



**Report of the Auditor-General
No. 6 of 2025-26**

Investment facilitation through the
Office of the Coordinator-General

1 December 2025

Auditing for a better Tasmania

We connect, innovate, grow, and have impact with integrity

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Foreword

Attracting investment is essential for a strong and vibrant economy. Countries and their regions compete for that investment. To increase its share, every Australian state and territory has people who work to attract, facilitate and retain investment. In Tasmania, the Coordinator-General carries out this role, with support from the Office of the Coordinator General (OCG).

Since it was set up in 2014, OCG has reported that it has consistently met its target for facilitated investments. However, this is the only performance measure tied to Budget funding so Parliament and the public have a limited understanding of what OCG has done.

Further, OCG achieved these results without a statewide industry facilitation strategy. A strategy could better define roles and responsibilities and ensure all entities are working towards the same outcomes for Tasmania.

The audit was able to observe occasions where OCG did good work. If effectively implemented, the recommendations in this report should further strengthen the OCG by:

- ensuring its output maximises progress towards outcomes clearly defined in an investment facilitation strategy
- demonstrating its value to Parliament, the public, and potential investors by showing its track record of achieving outcomes aligned with Government policy.



Martin Thompson
Auditor-General

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**2025
PARLIAMENT OF TASMANIA**

Investment facilitation through the Office of the Coordinator-General

1 December 2025

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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Executive summary

What we concluded

The Office of the Coordinator-General (OCG) has reported that it has met its investment facilitation objectives. However:

- the investment facilitation objectives are not well defined due to the lack of a whole of government investment strategy
- a single performance measure to communicate progress towards investment facilitation objectives is insufficient.

This means that OCG has not transparently reported on progress towards investment facilitation objectives.

Summary of findings

The OCG reports that it has met its investment facilitation objectives despite the State's framework for facilitating investment being fragmented and not-fit-for purpose. It is missing a vital component, being a whole-of-government investment facilitation strategy.

Consequently:

- roles and responsibilities of various State entities are unclear – for example, there is limited awareness of the role of OCG and how it works with the Tasmanian Development (TD) Board
- OCG is brought into facilitation activities at a late stage or not at all. For example, OCG was:
 - brought into the King Island Dairy sale process at a late stage
 - not consulted in relation to the proposed sale of Wilkinsons Point land as documented in *Report of the Auditor-General No. 3 of 2025-26: Proposed sale of Wilkinsons Point land*.

The absence of a whole-of-government investment facilitation strategy also impacts on quality of advice to decision-makers. Current objectives, outcomes, and performance measures do not help OCG provide clear, structured advice on investment projects. For example, whether specific investment projects should be prioritised over others.

There are also opportunities to better align OCG's strategic and operational framework with its needs. These opportunities include:

- better managing OCG's strategic and operational risks and implementing principle-based policies and procedures to address those risks
- better documenting OCG's approach to investment facilitation
- more transparently reporting OCG's performance in investment facilitation.

Our recommendations

We recommend that ...	The response to the recommendation was ...	Expected completion is ...
1. State Growth leads the establishment of a whole-of-government strategy for investment facilitation.	Accepted	Timeframe to be determined by Government
2. OCG develops measures that align with the whole-of-government strategy and can be used: <ul style="list-style-type: none"> • by the TD Board to prioritise financial support for investments • to validate project outcomes as appropriate • to publicly report on outcomes achieved. 	Accepted	December 2026
3. OCG develops a divisional risk register that identifies strategic and operational risks and the procedures and controls that reduce those risks to an acceptable level.	Accepted	June 2026
4. OCG works with the TD Board to improve the structure and clarity of its advice to them.	Accepted	Ongoing

Response to the report

We asked the Treasurer, Minister for Business, Industry and Resources, Department of State Growth and the Coordinator-General to provide responses to the report.

We received responses, reproduced in Appendix C, from the Minister for Business, Industry and Resources and a joint response from the Department of State Growth and the Coordinator-General. We did not audit these responses. Responsibility for the accuracy, fairness and balance of responses rests solely with those who provided it.

Submissions were received from the:

- Minister for Business, Industry and Resources — who thanked us for the audit and noted that several initiatives were already underway that align closely with the intent of the Auditor-General’s recommendations
- Department of State Growth and Coordinator-General — who welcomed the recommendations.

