



# ***STATE DEVELOPMENT AND REGIONAL INDUSTRIES COMMITTEE***

**Members present:**

Mr CG Whiting MP—Chair  
Mr JJ McDonald MP  
Mr MJ Hart MP  
Mr RI Katter MP  
Mr JE Madden MP  
Mr TJ Smith MP

**Staff present:**

Ms S Galbraith—Committee Secretary  
Mr B Smith—Assistant Committee Secretary

## **PUBLIC BRIEFING—QUEENSLAND RURAL AND INDUSTRY DEVELOPMENT AUTHORITY (QRIDA)—PROCESSING OF DISASTER GRANTS**

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 29 AUGUST 2022**

**Brisbane**

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**The committee met at 10.51 am.**

**CHAIR:** Good morning. I declare open this public briefing relating to disaster assistance recovery grants. The purpose of this morning's meeting is to provide opportunity for the committee, and those following, to learn more about the process and, in particular, issues arising as a result of back-to-back disaster events. I will introduce our committee again: Mr Jim McDonald, deputy chair and member for Lockyer; Mr Jim Madden, member for Ipswich West; Mr Michael Hart, member for Burleigh; Mr Tom Smith, member for Bundaberg; and Mr Robbie Katter, member for Traeger.

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 remind committee members that departmental officials are here to provide factual or technical information. Any questions seeking an opinion about policy should be directed to the minister or left to debate on the floor of the House.

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 proceedings and images may also appear on the parliament's website or social media pages.

**DOGAN, Ms Helen, Acting Executive Director, Agri-Business and Policy, Department of Agriculture and Fisheries**

**EGAN, Mr Brendan, Chief Engagement Officer, Queensland Rural and Industry Development Authority**

**MacMILLAN, Mr Cameron, Chief Executive Officer, Queensland Rural and Industry Development Authority**

**CHAIR:** I now welcome witnesses from the Department of Agriculture and Fisheries and the Queensland Rural and Industry Development Authority, QRIDA. I invite you to make an opening statement after which committee members will have some questions for you.

**Ms Dogan:** I will pass to Cameron to make an opening statement.

**Mr MacMillan:** Good morning and thank you to the committee for the opportunity to provide opening remarks in relation to the Queensland Rural and Industry Development Authority, QRIDA, and its role in delivering disaster recovery grants to Queensland primary producers, small businesses and not-for-profit organisations. Starting in November 2021 Queensland saw four back-to-back disaster events activated for financial assistance. These included the Central, Southern and Western Queensland rainfall and flooding event, ex-Tropical Cyclone Seth, the South-East Queensland rainfall and flooding event of February and April, and the Southern Queensland flooding event of May 2022.

As at close of business last Friday, QRIDA had received 7,271 disaster grant applications across these four events with 93 per cent finalised, including 4,938 applications approved, totalling \$75 million. These approved grants are provided to help pay for the cost of immediate clean-up and reinstatement of these businesses. The general approach of the QRIDA team is to pick up the phone and to keep open lines of communication with applicants should further information or clarification be required to complete an assessment. The overall approval rate for disaster grant applications has been 73 per cent. For primary producers it is even more; the overall approval rate is actually 81 per cent.

The most common reasons for declines are: one, incomplete or insufficient information provided at application time; two, the applicant did not suffer direct damage from the disaster event; three, the damage was covered by insurance; four, they did not meet the entity definition—for example, for a primary producer they are unable to meet the income and labour test—and, five, they were not primarily responsible for meeting the costs being claimed.

Under QRIDA's legislation, any decision can be reviewed upon request by the applicant. These reviews are assessed by a new team which is independent of the initial application process. These are decided by myself or my delegate. To date, QRIDA has received a total of 295 requests for review of a declined decision on a disaster grant application. Of the 268 reviews we have finalised, 57 per cent were subsequently overturned on review and payment was approved. Often a decision is overturned on review based on more information being provided that was provided for the original decision. If the unsuccessful applicant remains dissatisfied with our decision, they have the option of an external review by the office of the Queensland Ombudsman or by judicial review.

