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STATE DEVELOPMENT, INFRASTRUCTURE AND WORKS COMMITTEE

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PUBLIC BRIEFING—CONSIDERATION OF AUDITOR-GENERAL REPORT 14: 2024-25— MANAGING MINJERRIBAH FUTURES FUNDING

TRANSCRIPT OF PROCEEDINGS

Tuesday, 22 July 2025

Brisbane

TUESDAY, 22 JULY 2025

The committee met at 11.14 am.

CHAIR: Good morning. I declare open the public briefing. My name is Jim McDonald. I am the member for Lockyer and chair of the committee. With me here today are: Ms Jonty Bush, the member for Cooper and the deputy chair; Mr Terry James, the member for Mulgrave; Mr David Kempton, the member for Cook; Mr Shane King, the member for Kurwongbah; and Mr Bart Mellish, the member for Aspley. The purpose of today's briefing is to assist the committee with its consideration of the Auditor-General Report 14: 2024-25 *Managing Minjerribah Futures funding*, which has been referred to the committee.

This briefing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Witnesses are not required to give evidence under oath or affirmation but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the briefing at the discretion of the committee. These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. Please turn your mobile phones off or to silent mode. Finally, I remind everyone to press their microphones on before you start to speak and off when you are finished. I acknowledge the member for Oodgeroo, who is in the public gallery.

CHRISTENSEN, Mr Paul, Senior Director, Queensland Audit Office

FLEMMING, Mr Patrick, Deputy Auditor-General, Queensland Audit Office

VAGG, Ms Rachel, Auditor-General, Queensland Audit Office

CHAIR: Welcome, Auditor-General and the team from the Queensland Audit Office. I invite you to brief the committee, after which the committee members will have some questions for you.

Ms Vagg: Thank you, Chair, and good morning. I would like to acknowledge the traditional custodians of the lands throughout Queensland, including the Turrbal and Yagara people who are the traditional custodians of the land on which we meet today and the Quandamooka people who are referred to in this report. Thank you for the opportunity to brief this committee on my report, *Managing Minjerribah Futures funding*, tabled in May of this year. With me today are Patrick Flemming, the Deputy Auditor-General, and Paul Christensen, the senior director responsible for preparing this report.

The QAO welcomes information on public sector performance and requests for audits from the public, elected members, public sector employees and other integrity officers. The information we receive is a valuable part of our work. In 2021, we received several requests to conduct audits over funding to the Quandamooka Yoolooburrabee Aboriginal Corporation, QYAC, on Minjerribah or North Stradbroke Island. This included a request from the former member for Oodgeroo, Dr Mark Robinson.

QYAC receives funding from the Queensland government to support projects and activities on Minjerribah. It receives this from several government departments and other public sector entities. QYAC in itself is not a public sector entity. Given the level of public interest, we decided we would assess how government departments manage the funding provided to QYAC and report on that. As QYAC is not a public sector entity, we did not conduct an audit over it. While we do have the powers that will allow me to audit how a non-public sector entity has used funding received from a public sector entity—this is called 'follow the dollar'—we considered the most efficient and effective way of achieving this was through obtaining information directly from the departments. The follow-the-dollar powers would also not have allowed QAO to conduct a broader audit of the governance, operations or financial position of QYAC.

While we obtained and assessed information related to several funding agreements between QYAC and the Queensland government, this report focused on funding provided firstly under the North Stradbroke Island Economic Transition Strategy and later Minjerribah Futures. We determined this was the most appropriate area to focus on as this was a significant strategy designed to assist Brisbane

the broader Minjerribah community. Minjerribah Futures is a complex program involving multiple projects and funding agreements. Given the complexity of Minjerribah Futures, we anticipated findings that would provide insights and learnings relevant for similar future programs. Our assessment of the program focused on the period 1 July 2016 to 31 December 2021 as this represented the main timeframe when relevant agreements were entered into, most of the initial funding was provided to QYAC and projects were scheduled for completion.