1. Introduction

Well-designed investment promotion and facilitation policies... can enhance a country's investment attractiveness by reducing information asymmetries and lowering administrative and investment costs, making it easier for businesses to establish or expand their operations. These measures may also help to ensure that foreign investments support national development objectives and generate positive spillovers, including through linkages with local companies, the transfer of skills and technologies and the development of less developed regions.¹

A single point of contact for investment

- 1.1 All Australian jurisdictions offer a single point of entry to support major investment proposals. This helps proponents with large, complex investment projects navigate federal and state regulations more easily.
- 1.2 The functions of this single point of entry may involve:
 - prioritising industry investment and resilience projects to determine the services available to the proponent
 - facilitating connections with relevant entities
 - supporting proponents to navigate regulatory requirements
 - facilitating public financing.²

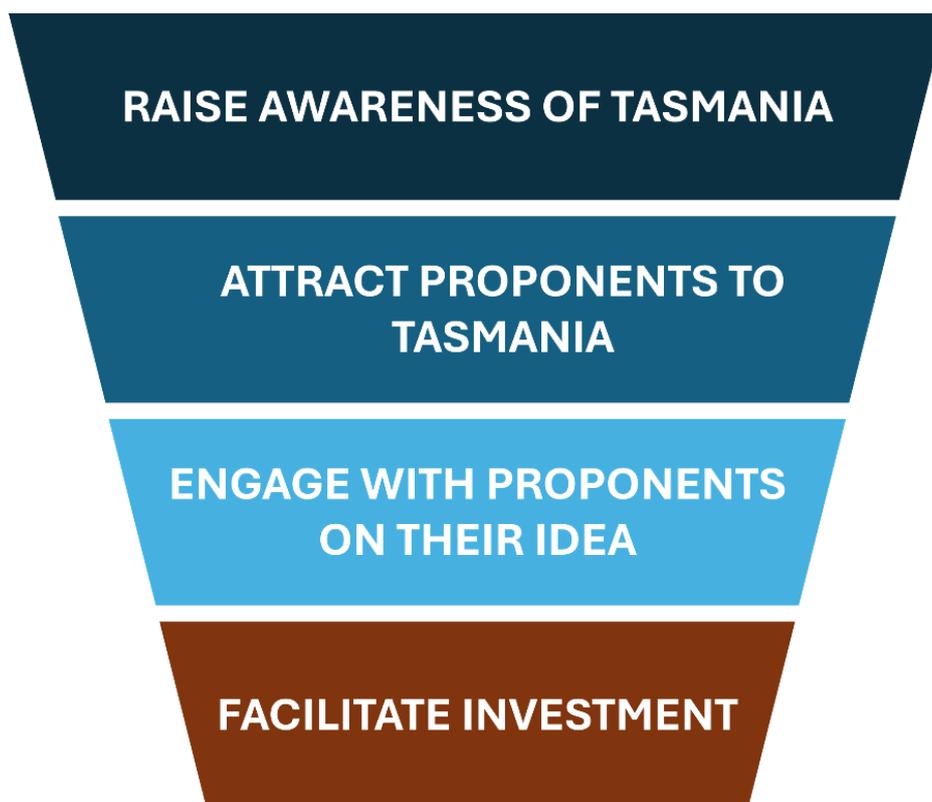
Industry investment and resilience in Tasmania

- 1.3 In Tasmania, OCG is the entry point for investors. As shown in Figure 1, it:
 - raises awareness of and attracts investment to Tasmania. For example, OCG participates in trade and investment missions that each have:
 - a specific rationale
 - participants picked based on the potential benefits to Tasmania
 - timing that reflects recent market performance and the availability of government and industry leaders.
 - facilitates investment by working with proponents and State and local government entities.

¹ The Organisation for Economic Cooperation and Development, [Investment incentives, promotion and facilitation](#) sourced on 29 September 2025.

² The Treasury, [Consultation paper: Establishing a 'Front Door' for major, transformational projects](#), sourced on 9 October 2025.

Figure 1: OCG's activities leading to investment facilitation



Source: Audit Tasmania.