QRIDA is not directly involved in the disaster activation process between the Queensland and Australian governments to trigger the various levels of financial assistance depending on the disaster impact. QRIDA's role is to stand ready in preparation for any activated disaster event and to quickly establish qualified teams and resources across our key areas of application registration, assessment, decisioning and payment; that is our process.

Most applications are received via QRIDA's online application portal, which enables applicants to register their key details and to then apply for subsequent grants up to the maximum grant available. The average processing time for disaster grant applications from received complete into the system to decisioning is 8.5 days. It is seven days for primary producers. This is well within our standard response indicators, as agreed with the Queensland Reconstruction Authority, of 15 business days for grants.

Finally, QRIDA continues to explore ways to get the proper balance between ease of application, speed of decisions and appropriate governance, with these disaster schemes regularly audited by both the state and the Commonwealth. Fraud is, however, an emerging concern with over \$550,000 worth of suspicious applications potentially mitigated this disaster season.

In closing, I would like to acknowledge my QRIDA colleagues, the Queensland Reconstruction Authority, the Department of Agriculture and Fisheries and other state government agencies for their support during what has been a very challenging disaster season for everyone. Thank you again for the opportunity to address the committee. I welcome any questions.

**CHAIR:** Are there any further statements?

**Ms Dogan:** I am very comfortable with what Cameron has provided by way of an update around QRIDA's involvement in the process.

**CHAIR:** I will start with a couple of questions. Cameron, you described that keeping the communication lines open is a very important element of the process. I think we can acknowledge how well that has worked when you have been dealing with applicants related to those four events. Can you describe a bit more how you work to keep those communication lines open? What do you find works for you?

**Mr MacMillan:** Thank you for the question. I might ask Brendan to add to it. We have people who are distressed, and I recognise Mr McDonald from the Lockyer Valley. There are very distressed people out there at the moment. They look at the application process and I think a number of them have application fatigue, if you like. We try to replace that. It looks like about 20 per cent go for a paper based application and about 80 per cent go for online. We just try to talk them through that. Basically, we have people on the ground all the time. We have our assessment teams based in Brisbane and across the state and we just try to replace that online application process, which is efficient, and just try to put a human face on it as well. We have a manager of disaster recovery and she is very active. She has been out in the Lockyer Valley and right across all impacted areas. We just try to replace what is a process with people who those people who have been heavily impacted can talk to on a day-to-day basis.

**Mr Egan:** I would only add that QRIDA has a network of 11 regional area managers across the state and I think we have had four directly involved with these events around South-East Queensland. Their role is to go out, again, on the ground and go from farm to farm helping producers or small businesses if they have queries around the application process. We also have a 1800 free call number with experienced people at the other end of that line to take the call and help people through. We can even sit alongside them in the application portal and see where they are and if they need help going from one step to the next. I think 75 per cent apply online overall and 25 per cent apply on paper, so people have the option of both.

Lastly, I would add there is other support out there beyond QRIDA and our role around administering this scheme, and that is the large network of rural financial counsellors and also small business financial counsellors. Their role is to provide support and assist either a small business or

a farmer, again, one on one around the kitchen table with an application form. The Rural Financial Counselling Service, which are in both Southern Queensland and North Queensland, are very important allies to QRIDA and the department of agriculture in getting out on the ground. Of course, the department of agriculture have their network. They are also out there providing information, advice and assistance to people who might need a bit more help with their applications. In areas like the Lockyer Valley and closer around Brisbane that have seen four events, one after the other, there is a lot of fatigue out there. We recognise that and the mental health toll. Again, it is very important to make people aware of these other resources beyond QRIDA that are there to help people.

