. This addressed recommendation 4 from the 2021 audit. We identified 3 councils that could either adopt SMART performance measures or improve existing measures to assess the general manager's performance. There was one council which did not adequately document and report the outcome of the general manager's performance assessment.

Implementation of recommendation 4

Findings from the 2021 audit

- 3.1 The audit identified the following limitations for a few councils when it conducted the performance assessment of its general manager:
- establishing meaningful performance measures
 - obtaining feedback from a wide range of stakeholders
 - identifying actionable outcomes
 - linking remuneration and reappointment decisions to the performance assessment.

Most councils have improved the performance assessment process

- 3.2 Eleven councils **implemented** or **largely implemented** recommendation 4.
- 3.3 We reviewed councils' overall performance against recommendation 4 by assessing whether each practice outlined in paragraph 3.1 were addressed. In most instances, the audit reviewed the last completed performance assessment process for the council's general manager at the time of the audit.
- 3.4 The General Manager for Circular Head Council was appointed in July 2025. The General Manager had not completed a full performance assessment at the time of the audit. However, the Council established:
- a performance review committee with a terms of reference
 - KPIs for the general manager for 2025-26.
- 3.5 In response to the recommendation, the Council endorsed a General Manager Performance Monitoring and Annual Review Policy (the Policy) in September 2025. The Policy references the findings from the 2021 audit and legislative requirements.
- 3.6 The other councils' performance against each part of recommendation 4 is addressed in the following sections.

Most councils established SMART performance measures

- 3.7 The use of specific, measurable, achievable, relevant and time-bound (SMART) performance measures ensures that efforts to reach council's objectives, as set out in the council's strategic plan, are trackable and can be realistically achieved by an agreed date.
- 3.8 Most councils used SMART performance measures for the general manager. Here are some examples of how these were used effectively during the performance assessment:
- setting up a performance agreement with KPIs that sit separately from the employment contract, making it easier to assess personal performance and progress toward council goals
 - explaining what success looks like for each KPI
 - giving each KPI a timeframe or deadline based on how important or urgent it is
 - including organisation-wide KPIs that cover key areas like financial management, infrastructure, and workforce culture.
- 3.9 There were 3 councils that could further improve the general manager's performance agreement by:
- establishing a separate performance agreement with SMART measures
 - enhancing existing performance measures by including expectations for how the measures will be achieved and setting time boundaries.

All councils obtained at least some stakeholder feedback

- 3.10 All councils sought feedback on the general manager's performance, but the number of stakeholders involved in providing input varied.
- 3.11 At a minimum, the consultant undertaking the performance assessment sought feedback on the general manager's performance from councillors. The general manager also completed a self-assessment against each performance measure in their performance agreement.
- 3.12 A few councils conducted a 360 degree review of the general manager's performance which sought feedback from a wide range of stakeholders including:
- direct reports
 - senior managers
 - council staff that are not direct reports
 - community and business leaders
 - general managers from neighbouring councils.

3.13 There is no requirement for councils to undertake an annual 360 degree review of the general manager's performance. According to guidance from OLG:⁵

'Councils may consider adopting contemporary evaluation processes including '360 degree' feedback and similar, and it may be appropriate in some instances to structure these more involved and detailed evaluations in a biennial cycle.'

3.14 For some councils, it may not be practical to conduct a 360 degree review every year for the general manager, particularly in their first year. However, once the general manager has settled into the role and established stronger relationships across the community, engaging a wider group of stakeholders in the following year's performance review can be beneficial.

3.15 We are satisfied overall that councils sought sufficient feedback on the general manager's performance based on the processes we reviewed.

All councils identified actionable outcomes

3.16 All councils identified actionable outcomes in the general manager's performance assessment.

3.17 Actionable outcomes provide the general manager with an opportunity to improve their performance or to implement new initiatives in support of council objectives.

3.18 In the audit, we identified the following examples of actionable outcomes that were discussed at the conclusion of the general manager's performance assessment:

- learning and development
- career coaching and mentoring
- reprioritising goals linked to strategic council objectives
- health and wellbeing support
- revised KPIs
- succession planning or reappointment.