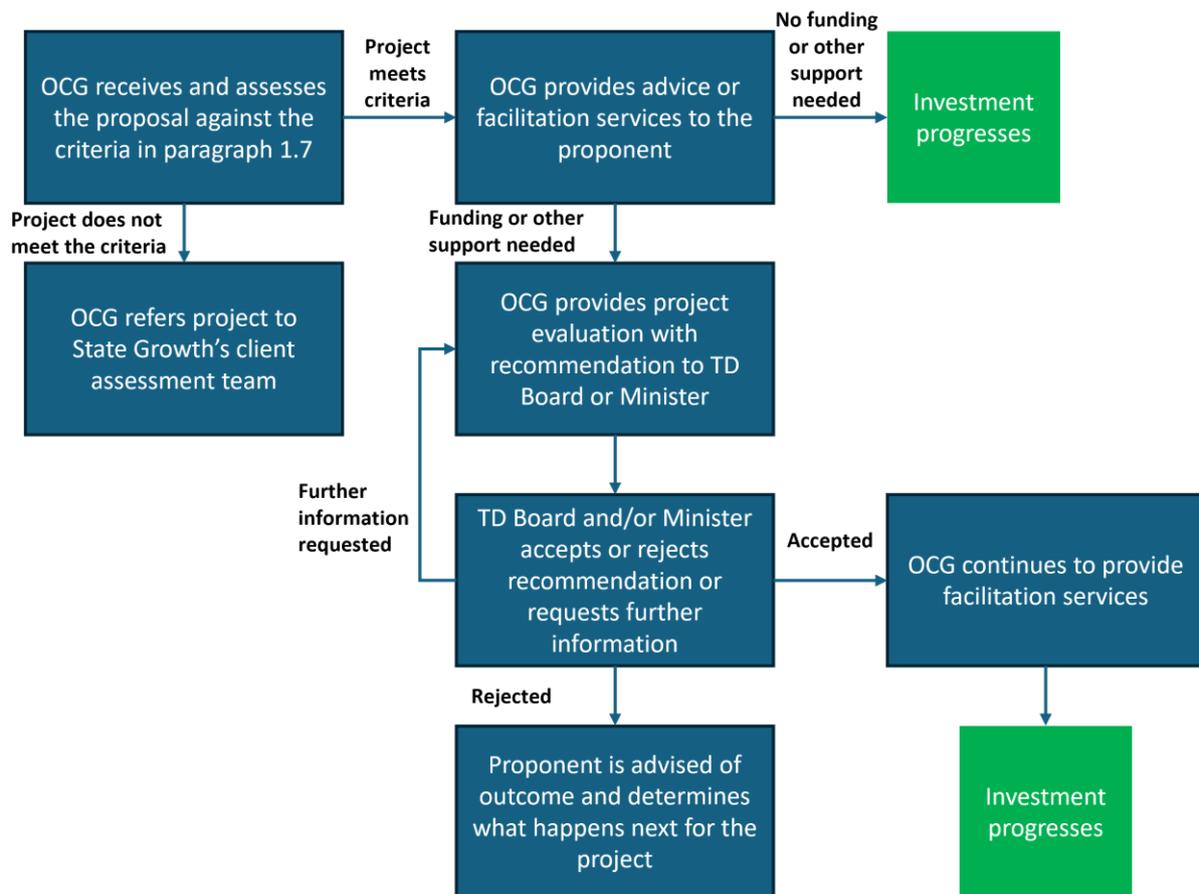
- 1.4 However, OCG does not decide whether proponents receive financial support from the State Government. This is the role of the TD Board often in conjunction with the Minister for Business, Industry and Resources and Treasurer due to the size and significance of OCG's projects.

Investment facilitation process

- 1.5 OCG will facilitate an investment if it involves at least \$5 million in private investment. It must also involve a minimum of 25 jobs, relate to a key sector³, or be economically, socially, and/or environmentally strategic.
- 1.6 OCG supports most investments through the process outlined in Figure 2.

³ Key sectors include advanced manufacturing, Antarctica, aquaculture, circular economy, defence, food, agriculture, education, mining, mineral processing, renewable energies, shared service centres, and/or tourism

Figure 2: Investment facilitation process



Source: Audit Tasmania.

1.7 There are numerous projects that are too small to be facilitated by OCG and these are referred to other areas of the department. Such referrals are most often made to the Economic Development Group, usually in the Commercial and Agribusiness Finance, Advanced Manufacturing and Defence Industries, or Major Clients areas.

1.8 Investments may also be allocated to OCG by Government.

Supporting existing industries

1.9 OCG also has a stronger role in industry resilience compared to similar functions in other jurisdictions. In other jurisdictions, investment and industry resilience functions tend to be less centralised.

1.10 A good example of OCG's industry resilience role is King Island Dairy, where it secured an appropriate buyer for a facility that may have closed without State Government intervention.

Case Study: King Island Dairy

King Island Dairy is a long-established cheese producer located on King Island. In 2024, the facility's multinational owner announced it intended to close the dairy by mid-2025. State Growth advised the proposed closure would have impacted more than 70 local jobs and had broader effects on the island's economy and community.

The Tasmanian Government acted to maintain operations at the site. OCG:

- worked with the owner, local leaders, and potential investors
- collaborated with TasFarmers, King Island Council, and community advocates to clearly communicate the dairy's importance to all parties
- sought buyers who committed to maintaining operations on King Island.

In March 2025, the owner sold the King Island Dairy to King Island Dairy 2. The new owner acquired the factory, the cheese store, and 2 local farms to ensure milk supply. This ensured the continuation of dairy operations on King Island, preserved existing jobs, and maintained the brand's presence in the market.

2. Detailed findings

Our performance expectations

We expected OCG to:

- support investments in accordance with a fit-for-purpose framework
- provide advice that is comprehensive, accurate, timely, and written to meet the needs of decision-makers
- report its outcomes to the public in a transparent and accountable way.