My report includes seven recommendations to the Department of the Environment, Tourism, Science and Innovation, five of which are also addressed to the Department of State Development, Infrastructure and Planning. These recommendations largely reflect learnings the government departments should consider in developing similar projects in the future. The key learnings we identified included ensuring that complex programs of this nature are appropriately designed to support the delivery of the identified projects and there is adequate consideration of the capacity and skill set of the project partners selected to lead and deliver projects, particularly where they are expected to deliver multiple complex projects concurrently.

We encountered several delays in progressing our assessment and finalising this report due to delays in accessing required documents and information, the information of government restructures, including changes to key staff, and turnover of QAO staff assigned to this work. The committee may benefit from hearing from agencies themselves about their progress in implementing our recommendations. I am happy to take any questions the committee might have.

CHAIR: Thank you very much, Auditor-General.

Ms BUSH: There were a lot of interesting learnings in your report. Thank you very much for bringing it forward. Particularly when looking forward to futures strategies with the Queensland government, I think there is a lot in it that could be applied so I think it was really timely and relevant. Firstly, looking at the theme of the report and some of the recommendations, would you agree that delivering a whole-of-sector tourism strategy without defined accountability for initiatives could lead to fragmented delivery as perhaps what may occurred, as in your report?

Ms Vagg: We did make some comments on the design of the program itself and the way that it was managed within the departments. There are some comments in the report about stepping back and actually understanding the complexity of the arrangements as well as the requirements for acquittal processes from QYAC itself. There are comments on governance that can be improved within the department.

Ms BUSH: Is there anything that you would like to elaborate on for the benefit of the committee, particularly when turning our minds to future strategies?

Ms Vagg: There are probably three main themes within the report. One was about the availability of the funding. There was an overall funding amount that was approved, some of which was expected to be delivered by the private sector. In this case, it was not well defined how that was actually going to be achieved. That is point 1. The other was the ability of the receiving entity to actually manage that volume of activity. With the extent of the funding arrangements and the projects that were in place, was the receiving entity able to respond to that and have the ability to access other resources to be able to deliver effectively? The third theme was about the extent of the agreement. There were 20-odd agreements, they were all complex and there were complex reporting and acquittal requirements and whether that was appropriate for the arrangement.

CHAIR: I have a letter from the Leader of the House that allows the member for Oodgeroo to substitute for the member for Mulgrave for today's proceedings. I welcome the member for Oodgeroo. I also place on record my thanks to the former member for Oodgeroo for raising this issue with the Auditor-General.

Mrs STOKER: I have been really interested in the report that you have produced into the Minjerribah Futures program. I observed, as I read it, that the cost to the public of this program blew out massively over the course of it. Could you please outline by how much and the reasons the former government's plan to get private investment involved was such a failure?

Ms Vagg: I will turn to my senior director who can step through the funding structure itself and the initial estimates, followed by any revisions to the funding arrangements.

Mr Christensen: In the report, we identified the latest updated amounts that had been approved, which we obtained from the department. It is figure D4 in the appendix to our report. That identified that the total approved budget was up to \$39 million, and \$30.6 million had been spent as at 30 April 2024, of which \$9.3 million had been provided to QYAC at that time directly. On the increase in the budget, the overall funding program was originally for around \$57 million of which

\$20 million was to be provided through government funding. The additional amounts reflected amounts for projects where the funding was to be provided partially through that private sector funding. That never eventuated, which meant that the government was required to contribute further amounts.

Mrs STOKER: Forgive me, Mr Christensen, but I do not feel as though you have quite grappled with the essence of my question. Why was the former government's plan to get that private sector funding such a failure?

Mr Christensen: We did not investigate specifically that aspect of it. It was pretty obvious to us that that funding did not eventuate. The scope of our audit was more looking at how the funding was there and how it was managed. In their response, the department of tourism advised that the work they did considered that the island was not 'investment ready', which I think was the wording that they used in the report.

Mrs STOKER: Forgive me for harping on this, but is not part of the role in an audit to examine whether or not that which was targeted and designed as an outcome for the program was, in fact, achieved? If a part of the design of the program was to attract investment and that did not occur, that tells us something about the quality and implementation of the program. In the course of the audit, what did you learn about the failures in the design of the program to attract investment?

