

Report on a page

In 2016, the Queensland Government launched the North Stradbroke Island Economic Transition Strategy (transition strategy) to assist the North Stradbroke Island (Minjerribah) community in its economic transition away from sand mining. The transition strategy identified 23 projects due for completion by the end of 2021. The Queensland Government approved funding of \$20 million, which was approximately one-third of the total estimated cost of delivering these projects.

The transition strategy was reissued in 2019 as Minjerribah Futures, with responsibility transferring from the Department of State Development, Manufacturing, Infrastructure and Planning (Department of State Development) to the Department of Innovation, Tourism Industry Development and the Commonwealth Games (Department of Tourism).

The Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) was the assigned project coordinator for 9 of the original 23 projects. Between 1 July 2016 and 31 December 2021, the period of our review, we identified that QYAC received \$8.7 million under the transition strategy and Minjerribah Futures. This report outlines the key findings from our assessment of how the departments managed funding agreements with QYAC. As QYAC is not a public sector entity, we did not audit its use of the funds.

Reporting on the status of projects could be improved

While the Department of Tourism's website includes information on the Minjerribah Futures projects, this could be improved to provide greater clarity. Project names have changed over time and there is currently no reconciliation of the projects between the original transition strategy and Minjerribah Futures. There is also no current public reporting on the status of funding under Minjerribah Futures.

The design of the program impacted its timely delivery

The original design of the overall program impacted the timely delivery of projects. Successful and timely delivery of Minjerribah Futures depended on generating significant third-party funding. It was not clear from the transition strategy documents which entity was responsible for identifying funding sources. Ultimately, the additional third-party funding was not obtained, requiring the Queensland Government to progressively increase its funding for the projects.

In developing the transition strategy, the Queensland Government did not assess the size and available skillset of QYAC in selecting it to lead and deliver multiple complex projects within the strategy's time frames. The funding agreements were not suitably tailored to recognise QYAC's size nor the volume of reporting requirements across these agreements. This meant QYAC was required to meet many concurrent deliverables and milestones, despite having limited capacity to do so.

For 3 large construction projects, the Department of Tourism renegotiated funding agreements with QYAC to reassign responsibilities to the Department of Housing and Public Works. While this improved the management and progress of these projects, 2 of the construction projects are yet to be completed.

Oversight of projects was inconsistent

Governance arrangements were complex and inconsistent and did not adequately cater for community oversight and engagement. They were also impacted by machinery of government changes, which resulted in the focus of the program's objective changing.

The volume of reporting requirements in funding agreements impacted funding acquittal processes. Some agreements did not clearly define the extent to which available funds could be used to meet administrative costs. This inhibited acquittal of the funds and meant the departments continued to provide funding to QYAC without satisfying themselves that milestones under the funding agreements were achieved.

We have made 7 recommendations based on these observations.