The approach to facilitating investment can improve

2.1 In 2021, OCG developed an Investment Strategy. It did this in consultation with relevant Ministers and the TD Board. However, OCG's Strategy:

- is not publicly available
- is internally focussed—it does not guide other State entities involved in investment facilitation on how they work together to achieve outcomes
- has only 1 performance measure related to investment facilitation—value of investment facilitated by the OCG annually—that does not provide a complete picture of investment facilitation activities
- is not supported by an implementation plan.

2.2 A Tasmanian strategy for facilitating investment, supported by an implementation plan, would:

- align entities, resources, and efforts towards achieving policy objectives and outcomes
- help ensure that projects are referred to the Coordinator-General at the right time so the right people with the right skills are working on them
- reduce duplication through clearly defined roles and responsibilities
- provide a structured, transparent way to:
 - meet the needs to potential investors
 - prioritise investments requiring financial support from the Government.

2.3 Regular progress reporting against the strategy, using performance measures and targets linked to objectives and outcomes, would keep Tasmanians informed on how implementation is going.

The lack of a whole-of-government strategy impacts on the quality of advice relating to projects that need financial support

2.4 OCG's advice to decision-makers often:

- showed how investments broadly aligned with policy objectives
- had realistic options for implementation and covered the benefits, costs, and risks of these options
- provided recommendations that flowed logically from OCG's analysis of the investment.

2.5 However, the lack of a Tasmanian investment strategy and linked performance measures limited OCG in how it identifies why, from the State's perspective, a project should be funded over another. It also created a perception of urgency around every investment decision, which reduced the:

- quality of advice provided to decision-makers
- time for decision-makers to consider advice and make their decision.

2.6 Decision-makers advised that they sometimes needed more information on options before they could make their decision. This was more likely to be the case if the advice was prepared quickly.

2.7 To gain an appreciation of OCG's approach, we reviewed the advice related to 7 investment facilitation projects. Due to the diversity of those projects we concluded that the approach taken to each was bespoke and confirmed there were opportunities to improve the structure, content, and language used in communicating investment proposals to decision-makers. For example, advice could:

- explicitly state why the investment is a good outcome for Tasmanians using performance measures linked to policy objectives and outcomes
- have a more defined structure and clearer language to ensure decision-makers are receiving the information in a way that meets their needs
- use experts to help draft advice on complex or technical projects
- specify what the impact of the support package, including future unfunded commitments, will be on the State's Budget.

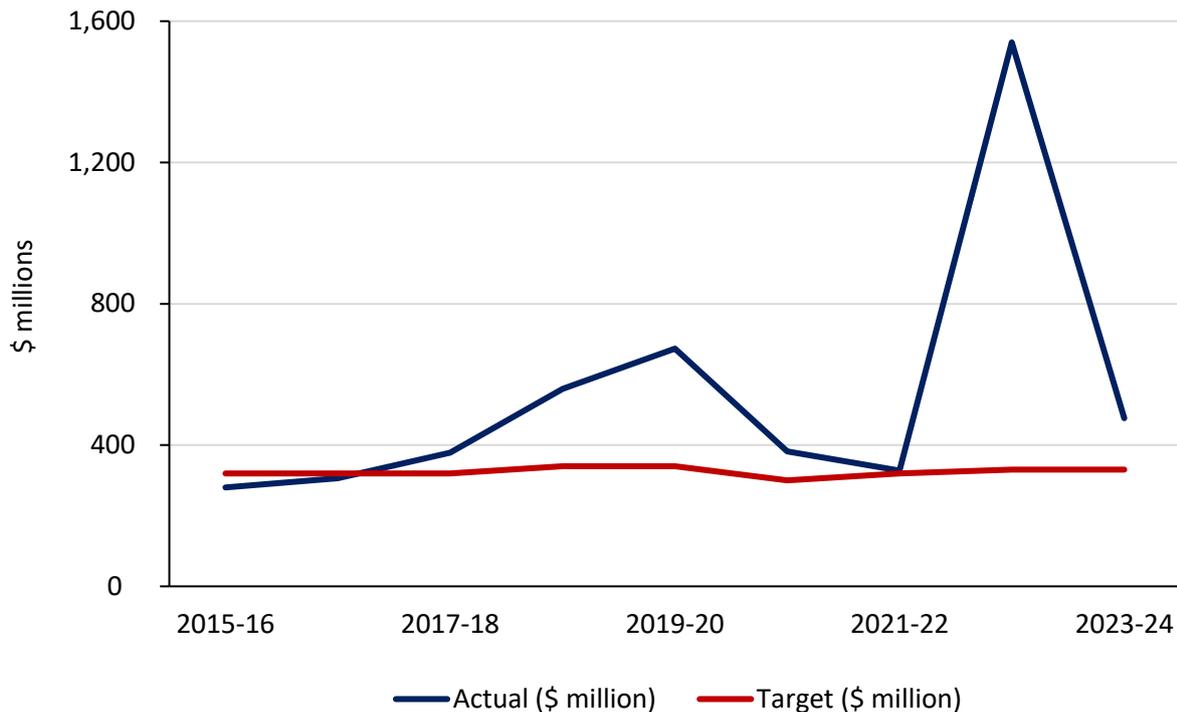
2.8 There is, however, a delicate balance between providing too much and too little information because:

- resources to prepare advice for decision-makers are limited
- delays in decision-making can result in lost opportunities as Tasmania is competing for investments with other Australian states and other countries.