Ms Vagg: There is a finding in the report that says that, in terms of the design of the program, they did not consider how they would attract private sector investment nor who was responsible for it. That is a finding in the report. Then we have made a recommendation in terms of the design of future programs that if that is an intended way of delivery then there should be a consideration about how it is achieved and who is responsible for it, and then also do appropriate market sounding to see whether it is likely to be available. It is that market sounding that actually represents the recommendation in the report.

Mr KING: In your report you noted strong support from stakeholders for the program's goals. From those learnings, would you agree there is still widespread support for completing this transition?

Ms Vagg: We looked at how the state managed the program of works. In terms of why it was put in place, that is up to government to determine and then we were looking at the process of implementing the grants program. The responses to the report to parliament in itself indicates support for the program.

Mr KEMPTON: Your audit went into the role of the public sector entities and, I guess, to a degree the ultimate recipients. Does your power allow you to look into the ministerial involvement and direction in terms of what that public sector entity does and did you do that?

Ms Vagg: We looked at how the Queensland government managed the program of work and where it is appropriate and required for ministers to be involved, say, in the approval process we would have looked at that, so that is a compliance aspect. Just in the normal course of a review and where it is appropriate, we do look at ministerial involvement.

Ms BUSH: I am interested in your views on whether you consider the program is still on track to deliver its intended benefits to that particular community and whether you believe that continued government funding and support is required to be able to deliver any outstanding projects and to honour those commitments?

Ms Vagg: What the audit looked at was the way government has managed these particular grant programs. It was not an evaluation of the effectiveness of the programs; that usually happens at the end and that is required under the Financial Accountability Handbook. The department should do that at the end of the programs. It might be a question which could be focused back into the department about whether they have appropriate evaluation techniques in place. In terms of the answer to your question, it is probably more that I could just direct back to how the program was managed by the departments.

Ms BUSH: Just a follow-up question: is it fair to say that, if you felt there were risks outstanding to the implementation, they would have been flagged in the report, or is that not the theme of the report?

Ms Vagg: The theme of the report was the management of the program. We raised issues in terms of the information that the departments have and the information on which they were making decisions as well. That is part of the process of evaluating the programs as a whole.

Mrs STOKER: The Queensland Audit Office had the power to audit whether the recipients of funding were using that funding to achieve the purposes for which it was provided, yet it seems the office has made an intentional decision not to do so. What justification could there be for turning away from that important task?

Ms Vagg: What we did do was audit the departments and how they were managing the grants programs themselves. We assessed, through that process, whether we had sufficient information to be able to make the findings in the report and make any recommendations for improvement. We considered that it was unlikely that the use of the follow-the-dollar powers which were specific to those transactions themselves would have actually given us any additional information in terms of the scope of this particular audit. We did not feel that it was needed to achieve the objective of the audit in itself.

We did actually look at the information held by the department before we made that decision. That was not made at the beginning; we assessed the information that we had as the investigation was ongoing. We also looked at the regulatory environment for QYAC itself and any regulatory reviews that had been performed. There had been one performed by the Office of the Registrar of Indigenous Corporations in 2021. It reported on the governance and internal controls of QYAC without raising any significant concern, so we did also reference that particular report in terms of our understanding of QYAC as an entity.

Mrs STOKER: By way of interrogation of that response, did you take into account in doing so the internal concerns raised about governance within QYAC in the report of Cornwalls dated 14 February 2025?

Ms Vagg: We received many matters referred to us through requests of audit for this particular environment, so we were aware of issues in the organisation that had been referred to us. We then referred to the regulator's review which gave their conclusions. We then also referred to the amount of information that was provided by the department. In terms of the investigation's scope, we assessed that information as being sufficient to be able to draw our conclusions.

Mrs STOKER: Despite that information, the conclusions you have reached are that the department did not effectively assess QYAC's capacity and skill set to successfully deliver and that they lacked the capacity and skills required to accurately estimate costs and deliver the projects they were assigned. Given those conclusions, have you examined whether or not we can see on the ground the tangible outputs that were assigned by the program?