**Mr McDONALD:** Thanks for being here today. I appreciate and thank you for the assistance that you have given our community through those successive events. I appreciate the comments you made, Cameron, about our community being distressed. Certainly they are very competent people normally who have faced ongoing cumulative effects of these events who really need assistance. It is with that background that I ask a couple of questions, because it is a very frustrating space for the community. Firstly, I refer to the distress surrounding closure times. We have earthmoving operators who already have plans out to mid-2023, and the closing date is December. I ask the department to take on board an extension of these time frames because that is just one little piece that will remove that fear. They cannot even get people to come and quote; that is how big the impacts are. Moving on to the 68 per cent approvals figure, what reasons are there for declining an application outside of the standard process? I understand there are 30-day time frames. There are different national guidelines that you have to comply with. I just want to understand what those things are so that we can minimise the number of declined applications. Can you explain that to the committee?

**Ms Dogan:** In terms of extensions, under the DRFA agreed packages, the department is very aware of the very stressful environment for those producers. There have been instances; I would have to come back to you around specific instances. Even from this last series of events there were instances where we sought approval for an extension for primary producers to submit their applications. We are very aware. It is something that the department routinely considers, recognising the significant challenges. I am happy to come back to you around the specific disaster arrangements that have been extended as part of these recent events.

**Mr McDONALD:** I know that usually any request for extension is granted, but it is just another one of the stresses that our community would not need if it was pushed out another six months.

**Mr MacMillan:** With regard to the second part of the question, the approval rate is actually 73 per cent and it is 81 per cent for primary producers, not the 68 that you mentioned.

**Mr McDONALD:** Sure, that was across all the applications.

**Mr MacMillan:** Yes, 73 per cent across them all. I think I went through the reasons for us declining something. That is really about incomplete, insufficient information so when we get an application form we just have not got enough information to make a decision. We will talk to the applicant to try to get more information, but at some point in time you have to draw a line in the sand and then we have to decline that. However, they have the opportunity to reapply when their situation changes and they also have the opportunity to go through that appeals process that we discussed. From decline they have 20 business days to appeal. Then we will turn that around in another 20 business days.<sup>1</sup> Then if they do not like that decision, they can go to the Queensland Ombudsman or judicial review.

The other reasons for decline are there was just no direct damage—so we could not find any evidence of direct damage. We are trying to get that balance between not asking too many questions, because we understand that people are stressed, and governance. We want to make the decision as quickly as we can. We just have to make sure that we are acting with proper governance. We are asking for probably half a dozen photographs. If we cannot find any direct damage from those half a dozen photographs or further questioning, we decline.

Then we find situations where the damage—this is particularly for small businesses, not so much primary producers—was covered by insurance, so we really cannot double up. Then you have the one where they just cannot meet the entity definition—they are not deemed to be a small business—or the one we have spoken about quite often, which is that primary producer test where you have the majority of income and majority of labour or the ability that you will in the future generate

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<sup>1</sup> Mr MacMillan clarified in correspondence, dated 12 September 2022 that appeals will be processed in 30 business days, not 20 as stated in his original testimony.

the majority of your income from that business. That is our test. Then, finally, we cannot find a direct link between the applicant and exactly who is responsible for the damage. That might be the leasing space or they really are not directly responsible for that damage. They are the main declined reasons.

**Mr McDONALD:** I was of the understanding that there was a statutory time frame in which you have to make a decision? Is that not the case?

**Mr MacMillan:** The agreement we have in an MOU with the Queensland Reconstruction Authority is to try to make those decisions within 15 business days. What invariably happens is the minute we have impact and we open the scheme, very quickly we will get a whole lot of applications. At the same time when we are trying to build resources and appropriate teams who can make decisions, we have the most applications coming in. Therefore, we just try to manage resources. The vast majority would be done in 15 working days. The average is closer to 8.5 days.

**Mr McDONALD:** I appreciate the efforts in that space. What I am getting at—and thank you for the answer in regard to the MOU with the QRA—is it is very distressing to people for each of those reasons you outlined and I understand why things have been declined. That process is extremely frustrating and stressful to the community, and that is the feedback that I am getting. Is there any work happening for investments in that space to see the number of declines, just to meet the QRA service standard decrease, to get them approved before a decline? I see 57 per cent are approved upon appeal—and I appreciate they have been approved because of perhaps a better application or better information, but let's see that investment up-front to get that decline rate down. Is there any work happening in that space?