Current outcomes reporting does not provide transparent information to Parliament

2.9 Public reports relating to OCG only contain 1 performance measure: investment facilitated. Figure 3 shows that OCG has consistently reported it has achieved a result above its target for this measure since 2017-18.

Figure 3: Investment facilitated through OCG



Source: Audit Tasmania from Treasury Budget papers.

2.10 However, the 'investment facilitated' amount includes:

- funding received from the State Government, the Federal Government as well as private investors
- 2 investment projects, worth \$125 million in aggregate, that will not or have not yet progressed past development approval or assessment stage—these projects are explored further in the following case studies.

Case Study: Chambroad investment project at Kangaroo Bay

In the 2016-17 Financial Year, OCG recognised that it facilitated \$45 million when the investor entered into a Sale and Development Agreement with the Clarence City Council.

The following timeline shows that, since the investment facilitated was recognised by OCG, work has continued but there is more work to go. In:

- 2017, TasTAFE entered into an initial Heads of Agreement with the investor
- 2018, TasTAFE withdrew from the Heads of Agreement
- 2019, the investor then partnered with the University of Tasmania (UTAS)
- 2021, UTAS withdrew from the arrangement due to the impact of the COVID-19 pandemic on student education demand
- 2023, the Minister declined to give the project 'major project' status
- 2024, the Minister declared the Kangaroo Bay Hotel a major project based on a revamped proposal.

The development is now entering an assessment phase overseen by the Tasmanian Planning Commission.

If approved, construction is anticipated to start about 6 months post-clearance, with a build timeline of 18–24 months.

Case Study: Nexus Hospital New Town

In relation to this project, OCG recognised it facilitated:

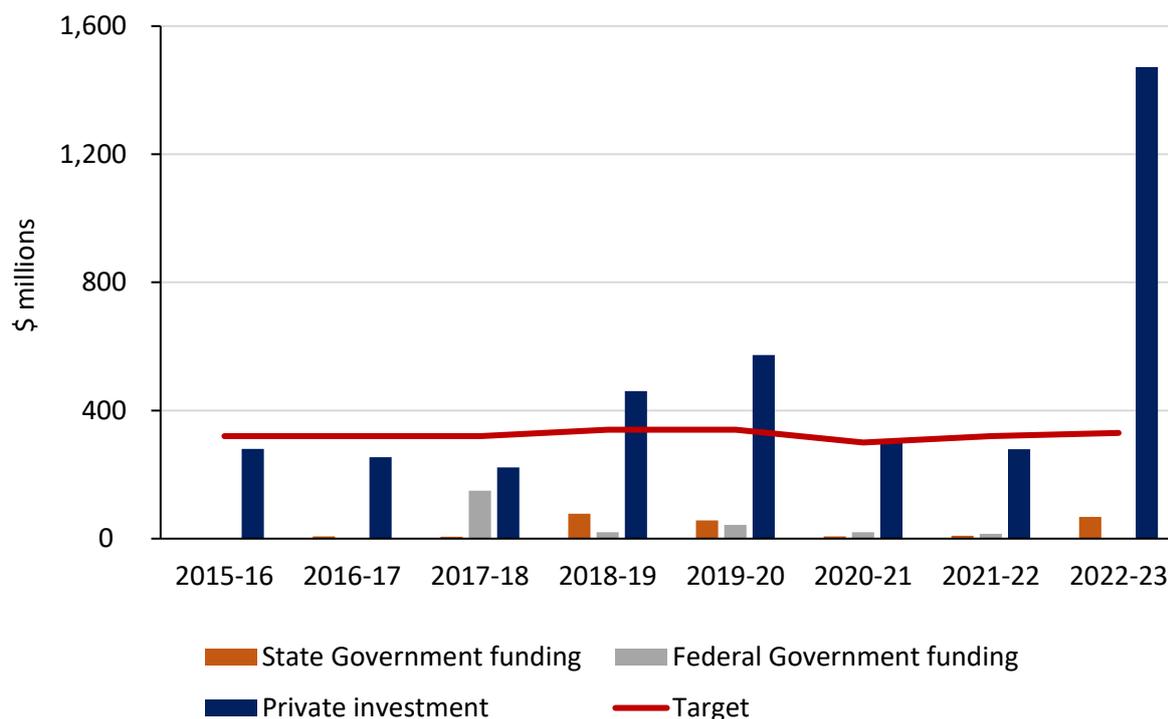
- \$55 million in the 2020-21 Financial Year on development application approval
- \$25 million in the 2021-22 Financial Year because project costs increased.