Most councils linked remuneration increases to performance

3.19 Most councils linked the outcome of the most recent performance assessment to its decision to increase the general manager's remuneration.

3.20 We found that Sorell Council did not adequately document the outcome of the general manager's performance assessment for the year we reviewed. The matter was discussed at a council workshop, but minutes were not taken, and it was also not reported to closed council. Therefore, we were unable to determine what Council's decision was in relation to remuneration.

⁵Department of Premier and Cabinet, Office of Local Government [Information Sheet - General Manager Performance Monitoring](#). Accessed 16 January 2026

Impact of implementing recommendation 4

- 3.21 Councils advised that the implementation of this recommendation has resulted in an effective process that supports the general manager's development and monitors their progress towards meeting council strategic objectives.

'By using an external HR recruitment agency, this has enabled best practice processes to be put in place. They have worked closely with the Mayor and Councillors to set relevant KPI's for the GM aligning with Council's strategic vision.'

Brighton Council

'The process that has been implemented has assisted Councillors to maintain oversight of the General Manager's performance in a structured manner.'

Meander Valley Council

Appendix A – Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my follow up of the *Report of the Auditor-General No.2 of 2021-22: Council general manager recruitment, appointment and performance assessment*.

Audit objective

The objective of the audit was to assess the degree to which entities have implemented recommendations made in the *Report of the Auditor-General No.2 of 2021-22: Council general manager recruitment, appointment and performance assessment* (2021 audit).

Audit scope

The audit assessed the implementation of 4 recommendations made in the 2021 audit as listed in Table 1.

Table 1: Recommendations assessed

Recommendation
1. The Local Government Division ⁶ of the Department of Premier and Cabinet support the Minister for Local Government to develop and issue mandatory requirements and supplementary guidance on recruitment, appointment and performance assessment processes that are consistent with contemporary HR practice.
2. Councillors with limited recruitment or performance assessment experience involved in such activities either undertake relevant training to improve their knowledge on contemporary HR practice or be supported by a person with the required expertise to help them fulfil their obligations under the Act.
3. Councils review and, where appropriate, improve the recruitment and appointment process by: <ul style="list-style-type: none">managing potential conflicts of interest once applicants for the position become knownrequiring all participants to declare and document perceived, potential or actual conflicts of interest prior to shortlisting applicants to be interviewedretaining documentation that demonstrates how applicants were compared against each other to determine applicants to be interviewed and the preferred applicantratifying shortlisting to ensure all applicants were considered equitably

⁶Now known as the Office of Local Government.

Recommendation

- undertaking interviews that are consistent and equitable for each applicant interviewed and follow contemporary HR practice.

4. Councils review and, where appropriate, improve the performance assessment process by:

- establishing specific, measurable, achievable, relevant and time-bound (SMART) performance measures
- obtaining feedback on performance from a wider range of stakeholders
- identifying actionable outcomes in performance assessments
- linking remuneration increases and reappointment to the most recent performance assessment.

The Office of Local Government (OLG) is responsible for implementing recommendation 1.

The audit assessed the extent of implementation of recommendations 2, 3 and 4 for the following councils:

- Brighton
- Burnie City
- Clarence City
- Circular Head
- Central Highlands
- George Town
- Huon Valley
- Launceston City
- Meander Valley
- Northern Midlands
- Sorell
- West Coast.

Review recommendation (Huon Valley Council)

The 2021 audit contained a review of the process run by the Huon Valley Council to recruit a general manager. This review contained the following recommendation:

Council review and improve the recruitment and appointment process by developing guidance and implementing a process whereby those involved in a recruitment process:

- *declare conflicts of interest, or lack thereof, once applicants are known*
- *implement management strategies that are commensurate with the nature and extent of the conflict of interest.*

Audit approach

The audit was conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*, issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a limited assurance opinion.