**Mr Egan:** We appreciate the feedback. I think there is always the opportunity to be a better business and a better delivery agency. We are always looking at that. As Cameron mentioned earlier, it is always a bit of a balance between speed and governance. The other thing I would remind the committee about is that these disaster grants are two-tiered, as you would know. The initial amount up to \$15,000 is really just based on evidence of impact and that is it: a few photographs and an estimate of what the likely damage is. It was designed that way to get some quick cash flow to the impacted primary producer or small business. Then when they come back for the balance of the grant—up to \$75,000 for primary producers or \$50,000 for small business or not-for-profits—they can come back as many times as they like because we know cash flow is a real challenge for people. I know of businesses that have come back for \$2,000 here and there each time above the first \$15,000.

Again, the design under DRFA, under the disaster recovery funding arrangements, for this disaster grant tries to allow the intent of the member's question, which was about trying to get some cash flow going. Then of course for every dollar after that \$15,000, they have to acquit it or demonstrate that they have had the works completed.

You mentioned before about the delays and challenges with contractors. We are very aware of that. If I look back to TC Nirran, which was that event up in North Queensland, these disaster grants normally ran for six months, but now because of COVID and supply chain challenges, they run for almost 12 months. We do not make that decision, but, as Helen mentioned earlier, there has been lots of feedback about extending those time lines and we fully expect that is likely to happen.

**Mr MADDEN:** My question relates to the process of appeal. I would be grateful if you could explain the appeal process. What I am thinking about here is internal review, external review and even possibly judicial review. Could you explain that process of appeal?

**Mr MacMillan:** If an applicant gets a decline, either a complete decline or a decline on some of their application—they might have applied for \$50,000 and we gave them \$25,000—they have 20 business days to come back to us and put in an appeal. That goes straight through our portal system; it is a very efficient operation. A completely new and independent team will look at that application with fresh eyes. They will contact the applicant again and talk through with them to try to see if they can get as much information as they can around why that application was declined. It might be the structure of the business or whether there was direct damage or whatever it happened to be. That appeal, whether it is an approval or a decline, will come to me as CEO or a delegate. We take that very seriously.

In all correspondence we say to them—we try to complete that in 20 business days. We are quite often asked for extensions to the 20 business days, which we are very flexible on, particularly if there are circumstances why that has happened. Generally, we accept the fact that sometimes people cannot get that done in 20 business days. At the end of that process, we will correspond. If it is a decline, we open up the other avenues, which is the Queensland Ombudsman and the judicial review. It is a multi-tiered process and we believe is very fair on people who have been declined or are not happy with the grant scale they got.

**Mr MADDEN:** Ultimately the external authority would be the Ombudsman; would that be correct?

**Mr MacMillan:** That is correct.

**Mr MADDEN:** Would judicial review apply to this?

**Mr MacMillan:** It does apply according to the act. I must say we have not seen a lot of it, but we have been dealing with the Ombudsman very regularly recently which I believe adds to the thoroughness of the process. We are very comfortable with that process.

**Mr MADDEN:** Thanks very much for explaining the appeal process.

**Mr MacMillan:** Thank you for the question.

**Mr KATTER:** I cast my mind back to the flood events in the north when there was a big blockage with the category C or D—I forget which category represented what. It was very frustrating that people fell outside the boundaries of a declared flooding shire. If you were in there facilitating that, you would have had a front row seat to see who was getting cut. The policy was too rigid; it was not flexible enough and eventually we got the change on that. How does that work for you in that space? It seems to be our role as politicians to challenge the policy, and you are saying, 'We just hit the triggers, but we try to facilitate it.' Can you explain how that works? You would have obviously seen that it was a clumsy policy that needed advocacy. I do not recall speaking to you about it. I probably should have rung you about it. Do you have some latitude in that space to challenge policy going back the other way?