The following timeline shows the key events that led to the project not going ahead. In:

- 2019, Nexus Hospitals (partnered with Contact Group) submitted plans for a \$50–55 million private hospital and medical centre
- 2021, Hobart City Council approved the development application for the project
- 2023, Nexus announced it would not progress with the project after construction costs increases and interest rates rises.

2.11 Figure 4 further demonstrates that, the story of OCG's performance cannot be told through a single performance measure as the source of investment might be State Government funding, Commonwealth funding or private individuals or companies.

Figure 4: Reported investment facilitated through OCG by source of funding



Source: Audit Tasmania from OCG information.

2.12 A single performance measure also does not:

- communicate how OCG consistently evaluates and prioritises projects. Internally for example, OCG uses other measures to evaluate outcomes of individual projects for the State such as:
 - jobs created in the development phase of the investment and ongoing
 - expected payroll tax receipts
- help Parliament and Tasmanians to understand the value of the role and what it delivers.

Validation of project outcomes is not always adequate

2.13 As reflected in the case studies, it is a challenging for OCG to validate project outcomes as it may take several years before outcomes of projects are realised. In some cases, outcomes of projects may never be realised. For example, a question we asked, that could not be answered, is how many of OCG's projects resulted in actual outcomes for the State. Such a measure is equivalent to a leads-to-sales conversion rate.

2.14 The challenges related to outcome validation do not mean that OCG should not transparently report and be accountable for the outcomes it achieves. Project

outcome validations confirm whether public money was used wisely to facilitate investments. It also:

- acts as a review mechanism as to whether OCG's advice to decision-makers on an investment was appropriate
- builds public trust by having a process around confirming that proponents met agreed outcomes.

2.15 OCG advised that it validates outcomes, mainly 'investment facilitated' and 'jobs created', for most projects funded by loan or grant agreements. These agreements have provisions for:

- regular reporting on progress and outcomes
- reclaiming money paid if the proponent does not achieve the agreed outcomes.

2.16 However, we reviewed an investment facilitation activity that:

- received a \$3.5 million loan from the State Government
- was prioritised based on advice that quantified the number of jobs created by the investment
- did not identify jobs created as an outcome, or key performance indicator, that needs validating in the executed agreement.

2.17 The reporting terms in this loan agreement were therefore not consistent with the expected benefits that informed the funding decision.

2.18 OCG advised that, if not validated through a contractual arrangement, outcomes are validated using direct engagement with proponents, through publicly available sources (such as media reports) and council development applications. We do not consider media reports and council development applications as a reliable way to validate outcomes.

2.19 A more reliable way is to receive copies of, or use through data sharing arrangements, information investors already provide to other State entities. In respect to jobs created for example, a more reliable and efficient approach could be to report on the change in wages payable and payroll tax receipts attributable to the investment. As this information is already reported to the State Revenue Office, a data sharing arrangement could:

- allow data to be externally validated
- collect data where engagement with the proponent is unsuccessful.

OCG's operating framework could be better aligned with its needs

2.20 OCG uses processes that are based on the unique features of each investment. However, it has not developed an operating framework that:

- effectively responds to its strategic and operational risks
- provides flexibility for investment facilitation activities.

OCG has not managed strategic and operational risk

2.21 OCG does not have a divisional (entity-level) risk register and mainly focuses on project risks.

2.22 The lack of a divisional risk register means that OCG has not identified and addressed strategic and operational risks. For example, a strategic risk realised is that a lack of transparent reporting on operations or achievements impacting on the Parliament and public's perception of OCG. This concept is explained further below.

Consequences of not transparently reporting to Parliament and the public

OCG holds a significant role in delivering public value through attracting and facilitating investment. However, its failure to clearly and consistently communicate its purpose, activities, and outcomes has led to unintended consequences for Parliamentary scrutiny and public perception.

Despite its operational scope and strategic importance, OCG has not effectively articulated:

- why it exists and what it aims to achieve
- how it delivers on its mandate
- what impact it has made and how success is measured
- why stakeholders, including investors, should engage with it.

This lack of transparency has resulted in:

- misaligned scrutiny—parliamentary oversight has disproportionately focused on administrative processes, such as hotel accommodation for trade missions, rather than strategic outcomes and impact.
- limited confidence—potential partners and investors lack a clear understanding of the OCG's value, which can lead to hesitation in engagement and support.