Ms Vagg: We did not assess the outcomes of the program in itself and the effectiveness of the design of the program to achieve those outcomes—so whether it actually achieved the outcomes. This was an investigation on the way that the state was managing the program—so the process in itself, the way it provided the funding, the agreements that were in place and then the monitoring of the agreements. In terms of assessing the outcomes of the programs of work, that would be a performance audit in itself and was not covered by this investigation.

Mrs STOKER: So your audit dealt with the movement of funds and the supervision of the movement of those funds, but not whether or not the funds were achieving the stated objectives of the program?

Ms Vagg: We were looking to see whether the department was assessing whether it had suitable criteria in place before it made its progress payments and assessments. We were looking at more than just the transactional nature of it.

Mrs STOKER: Is it fair to say that your assessment was that the department failed to ensure clear responsibility for the project, they failed to do the market sounding and planning that was required in order for it to succeed and they failed to assess whether recipients had the capacity to deliver?

Ms Vagg: We do have findings along those lines in the report.

Mr Christensen: One of the actions we looked at was the fact that, when those issues were identified within QYAC, there were a number of projects which were reassigned effectively to the Department of Housing and Public Works so they could use their skills in project management and construction to help deliver the projects. We looked at, once they had the issues, what happened there. In that appendix D4 figure I referred to, it identifies that a lot of the funding for projects such as the arts and the cultural centre was reassigned to the department of public works for the delivery of the project rather than to QYAC. Where it was failing initially, there was an engagement with another department that could help bring in the skills required to manage the projects which were probably beyond QYAC's ability and the task they were initially assigned.

Mr KING: Further to that, based on your review, do you think there are any further steps departments could take to build capability in small Indigenous organisations, without shifting the responsibility away from them?

Ms Vagg: The review itself actually identified whether money should be provided without that assessment. It is about whether the department, before it provides funding for a particular program of work, assesses the recipient's ability to be able to respond to that funding to achieve the objectives of the program. There is a recommendation there that that should happen. Departments may want to look at alternate means of delivery or alternate means of delivering an uplift to capability should they still want to provide that funding.

Mr KING: So there are learnings there.

CHAIR: I appreciate you being here and I thank you for your report. Many in the community will not understand the difference between a public sector entity and the establishment of QYAC. Could you explain that and correspond that with the follow-the-dollar powers to give an explanation of that? Could you also take us through this year by year because we did not just have one problem over the five years? Can you break that down for the committee's benefit?

Ms Vagg: A public sector entity is something that is established within a legislative framework to be a public sector entity. They are defined. A government department is a public sector entity. Statutory bodies which are established under legislation are public sector entities. Then where the state is the majority investor in an entity and exercises control—like voting rights, the ability to do something in that entity—it can also be a public sector entity. There are 400 or so of those entities. They are defined in our reports, and we exercise the power to perform an audit over those particular entities.

Government entities—so those public sector entities—do things by providing funding out into the private sector or non-public sector entities. They may provide a significant source of funding to another entity but they do not control it. They do not own it or have legislative power over that particular entity. QYAC is an example of an organisation that receives a significant portion of its funding from the state and federal governments but in itself is not controlled through its decision-making powers to be a public sector entity. That is the difference between the two. Those particular entities are not audited by the Auditor-General—so by me or the federal Auditor-General. They are an organisation in their own right and organise their own auditors to perform audits of their financial statements.

In terms of the timeline in itself of how this has been established and implemented, I will turn to Paul.

Mr Christensen: Can I get some clarity in terms of the specific timeline you are looking for?

CHAIR: Obviously, QYAC have been operating for a long time and your focus was really 2016 to 2021. Can you take us through the annual amounts of dollars and projects?

Mr Christensen: The project itself started in 2016 and we first received our request in 2021, so it was really only in 2021 that we started looking at the overall funding. We did not necessarily look at that funding on a year-by-year basis. Once we got in in 2021, then in 2021 and 2022 we looked at what funding we could identify. We also looked at other grant programs that other departments had been providing funding to QYAC for. We looked at that more in a total level. When we started looking at the individual programs, we would actually work through the different agreements and where there were variations. I probably do not have a lot of other detail in terms of a year-by-year breakdown, but we did go back to that total program level.