**Ms Dogan:** I think it is fair to say, member, that there are obviously well-established arrangements under the DRFA. On QRIDA's role in terms of determining what local government areas are in or out, there is no role for them. However, I would say that we take feedback and we learn lessons from each event. Where we see ongoing issues, any change to policy would need to be and rightfully considered by government.

**Mr Egan:** If I can add, I think we have seen with events that Balonne was one shire that has been added subsequently to the original activation. That happens from time to time as disaster impacts get considered, don't they?

**Ms Dogan:** That is correct. Obviously, in the Department of Agriculture and Fisheries we have a role in looking at on-the-ground impacts and we do that very quickly, including by using a public-facing survey. Those assessments are made at a point in time and that goes to inform the local government areas that may be eligible for assistance. As with all of the recent flooding and other disasters, it takes time in some cases to do the on-the-ground assessment. As Brendan pointed out, you will see changes in the activations and the inclusion of further LGAs once further assessments are done.

**Mr MacMillan:** There is also the vehicle of being independently declared. Say a property does sit outside of that area, the only twist in that is that they will be eligible for category B loans but they will not be eligible for category C or D grants.

**Mr KATTER:** That is how that works.

**Mr Egan:** That is just how the guidelines are.

**Mr SMITH:** Thank you all for being here. It is clear that primary producers would rather have you here than not, but obviously communication is always very important. I have a few very quick questions leading up to a larger one. I refer to the Central, Southern and Western Queensland rainfall and flooding grants, the ex-Tropical Cyclone Seth grants and the South-East Queensland rainfall and flooding grants from February to April. Do those grants have a date by which the funds must be spent by the primary producer? Is there an end date by which the money must be spent?

**Mr Egan:** Under the DRFA, it is demand funded. Obviously, the Queensland government goes to the federal government with an estimate, giving an early indication of disaster impact and how much funding might be needed. Again, if it is category C and D, it is funded jointly fifty-fifty, I think, between the state and the Commonwealth. Remember, going back to the structure of these grants, it is a two-tier grant. The first \$15,000 initial amount is based on evidence of damage and quotes or estimates. Again, I am not sure what the percentage is currently, but maybe 50 per cent will come back for some further amounts if they have had greater damage. Again, when they come back for further grants beyond that initial amount, up to the maximum, they must demonstrate evidence of payment. They have to have paid for it before they can be reimbursed. It is a reimbursement, basically, above that initial amount, if that makes sense.

**Mr SMITH:** How are the closure dates determined for the grant applications?

**Mr Egan:** The closure dates for all four events are currently up on the QRIDA website. As we have seen this disaster season, a range of factors have impacted on the availability of contractors and getting works done, let alone the fact that some regions, like Bundaberg and the Lockyer Valley, have had multiple events and so have not been able to get on to do the work. It is feedback that comes from all levels of government, including state and local, and industry groups. If it is primary producers, it is fed generally through the department of agriculture. If it is out of the small business community, it is fed through the department for small business. If it is non-profits, it is through Communities. Together they coalesce that information to QRA, which administers DRFA in Queensland. They take forward the process of extending a certain event. Typically they are six months but, as we have seen in recent years, they are being extended and extended because of all these extraneous reasons.

**Mr SMITH:** This question is on behalf of Canegrowers Isis, although we love all of our primary producers in the whole Bundaberg region. I believe that they have already written to QRIDA. They are citing the persistent rain events that are causing havoc for them in terms of the ground staying wet, which is hindering their commencement and reinstatement works. They fear that growers will not be able to meet the proof of payment and work completion dates because they cannot secure the contractors. They have requested an extension of dates to 4 December for proof of payment for the weather events in November and December and a 4 December extension for the dates in January, so ex-Tropical Cyclone Seth. Where is QRIDA at on those requests to extend those two to 4 December 2022?