2.23 The lack of a divisional risk register also means that OCG's policies and procedures are not a direct response to its strategic and operational risks. Line of sight from risks to the controls in policies and procedures helps ensure that only necessary controls are in place and operations are as efficient and effective as possible.

OCG's approach to project risk management is not well documented

- 2.24 OCG has not documented its approach to project risk management in a policy or procedure.
- 2.25 OCG advised that, in practice, it adopts a graduated approach to risk depending on the project, the type of support provided, and potential exposure for Government. For example, it:
- does not create project risk registers for most company investment projects
 - includes risk assessments in advice to the TD Board.

OCG's practice relating to conflicts of interest could be stronger

- 2.26 OCG follows State Growth's policies for managing conflicts of interest.
- 2.27 As per the conflicts of interest policy in place at the time of audit, OCG's conflict management plan included restricting personnel with a conflict from accessing files for that project. However, there was no requirement to:
- record when no conflicts of interest exist
 - have conflicts of interest as a standing agenda item.
- 2.28 These practices keep the issue of conflicts of interest front of mind.
- 2.29 State Growth advised that an updated conflicts of interest policy, that includes these practices, was approved in September 2025. Due to the timing of this audit, we are unable to confirm that the policy has been effectively implemented.

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 the investment facilitation through the Office of the Coordinator-General.

Objective

The audit objective was to assess whether the Office of the Coordinator-General (OCG) has met and transparently reported on progress towards investment facilitation objectives.

Scope

We examined:

- relevant frameworks, policies and procedures for the Tasmanian State Service, State Growth, TD Board, and OCG
- investment facilitation activities over the last 10 financial years and case studies from the last 2 financial years
- benefits generated over the last 10 years.

We did not examine activities related to red tape reduction, startup community development and programs, Tourism EOI Process, Launceston City Deal and the Cradle Mountain Master Plan.

Approach

We conducted this audit in accordance with the Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*, issued by the Australian Auditing and Assurance Standards Board, to express a:

- reasonable assurance conclusion for Criteria 1 and 3
- limited assurance conclusion for Criterion 2 – each project is unique meaning we could not select a representative sample as required for a reasonable assurance conclusion. To express a conclusion for Criterion 2, we reviewed 7 projects.

The audit assessed OCG's performance against the following criteria:

1. Is investment facilitated within a fit for purpose framework?
 - 1.1. Is there a whole-of-government framework for investment facilitation?
 - 1.2. Has OCG developed appropriate governance arrangements?
2. Does the Coordinator-General provide comprehensive advice to Government to enable informed decision-making?
 - 2.1. Does advice identify realistic options for policy implementation and its implications?

- 2.2. Is advice comprehensive and based on valid assumptions?
- 2.3. Does advice contain clear recommendations?
- 3. Does reporting ensure accountability and transparency of operations?
 - 3.1. Are measures used to evaluate projects comprehensive?
 - 3.2. Are outcomes validated once projects are complete?

Responsibility of management

The Coordinator-General, supported by OCG, is the primary point of contact for attracting and facilitating investment in Tasmania.

While the Coordinator-General reports directly to relevant Ministers on operational matters, the Department of State Growth is administratively responsible for OCG.

Responsibility of the Auditor-General

My responsibility was to express a reasonable assurance conclusion on investment facilitation through the Coordinator-General.

Independence and quality control

I have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Audit Tasmania applies Australian Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* which requires Audit Tasmania to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Martin Thompson
Auditor-General

1 December 2025

Appendix B – Transmittal letter



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1 December 2025

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

Dear President, Speaker

Report of the Auditor-General No. 6 of 2025-26 – Investment facilitation through the Office of the Coordinator-General

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*.

The objective of the investigation was to assess whether the Office of the Coordinator-General has met and transparently reported on progress towards investment facilitation objectives.

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 Treasurer, 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 the Minister for Business, Industry and Resources

Thank you for the opportunity to provide a submission to the Auditor-General's report, Investment facilitation through the Office of the Coordinator-General

I would like to thank the Auditor-General and the Tasmanian Audit Office for the review of this important area of Government activity.

The Tasmanian Government recognises that investment attraction, facilitation and industry resilience are critical pillars of Tasmania's economic growth, job creation and regional prosperity. Ensuring that the frameworks which support these activities are contemporary, transparent and fit for purpose is essential for maintaining confidence among proponents, industry partners and the community.

The Government acknowledges the report's findings and its recommendations to strengthen whole of government coordination, performance measurement and transparency. The Government also acknowledges OCG's contribution to significant outcomes for the State, including recent achievements in supporting regional industries and facilitating major private investment.