CHAIR: Auditor-General, you mentioned that QYAC would need to have their own auditors. Did you examine the function of those auditors and compare that to the delivery of the projects?

Ms Vagg: The audits were of the financial statements themselves, so we did look at the audit reports to identify if there were any issues raised in those audit reports over the financial statements themselves—like I mentioned, over the regulator and their particular review that they did of QYAC in itself. I thought I would highlight, based on your previous question of Paul, that there is a list of projects that we have in the report to shine a light on the extent of projects and activities undertaken, as well as the changing functions within machinery-of-government changes. Also, at that point, it was shifted so that projects were delivered by government departments, such as Housing and Public Works, rather than QYAC themselves. That information sits within the appendix of the report.

CHAIR: Thank you.

Ms BUSH: Obviously, one of the objectives of the Queensland government is to be building that capability in our service sector, which is often well placed to be delivering services, particularly in our community controlled organisations. Could you expand on your recommendation that the reporting requirements be better tailored to the capacity of smaller delivery partners?

Ms Vagg: Government can give money to the private sector in a couple of ways. One way is through grants programs. Grants programs are designed to achieve the objectives of government. You are not necessarily getting a one-for-one value from those; they have broader objectives. Then there is outsourced service delivery, which is more that you are paying for something to be delivered by the private sector. Both are in place. In terms of this program—which is a grants program, so it is delivering an objective of government—there are a number of projects that are then designed which each have project requests for information in there to allow the department to assess whether they are achieving what they have set out to achieve.

Our recommendation is really about making sure that those project agreements are fit for purpose for the organisation that is receiving the grant, as well as the grant itself. They should have the right level of information being required under them. They should be assessed as a collective as well. There might be many individual project agreements with a single counterparty, and part of the recommendation is for government to take a step back and say, 'We have many similar agreements which may have quite a significant impost on the receiving party. Is that appropriate? Is there a better way to structure that which is more streamlined, efficient and effective?'

Ms BUSH: Throughout the audit, did you find examples of where departments were constructive in helping QYAC to deliver on some of their goals and objectives?

Ms Vagg: There are examples in the report of where funding was redirected into government to better support the planning and then delivery of particular projects. That is probably where the examples more sit in the report.

Ms BUSH: I think in your report you also mention some agreements that did not clearly define the allowable administrative costs. Do you see value in setting clearer guidelines for that up-front for future agreements?

Ms Vagg: It is quite grant specific, but it is really about having enough detail to allow the department to assess the appropriate use of the funding and then they can also assess whether, in a stepped manner, it is going towards achieving the objectives of the program. There does need to be sufficient detail in terms of the requested information to allow the department to do that.

Where there are allowances for certain types of spending and government has a view on the appropriateness of that spending, they should articulate that in the grant agreements and the acquittals. We do have an example in the report, which was about the percentage of spending on administrative activities associated with one of the particular projects. Without defining the appropriateness of the allocation of that spending, government was not able to provide those boundaries of what was appropriate or not.

Ms BUSH: Where does the role of flexibility come into it in designing some of those programs and acquittal processes?

Ms Vagg: It should be a principle-based approach of assessing that particular program, risk associated with that particular program and then the counterparty—so the entity that is receiving the grant—and their capability and ability to manage those funds. It is not a prescriptive process; it is one which should be assessed for each program.

Mr KEMPTON: Would it be safe to say that outside this case there are hundreds of millions of dollars of public entity expenditure to private corporations, individuals, partnerships with ORIC—a whole range of people—and there is an audit process? I have a couple of questions here. Who audits the auditors and who assesses the cost benefit of these projects? Is this case the rule rather than the exception? If we look wider across the state over the last decade do you think we would find instances of this in other places?

Ms Vagg: In terms of the Queensland government, it does use grant programs extensively to deliver its objective. It is a way that government actually delivers its programs of work, as do all governments; that is not peculiar to the Queensland government. There are many experts who sit within government departments to structure grant arrangements and to monitor the achievement of their outcomes. The Financial Accountability Handbook provides the structure around how grants programs should work as well, so there is literature to support the delivery.