**Mr MacMillan:** We received that correspondence and it has been passed on to QRA and DAF. We understand it is under consideration.

**Ms Dogan:** As we have alluded to previously, when matters such as that come to hand we will look at the issues that are being raised and seek, where appropriate, an extension to the time frames. I am happy, as I said earlier, to come back to the committee to advise where those extensions have been granted today.

**Mr SMITH:** Thank you. I note, Chair, my support for growers and that that communication can continue. I know that QRIDA does a fantastic job and that our growers do a fantastic job. The more we can support each other, the better.

**Mr HART:** Can I clarify: who are you seeking that extension with?

**Ms Dogan:** Under the DFA guidelines, the Department of Agriculture and Fisheries would need to speak with the Queensland Reconstruction Authority and ultimately, as I understand, approval would need to be sought from the federal government, given that it is a joint funding arrangement.

**Mr HART:** So a federal minister?

**Ms Dogan:** That is correct.

**CHAIR:** We will chase that up and get back on that one.

**Mr McDONALD:** I understand there is going to be a review of the disaster relief funding arrangements. I want to offer a couple of suggestions in terms of that review. I will not take up that time now but will write to you about that. I have heard today and understand the service delivery agreement with QRA and the need for QRIDA to satisfy that. Please, consider the stress that meeting that service standard creates for vulnerable and distressed communities. I believe there should be an investment in getting the approval rate up on the first pass. I heard you mention declining for insurance purposes. Surely some of those applications can sit, pending an outcome and insurance. Do not actually decline it. Having been through the application process now twice myself—not for any personal need but, for the committee's awareness, just as a training exercise to understand what my community is going through—it is very clunky. There is very high-level security. It is very cumbersome for people. If there can be some way of putting things on standby or waiting, surely QRA would recognise that and not see a higher than necessary level of decline. Can you take that on board for us?

**CHAIR:** We might take that as a comment.

**Mr MacMillan:** We appreciate that feedback. We really appreciate that the member has spent a lot of time with our manager of disaster recovery. We have received some excellent feedback and we appreciate that. We are continuing to take it on board so that we build a better process for the applicant.

**Mr McDONALD:** For the committee's reference, I have seen those changes put in place so I appreciate the efforts.

**CHAIR:** That concludes this public briefing. A question was taken on notice about—

**Ms Dogan:** It is around the extension of time frames in relation to the four recent disasters.

**CHAIR:** There was also a question from the member for Bundaberg about the outcome of the requests.

**Mr McDONALD:** On the question of the member for Traeger, the department might be able to help. Say you are on the edge of a local government area. We were successful in getting the edge of the Lockyer included in some of the Somerset applications. What is the term given for that?

**Mr Egan:** It is a buffer.

**Mr McDONALD:** There is an application that they can be included in there but it has to get separate approval.

**Mr KATTER:** I thought it needed the Premier's signature or—

**Mr Egan:** I think with the north-west flooding in 2019, Whitsunday became a buffer even though only the top end at Bowen was impacted. The whole local government area was included amongst the 14 impacted in the north-west. For these events it is about 24 LGAs across South-East Queensland and it is whole LGAs that have been included.

**Mr McDONALD:** If they do not meet the 20 per cent trigger then they could be included in the buffer?

**Mr KATTER:** And that includes category C and D.

**Mr Egan:** That would be for C and D, assistance, yes. Again, in that process, as Helen has described, DAF do it for primary producers, DESBT does it for small business and Communities does it for non-profits. That information all goes up to the business case for QRA to take forward to the Commonwealth.

**Ms Dogan:** That is correct.

**CHAIR:** There is one question from the member for Bundaberg taken on notice. That concludes the public briefing. Thank you to everyone who has participated today. The transcript of these proceedings will be available on the committee's web page in due course. We will get that question on notice to you. If we could have a response by Friday, 9 September that would be great. I declare this briefing closed.

**The committee adjourned at 11.26 am.**