Evaluation Report

2021-22 Medium to Large Business Recovery Loans Scheme

Queensland Government

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Queensland Reconstruction Authority
PO Box 15428
City East QLD 4002
Phone (07) 3740 1700
info@qra.qld.gov.au
www.qra.qld.gov.au

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Abbreviations and symbols

The following abbreviations and symbols are used throughout this report:

$	dollars
%	per cent
DPI	Department of Primary Industries
DRFA	Disaster recovery funding arrangements
GST	Goods and Services Tax
LGA	Local Government Area
m	million
n	Sample size
NEMA	National Emergency Management Agency
Q	question
QRIDA	Queensland Rural and Industry Development Authority
QRA	Queensland Reconstruction Authority

Note: *Departmental names and acronyms are current as at November 2024.*

Relevant terms

The following terms are used throughout this report:

2021-22 Southern Queensland Floods	The term includes four of the nine significant weather events that occurred during the 2021-22 season. These were: • Central, Southern and Western Queensland Rainfall and Flooding, 10 November – 3 December 2021 • Ex-Tropical Cyclone Seth, 29 December 2021 – 10 January 2022 • South- East Queensland Rainfall and Flooding, 22 February – 5 April 2022 • Southern Queensland Flooding, 6 – 20 May 2022.
Appropriateness	The extent to which a program's design and delivery respond to an identified need, in a given context.
Category D exceptional circumstances package	Exceptional circumstances assistance beyond Categories A, B and C. Category D assistance is generally considered once the impact of the disaster has been assessed and specific recovery gaps identified. Activation of Category D assistance is requested in writing by the Premier of Queensland and approved by the Prime Minister.
Delivery agent	Queensland Rural and Industry Development Authority was responsible for delivering the Medium to Large Business Recovery Loans Scheme, 2021-22.
Disaster recovery funding arrangements	Joint Commonwealth and State Government funding administered by QRA, to assist Queensland communities to recover from disasters, such as the Southern Queensland Floods.
Economic recovery and resilience objectives	The key objectives for the economic line of recovery and resilience in relation to the 2021-22 Southern Queensland Floods were to: • re-establish business operations, primary production and supply chains in flood-affected regions • increase business and consumer confidence across industries in flood- affected regions • support flood-affected businesses and industries to enhance their capability to respond to future events.
Effectiveness	The extent to which a program was responsible for achieving its objectives.
Efficiency	The extent to which a program delivered: • at the lowest possible cost • to areas of greatest need • in better or lower cost ways over time (i.e. continuously improves)
Evaluability assessment	The evaluability assessment for the Medium to Large Business Recovery Loans Scheme, 2021-22.

Evaluation	The Medium to Large Business Recovery Loans Scheme Evaluation 2024.
Evaluation framework	The evaluation framework for the 2021-22 Southern Queensland Floods.
Evaluation plan	The evaluation plan for the Medium to Large Business Recovery Loans Scheme, 2021-22.
Evaluation report	This report. The final evaluation report for the Medium to Large Business Recovery Loans Scheme Evaluation 2024.
Line of recovery and resilience	There are five functional lines of recovery – human and social, economic, environment, building, and roads and transport.
Logic models	Logic models visualise how a program or group of programs operate to produce change. The following logic models informed the measurement approach for the Medium to Large Business Recovery Loans Scheme, 2021-22: • the 2021-22 Southern Queensland Floods logic model • the Economic line of recovery and resilience logic model.
Objectives	Clear, measurable statements of what a package, program or evaluation intends to achieve.
Outcomes	Intended or unintended positive or negative results that are directly or indirectly related to a program's activities.
Portfolio	The disaster funding portfolio of Category C and D exceptional circumstances packages developed for the 2021-22 Southern Queensland Floods.
Program	The Medium to Large Business Recovery Loans Scheme, 2021-22 (within the package of the same name).
Program applicants	Medium to large business owners who applied to receive a loan under the 2021-22 Recovery Loans Scheme.
Loan recipients	Medium to large business owners who were approved for a loan under the 2021-22 Recovery Loans Scheme.
Stakeholders	Individuals, groups or communities who can affect or be affected by a program (or its evaluation) over time.
Triangulation	The use of multiple methods or data sources to address an evaluation question.

Executive summary

In 2022, under disaster recovery funding arrangements (DRFA), the State and Commonwealth Governments committed $2.1 billion over two years for Category C and D exceptional circumstances packages to provide relief, recovery and reconstruction measures for the 2021-22 Southern Queensland Floods.

Within this portfolio, the Medium to Large Business Recovery Loans Scheme was designed to alleviate distress, repair damage and reduce hazards and risks for landholders not covered by insurance or eligible for other DRFA funding.

This evaluation report presents key findings and opportunities for improvement identified as part of the Medium to Large Business Recovery Loans Scheme Evaluation 2024.