In terms of assurance and audit over the grants programs, at an individual level agencies may have assurance over their programs. For larger programs of work, they may either use internal resources within the department or engage assurance specialists to review those particular programs. In terms of the role of the Auditor-General, what I do is audit the expenditure of the state in terms of internal control structures and reporting into financial statements. We also have a role in terms of compliance of grant programs with appropriate regulation and legislation and the reporting of the financial outcomes of those programs.

Mr KEMPTON: Do your findings in this instance cause concern for a bigger issue across the state being a longer period that was being audited? Does that bother you?

Ms Vagg: We receive many requests for audit—I think a bit less than a hundred each year. We assess those as part of our normal audit processes and may report them to our public sector entities. I may report them as an article in another report to parliament. For this particular program, the findings associated with it were of significance that we felt it should be a standalone report to parliament, which should give an indication of the issues that were identified here as well as the interest in this particular program of work.

The findings and the recommendations are good for all grant programs. As an assessment piece, those people who are responsible within the public sector who are running grant programs should reflect on the findings and the recommendations in this report to understand whether they should be improving their own programs of work. In terms of programs of a similar nature with similar issues, we have not identified any others.

Mr KING: Based on the information available, are most of the Minjerribah Futures projects substantially complete?

Ms Vagg: In terms of the funding, as of last year a significant portion of the funding had been spent. In terms of the completion of the programs of work themselves, it is probably a question better placed to the department.

Mr KING: Your report mentioned changes in project names and categories over time. Would you support the department publishing a reconciled project list to improve clarity?

Ms Vagg: We have made recommendations in the report about just that in terms of transparency of programs of work over time as names and entities that are responsible change to make sure they are able to be reconciled in a transparency sense. I would support improving transparency of these programs of work.

Mrs STOKER: This program is in my community and I can tell you as I look at the program's priorities, Minjerribah Futures has not expanded the education and training sector in any meaningful way. It has not stimulated local business development and growth, which has been stagnant and struggling for a considerable period of time. It has not meaningfully diversified and expanded the current tourism industry beyond building a cultural centre that shows promise but at the moment is wrapped in temporary fencing and high grass and is not open to the public. There was the promise of a 'whale on a hill' that was controversy ridden and never came to be and perhaps a trail or two. What does the utter failure on the ground to deliver what the program set out to do tell us about deficiencies in the pre-announcement planning and scoping stage of the work?

Ms Vagg: We do have significant findings in the report about the management of the programs. There are significant findings and recommendations. In fact, there is a separate report here which indicates the significance of those activities, and planning for delivering the outcomes in a grants program is an important part of the program in itself. Does that answer your question?

Mrs STOKER: It sets a goal, I suppose, but what in a tangible sense did the former government fail to do in that pre-announcement planning for the implementation stage that was required for these lofty objectives to have any chance of success?

Ms Vagg: There are issues raised about the design of the program in this report, particularly about understanding what the private sector delivery part of the program looked like, what the market's ability to respond from that sense looked like as well as assessing the capability of QYAC to respond to this funding. Those elements are included in the report in terms of the design of the program.

Ms BUSH: Chair.

Mrs STOKER: I have one follow-up question before I leave this, if that is okay. Thank you very much, Chair, and thank you to the member for Cooper for her indulgence. In making your assessments, did you consider whether the program's design represented value for money for the

taxpayer? I looked at the case study that was conducted by the Audit Office, which provided for 36 glamping tents to be built for a cost of \$2.218 million. At over \$61,000 per tent, that is a pretty swish tent. Do you have any findings or conclusions about value for money for the taxpayer in your report?

Ms Vagg: The evaluation of the outcomes of the grants program should happen at the end of the program; it is a requirement under the Financial Accountability Handbook. The department should do that—make that assessment—so it could be a question for the department. What I did look at was how the programs were managed over time and whether there were any indicators of effectiveness of outcomes concerns in the management of the programs but I did not cover the effectiveness of the outcomes of the program in this particular audit. As Paul mentioned before, there were changes and shifts within government about how the programs were delivered including those shifts where there was an intention for QYAC to deliver parts of the program but, in fact, it was then delivered by government departments instead. Was there anything else you wanted to add, Paul?

