

Report summary

This report examines the effectiveness and probity of the Industry Partnership Program in supporting industry development in Queensland. The program is administered by the Department of State Development, Infrastructure and Planning.



What is important to know about this audit?

- Governments use industry development programs to grow particular sectors, attract private investment, and create jobs. Queensland's approach to this reflects national and international trends.
- When public sector entities design and deliver these programs well, they can generate strong economic and social benefits. But if not managed well, they can carry risks, such as suppressing competition or not achieving value for money.
- The Industry Partnership Program (the program) was delivered by the Department of State Development, Infrastructure and Planning (the department) from June 2021 to June 2025. The program included \$330.1 million for grants which aimed to create jobs, strengthen Queensland supply chains, and attract private investment. The program focused on priority industries like medical technology, critical minerals, and battery technology.
- The department approved \$204.5 million for 30 projects. Some funds remain uncommitted, including \$75 million for projects approved in principle but not yet finalised. While the program has closed to new applicants, the approved projects are still being delivered.



What did we find?

The program was well designed to support Queensland's industry development objectives

- It supported government strategies, clearly outlined its purpose and expected outcomes, and attracted strong industry interest.
- The department updated the program's guidelines over time to reflect internal reviews and policy changes, keeping the program relevant.

The probity and administrative controls over the program were strong, but improvements could be made to future programs

- The application, assessment, and approval processes were generally fit for purpose. The use of a cross-agency governance model added expertise and rigour to decision-making.
- A small number of high value projects did not follow the program's standard assessment and endorsement process. This reduced funds available for competitive applicants and meant these projects were not assessed in the same way.
- In 2023, the department updated its assessment criteria but gave limited guidance to assessors. This made some approval decisions difficult to understand.
- The department did not adapt its detailed compliance checks to the risks of different projects, creating unnecessary burden for grantees and the department.

Program processes lacked flexibility, which made it hard for some suitable businesses to participate

- The department did not define the level of risk it was prepared to accept in supporting newer or smaller businesses. As a result, it applied the same criteria to all projects. By not clearly defining its risk tolerance and criteria for newer or smaller businesses, the department created the potential for some applicants to be unnecessarily excluded or rejected.

The program showed some positive initial outcomes, but the department could have tracked and reported results better

- The department collected data on jobs created, private investment, and supply chain spending. It did not set program-level targets for these outcomes, making it difficult to measure progress or success.
- It did not develop a monitoring and evaluation framework at the outset and relied on self-reported, unverified information from grantees for some outcomes. As a result, broader impacts, such as supply chain and industry-wide benefits, were hard to assess.
- The department did not conduct economic modelling to assess the program's overall impact.

Public reporting on government support for private businesses needs to increase

- Funding agreements included confidentiality clauses to protect business information. While this encouraged participation, it also reduced transparency by limiting what could be reported publicly.



What do entities need to do?

We have made 8 recommendations, mostly directed to the Department of State Development, Infrastructure and Planning. Two apply to all entities involved in administering government grant programs. The recommendations focus on the following themes:

- making grant processes clearer, more consistent, and better matched to the size and risk of each project
- ensuring entities clearly explain how much risk they are willing to accept to achieve policy intent, and reflect this in the grant processes
- improving how results are measured by setting clear goals and success indicators and using economic analysis to check if programs are delivering value.

The department has agreed to all recommendations.