Key findings

Design strengths

Program design and delivery stakeholders indicated that:

- QRIDA was well established to administer the program
- eligibility criteria were considered by some stakeholders to be appropriate for targeted businesses
- the *Rural and Regional Adjustment Regulation 2011*, should allow future programs to be stood up more efficiently.

Design improvements

Qualitative feedback identified the following opportunities to improve program design:

- to ensure there was sufficient demand for the program
- to adjust the name of the program, to identify targeted businesses more clearly.

Implementation strengths

The strengths of the program's implementation were:

- well-established grant decision-making processes, using existing systems and procedures
- strong working relationships among program design and delivery stakeholders.

Implementation improvements

A key finding of the evaluation was that implementation of the Recovery Loans scheme missed the critical period of community need.

As a result, the program only received three applications for funding, with two loans approved.

Qualitative feedback identified the following opportunities to improve program implementation and uptake:

- launching exceptional circumstances packages concurrently with other DRFA assistance
- increased promotion and awareness raising activities
- ensuring the benefits of concessional interest rates are well-communicated to target stakeholders.

Future considerations

Due to low uptake of the program and identifiability concerns, no feedback could be gathered from loan recipients. As such, no effectiveness or outcome measurement was possible. Future evaluations of similar programs would benefit from including the perspectives of loan recipients.

Qualitative feedback from program design and delivery stakeholders highlighted the potential benefits of a similar package for 'catastrophic' disaster events only. Careful consideration should be given before implementing a similar program in future.

Medium to Large Business Recovery Loans Evaluation – Key Findings

Grant recipients

Two loan recipients
supported by the program

$5.285 million
funding approved

Program design

Strengths	Opportunities
• Eligibility criteria were considered to be appropriate for target businesses • Regulation was designed to support efficient stand up of program for future events	• Ensure sufficient demand for program in response to future catastrophic events • Adjust program name to clearly identify targeted businesses

Program implementation

Strengths	Opportunities
• Well-established decision-making and administrative processes • Strong working relationships among program design and delivery stakeholders	• Increased promotion and awareness raising activities, including the benefits of concessional interest rates • Concurrent administration of exceptional circumstances grants and other DRFA assistance

Future considerations

Evaluations of similar programs (with sufficient uptake) would benefit from the perspectives of loan recipients in assessing the overall appropriateness, efficiency and effectiveness of the program.

This page is snapshot only and should be read in conjunction with the full Final Evaluation Report.

Introduction

In 2022, under disaster recovery funding arrangements (DRFA), the State and Commonwealth Governments committed $2.1 billion over two years for Category C and D exceptional circumstances packages to provide relief, recovery and reconstruction measures for the 2021-22 Southern Queensland Floods (See **Appendix A – Southern Queensland Floods**).

Within this portfolio, the Medium to Large Business Recovery Loans Scheme (Recovery Loans program), administered by the Queensland Rural and Industry Development Authority (QRIDA), completed activities in the 2023-24 financial year.

The Queensland Reconstruction Authority (QRA) conducted an evaluation of this program, in accordance with DRFA guidelines. This Final Evaluation Report outlines the key results and opportunities for improvement measured as part of the Medium to Large Business Recovery Loans Scheme Evaluation 2024 (the evaluation).

Package overview

Purpose

The $150 million Recovery Loans program was designed to provide financial support to medium and large businesses that either did not meet eligibility requirements for existing assistance categories or existing assistance was deemed inadequate to address the damage sustained in the floods.

Through the program, eligible businesses (with a strong relationship to a primary production or agricultural industry supply chain) could apply for 10-year loans of between $250,000 and $5 million at a concessional interest rate.

Objectives and outcomes

According to the funding request form, the overarching objective for the program was to assist eligible businesses to re-establish operations following the flooding event by:

- implementing practical solutions to address supply chain impacts
- accelerating recovery
- providing financial support to rebuild.

See **Appendix B – Eligibility Criteria**.