Mr Christensen: There are two aspects of it. One is we were also conscious of not commenting on the merits of government policy as a broad policy objective because that is something we cannot do under the Auditor-General Act. I guess the nature of the scope we did was a limited aspect of it. This was not a full performance audit where we would normally consider some of those more detailed aspects, and that was the nature of the issues that were raised with us initially and the scope that we agreed we would do for this report.

Ms BUSH: I am obviously mindful of the learnings that can be applied from this review moving forward and am cognisant that the Queensland government has also released its Destination 2045 long-term tourism strategy. Your report found that reporting in this project was perhaps inconsistent and that that reduced over time. I am keen to hear from you about the risks of implementing a long-term strategy or any tourism strategy without regular and public progress reporting. What are the risks involved in that?

Ms Vagg: There are findings in this report about this particular program which can be applied to other programs of work of government and it is also well-defined within the Financial Accountability Handbook of government in terms of appropriately designing, planning, implementing and then assessing outcomes. That would be similarly applied to any other strategy of government and that can be in a very large sense about a strategy that is being implemented. It can also be at the program level about certain performance aspects of programs. Yes, I think the lessons in the report about assessing appropriateness of design, assessing the capability of a recipient and understanding whether the reporting requirements within the programs are suitable for that particular environment still apply to all programs of work.

Ms BUSH: Do you see a role for the public reporting nature in terms of cultivating community confidence, accountability or transparency? I am interested in that element.

Ms Vagg: Transparency and accountability are an important part of government and need to be suitable for those particular programs. In the design of a program, there could be an assessment about the level of reporting and expectations of the community for levels of reporting. All grants programs are included in financial statements but depending on their size, they may or may not be prominent in a particular set of financial reports. I would say it would be an assessment at a strategy by strategy or grant program by grant program level.

CHAIR: Thank you. We are going to go a little bit over the programmed 12 o'clock finish because we started just after 10 past 11. In regards to decisions about the funding, did you look at whether these were cabinet decisions or ministerial decisions? Did you look at that through your audit?

Ms Vagg: We did, and I might turn to Paul to give a bit more detail about the individual programs.

Mr Christensen: As a starting point, we looked at the decisions by the government—cabinet—to approve the overall program, the projects and the initial funding that was available. That was the starting point to then say, 'How do we assess each program, select which ones we are looking at?' That was the starting point. After that we selected a sample of I think seven agreements. We looked at the contract approval for funding and variations, who was approving that and the decision process that was gone through for those as well.

CHAIR: I have two other questions. In terms of appendix D and the projects that you outlined to us, I see a total of \$39-odd million went to QYAC from the Yoolooburrabee Aboriginal Corporation. Appendix C talks about the corporation being a body corporate or a PBC. Can you talk to the committee about that? There is obviously a CEO or an executive of the body corporate. What is the body corporate make-up? Is it a board?

Ms Vagg: I might turn to Paul in terms of the structure of QYAC.

Mr Christensen: I am no expert and, as we mentioned, we do not audit it. There is a CEO and there is a board with a chair. They are registered under the Native Title Act and there is another reference in there but I cannot find which one it is. I guess they are structured like a corporate entity.

CHAIR: It is on page 39.

Ms Vagg: In terms of our assessment of QYAC and the way it is structured, you are right that it is a corporate entity. It has its own regulatory environment. As I mentioned earlier, a regulator audits it to see whether it is complying with its own regulatory environment. That is the review that I referenced earlier.

We reviewed that to see if the regulator had identified anything significant which would make us think we needed to obtain more information about the specific activities to do with these particular pieces of funding. As I mentioned earlier, they are required to have their financial statements externally audited, and we checked those audit opinions to see if anything significant had been identified.

In terms of the \$39 million, it has been noted that only \$9 million was delivered by QYAC and the remainder was delivered by Queensland government entities. It does not mean QYAC did not receive funding from other government entities, though. Funding was received from the federal government as well as from a council and the University of Queensland. It does have other funding sources as well.

CHAIR: Do you have a breakdown of those other funding sources, including other revenue that they may produce from other activities?

Ms Vagg: The revenue they receive from activities will be in their financial statements, so it will be public. It will be available on their website. I do have a breakdown of the funding that was received from other entities as part of this program. Do you have it, Paul?