The audit assessed:

- the extent to which recommendations made in the audit report were implemented
- whether implementation of the recommendations helped improve compliance, efficiency, effectiveness or economy of the relevant State entity's activities
- the appropriateness of the rationale or evidence to support non-implementation.

Responsibility of management

It is the responsibility of the Accountable Authority to ensure that recommendations from external independent bodies such as the Auditor-General are implemented in a timely manner. Where a strategic or operational business decision has been made not to implement a recommendation, this should be communicated to the Accountable Authority for the entity and the entity's Audit Committee, or equivalent.

Responsibility of the Auditor-General

My responsibility was to assess whether entities have taken the necessary actions to implement the recommendations made in the 2021 audit, and whether implementation helped improve performance or compliance.

Independence and quality control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this follow up audit.

Conclusion

It is my conclusion that:

- OLG implemented recommendation 1
- Eleven councils implemented recommendation 2, and one council partially implemented recommendation 2
- Three councils implemented recommendation 3, 2 councils largely implemented recommendation 3, and 2 councils partially implemented recommendation 3
- Seven councils implemented recommendation 4, 4 councils largely implemented recommendation 4, and one council partially implemented recommendation 4
- Huon Valley Council has implemented the review recommendation.

Martin Thompson
Auditor-General
16 March 2026

Appendix B – Transmittal letter



Level 2, 144 Macquarie Street, Hobart, Tasmania, 7000
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16 March 2026

President, Legislative Council
Speaker, House of Assembly
Parliament House
HOBART TAS 7000

Dear President, Speaker

**Report of the Auditor-General No. 9 of 2025-26 – Follow up of
*Report of the Auditor-General No.2 of 2021-22: Council general
manager recruitment, appointment and performance assessment***

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of this follow up audit is to assess the degree to which entities have implemented recommendations made in the *Report of the Auditor-General No.2 of 2021-22: Council general manager recruitment, appointment and performance assessment*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Martin Thompson".

Martin Thompson
Auditor-General

Appendix C – Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008*, this report was provided to the relevant Minister, Entity Heads of the audited entities with a request for submissions or comments.

Submissions and comments that we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response.

Response from Huon Valley Council

The Huon Valley Council welcomes the Audit findings and has no comments to make.

Sally Doyle
Mayor

Response from Sorell Council

Thank you for the opportunity to participate in this audit. Sorell Council understands that the recruitment of and ongoing performance assessment of general managers is one of the most important roles it has. We acknowledge the shortcomings in our previous performance assessment in that we did not adequately document the outcome of the assessment and have ensured that this has been addressed in the current performance assessment being undertaken.

Jess Hinchon
General Manager Operations

Appendix D – Our role, audit mandate and standards applied

Our role

The Auditor-General and Tasmanian Audit Office (Audit Tasmania) are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our [reports](#) page on our website.

Mandate

Section 23 of the *Audit Act 2008* states that:

- (1) The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:
 - (a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;
 - (b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;
 - (c) investigating any matter relating to public money or other money, or to public property or other property;
 - (d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;
 - (e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;

- (f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –
 - (i) on behalf of the State entity; or
 - (ii) in partnership or jointly with the State entity; or
 - (iii) as the delegate or agent of the State entity;
 - (g) examining the performance and exercise of the Employer’s functions and powers under the *State Service Act 2000*.
- (2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

Standards applied

Section 31 specifies that:

‘The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

- (a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and
- (b) the Australian Auditing and Assurance Standards.’

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.

Acronyms and abbreviations

2021 audit	<i>Report of the Auditor-General No.2 of 2021-22: Council general manager recruitment, appointment and performance assessment</i>
AASB	Australian Accounting Standards Board
Audit Act	<i>Audit Act 2008</i>
DPAC	Department of Premier and Cabinet
HR	Human Resources
KPI	Key Performance Indicators
LGAT	Local Government Association of Tasmania
OLG	Office of Local Government
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
The Act	<i>Local Government Act 1993</i>
The Order	<i>Local Government (Appointment and Performance of General Managers) Order 2024</i>



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