Several initiatives already underway across Government align closely with the intent of the Auditor-General's recommendations as outlined below:

- The Government recently announced the development of an Economic Diversification and Investment Strategy, led by the Department of State Growth and supported by the Tasmanian Development Board and the Office of the Coordinator-General. This will provide a clear framework for investment attraction, prioritisation and facilitation across the State and responds directly to the need for a more coordinated strategic approach.
- As part of the Strategy's development, the Government has also committed to reviewing the *Tasmanian Development Act 1983*, ensuring the tools and decision-making processes for financial assistance remain modern, transparent and effective.
- In addition, the forthcoming Tasmania's 2030 Economic Future Act is being designed to ensure our economic development architecture is contemporary and capable of supporting sustained growth. This work may consider the structure, role

and statutory settings of entities involved in investment attraction and facilitation, including the OCG.

Tasmania competes nationally and internationally for investment and the Government is committed to ensuring that our systems enable fast, competitive and high-quality service to proponents, while maintaining appropriate accountability.

I appreciate the work undertaken by the Tasmanian Audit Office and thank you for the opportunity to provide this submission.

Hon Felix Ellis

Minister for Business, Industry and Resources

Response from the Department of State Growth and the Coordinator-General

The Department of State Growth and Office of the Coordinator-General (OCG) welcome the recommendations and appreciate the opportunity to provide input and comment on the report. We look forward to contributing to the Government's proposed Economic Diversification and Investment Strategy, which will address the need for a whole-of-government strategy identified in the report and assist the OCG's work going forward.

We are pleased to note that the report acknowledges that OCG's advice to decision-makers has consistently:

- demonstrated how investments broadly align with policy objectives
- presented realistic implementation options, including benefits, costs, and risks
- provided recommendations that logically flow from OCG's analysis.

The OCG is proud of its achievements since 2015, which have seen the delivery of a broad range of investment projects and a dynamic pipeline developed of more than \$21 billion in potential projects across diverse sectors including mining, mineral processing, agribusiness, tourism, food production and processing, energy, knowledge and the digital economy, housing, forestry, and advanced manufacturing.

From 2015–16 through to the end of 2024–25, the OCG has facilitated more than \$5.3 billion investment across more than 130 projects, delivered by a small team of dedicated investment professionals. Notably, nearly 70 projects worth approximately \$2.2 billion have been completed, supporting thousands of jobs across Tasmania during both the construction phase and ongoing operations.

This work also includes the delivery of very specific initiatives such as the Building Construction Support Loan Scheme (BCSLs), which was tailored by the OCG and the Tasmanian Development Board to activate stalled commercial construction projects by providing a specific loan program for private sector developments that had been stopped or delayed due to the then COVID-19 pandemic.

We note the Audit Report has not taken on feedback provided regarding BCSLS projects such as the one referred to in paragraph 2.16 and are concerned that the report conflates validating employment outcomes with inserting jobs created as a required KPI in a BCSLS

loan agreement. Relevant KPIs (for projects that are financially supported) are included in agreements when entered into with proponents and are based on the rationale for supporting that project i.e. outcomes expected from a project. The BCSLS program was eligibility-based (i.e. not ranked or prioritised) and its sole purpose was to stimulate building construction projects which Covid-19 had stopped. We further note that the published guidelines did not have a reference to jobs created and so no BCSLS project included jobs created as a key performance indicator in the loan agreements. We are concerned how your report represents the BCSLS project. It is incorrect to say that project (or any BCSLS project) “was prioritised based on advice that quantified the number of jobs created by the investment” and so the conclusion in 2.17 is both incorrect and could be misinterpreted by a reader. Notwithstanding, this has highlighted an opportunity for the OCG to work with Crown Law to amend the standard form loan agreements to include some broader reporting requirements from proponents that could assist with outcome validation for matters that do not form required KPIs.

Each year, investment facilitation and project values are reported in the DSG Annual Report, and project matters are often scrutinised by Parliament. While this measure is supported by a comprehensive rationale and framework, as part of new strategy development, OCG will work with the Tasmanian Development Board to refine and strengthen its reporting framework to better align with Government objectives.

The OCG’s responsibilities extend beyond investment facilitation and are more substantial than compared with other jurisdictions. The OCG’s experience in facilitating investment projects across all industries uniquely positions it to offer this support. These activities—such as the complex work undertaken to support King Island Dairy—are resource-intensive, require significant effort to deliver, but can have very positive impacts on the Tasmanian economy.

We remain committed to delivering outcomes that drive growth, create jobs, and strengthen Tasmania’s economic future.

Our response to address the recommendations is provided [in the Executive Summary of this report].

Thank you again for the opportunity to respond to this report.

Craig Limkin

Secretary, Department of State Growth

John Perry

Coordinator-General

Appendix D – Our role, audit mandate and standards applied

Our role

The Auditor-General and 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

AASB	Australian Accounting Standards Board
Audit Act	<i>Audit Act 2008</i>
OCG	Office of the Coordinator-General
State Growth	Department of State Growth
TD Board	Tasmanian Development Board



Front cover image: Former King Island Dairy Building

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