Mr Christensen: In terms of the Minjerribah Futures program, the bottom of figure D4 shows \$2½ million was contributed by the federal government for the art centre. It might be in the actual report. There was \$1 million provided by the University of Queensland and there was \$1.2 million for another project provided by the federal government as well.

In figure B2, on page 36, we also identify some of the other funding agreements that are in place with other government agencies which provide funding to QYAC. We also looked at funding for those. When we got our request, we looked at a number of the funding sources that were provided to QYAC from government departments. We went through those processes and we did not find any issues, which is why we did not have any further learnings or recommendations related to those. We also wanted to make it clear in the report that we did look at things outside the Minjerribah Futures program as well.

Ms BUSH: I was reflecting on the report, the time that has gone into it and the learnings that will come from that. One of my concerns is that we write these reports and there are no learnings to be made for governments to implement. I was curious to hear your thoughts on what the risks would be if government were not to adopt the seven recommendations that you have outlined. Moving forward, what things could we expect to see come up?

Ms Vagg: The purpose of grant programs is to achieve a particular outcome set out by government. If they are not designed well and managed well along the way, and if outcomes are not assessed—we just looked at one part of that process—then government may not achieve the outcomes that they set out to achieve. That is the largest risk there.

When looking at each of the steps in that particular process, it is important that they are assessed and designed well by government to be able to respond to the intended objectives of that particular program of QYAC. There are some lessons learned from each program of a similar nature, or even from grants generally. We do audit grant programs as part of our financial statement audits, as I mentioned earlier. These findings and recommendations are also incorporated into our general programs of work if there are any particular items that we should identify in our work.

When we make recommendations to agencies to do something as a result of our audits, I do follow them up and ask whether they have implemented the recommendations and how long it took for them to be implemented. They are reported annually in the Auditor-General's recommendation report to parliament. That is the accountability aspect that comes with the recommendations as well.

Ms BUSH: Has the government agreed to the recommendations that you have provided?

Ms Vagg: Yes, it has, and that is in the appendix to the report. I also provided a copy of the report to QYAC. Even though they were not audited by us, they are obviously a connected party. To ensure accuracy and natural justice, I also provided a copy of the report to QYAC and their response is included in the report.

Mrs STOKER: The economic transition—later called Minjerribah Futures—was announced in September 2016. It was due to be done by March 2020, but obviously that time blew out as much as the money blew out. When did you commence your inquiry into this matter?

Mr Christensen: We received several requests around QYAC and many of them were outside the mandate. We went through those. They were all received between February and July 2021. We started our assessment of what we could look at in late 2021. We then started gathering information about what funding was provided and what types of agreements there were. It was broader than just Minjerribah Futures at that stage, and then it was narrowed down. We sort of conducted testing between the start of 2022 and 2023.

Mrs STOKER: The time that it took to do this project was from, let's say, July 2021 through to the delivery of the report on 8 May. On my assessment that seems much longer than it normally takes the Queensland Audit Office to perform a task of this kind. Why did it take so long in this case?

Ms Vagg: It did take a long time because of the complexity of the arrangements and the number of agreements that were in place. As I highlighted in my opening statement, access to information took a long time, and that included access to cabinet material. There were also machinery-of-government changes. Responsibility for the Minjerribah Futures program changed departments. There was complexity associated with the responsibility and leadership of the program through those machinery-of-government changes. It did take a significant period of time to undertake the initial investigations and then do our deeper investigation and write the report.

Mrs STOKER: Can I ask a final follow-up, if that is okay?

CHAIR: Very quickly.

Mrs STOKER: For absolute clarity, that was almost half the period of time that the former government was in office. Were you at any time encouraged in any way to avoid releasing the report during the period of the former government?

Ms Vagg: No, we were not.

Mrs STOKER: Thank you.

CHAIR: Thank you, Auditor-General. That concludes today's briefing. Thank you for the information you have provided. There are no questions on notice. Thank you to our Hansard reporters and broadcast staff. A transcript of these proceedings will be available on the committee's website in due course.

The committee adjourned at 12.09 pm.