Implementation milestones

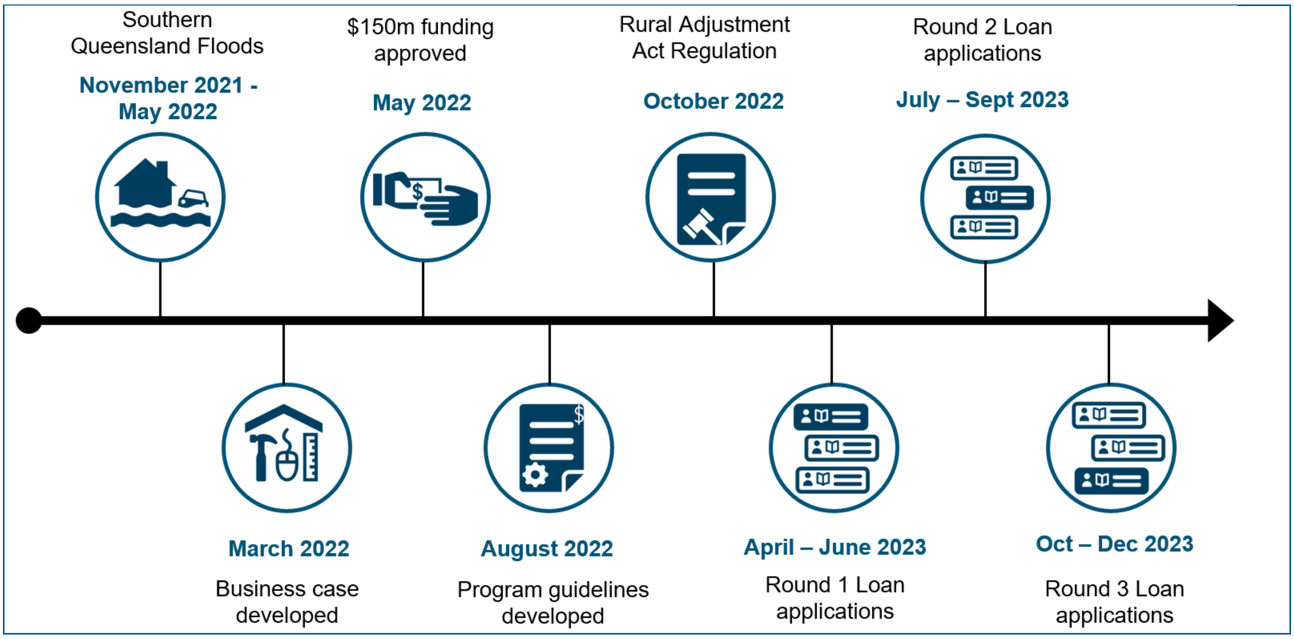
The funding request for the package was initiated by the then Department of Agriculture and Fisheries (now known as the Department of Primary Industries (DPI)) in consultation with QRIDA, QRA and the National Emergency Management Agency (NEMA).

The written request by the Premier of Queensland was approved by the Prime Minister of Australia in early 2022.

The program opened for its first round of applications in April 2023.

The program ceased activities in December 2023, with an estimated final cost of $5.3 million. (see **Figure 1**).

Figure 1: Program implementation timeline



Evaluation overview

Objectives

As per the Evaluation Framework for the 2021-22 Southern Queensland Floods, the objectives for measurement were to examine whether the 2021-22 Recovery Loans program:

- responded to community needs over time (appropriately and efficiently)
- contributed (effectively) to the achievement of package, and recovery and resilience objectives.

The evaluation sought to identify what aspects of the program:

- worked, for whom, why, how, in what circumstances and at what cost
- could be improved for future package design and implementation.

Evaluation design

The evaluation incorporated the following design elements:

- a literature review and evidence scan
- design, process and limited outcome measurement
- analysis and triangulation of multiple sources of data
- continuous monitoring, and controlling for, threats to validity.

Evaluation questions

Evaluation questions relating to the appropriateness, efficiency and effectiveness of the package were developed to support the evaluation. See **Appendix C – Evaluation methodology** for a full list of evaluation questions.

Approach to final reporting

In preparation for the program's evaluation, QRA's evaluation team:

- reviewed key package documentation to understand the recovery need, eligibility criteria and what information informed package design and implementation
- undertook an evaluability assessment
- developed logic models to depict intended and unintended pathways to outcomes
- developed an evaluation plan
- conducted an evidence scan of similar packages and their evaluations
- collected secondary data from a variety of publicly available and State agency sources
- interviewed program design and delivery stakeholders within QRIDA, DPI and QRA.

Evaluability assessment

The evaluation team undertook an evaluability assessment (EA) of the program, which looked at the:

- program's design, implementation, assumptions and confounding factors
- evaluation's proposed scope, design and evaluation questions
- evidence that could be derived from the evaluation.

The EA determined that the evaluation questions were adequately defined and results could be verifiable with a rigorous evaluation design.

Logic models

Central to the evaluation of the Recovery Loans program was the logic model for:

- the 2021-22 Southern Queensland Floods
- packages within the economic line of recovery and resilience (which includes the Recovery Loans program).

These conceptual models were developed by QRA to guide measurement activities for the 2021-22 Southern Queensland Floods and understand how packages were intended to work (see **Appendix C – Evaluation methodology**).

The logic model for the economic line of recovery and resilience provided a high-level representation of how inputs and activities of economic packages within the 2021-22 portfolio (including the Recovery Loans program) could be converted into outputs and outcomes.

The model:

- recognised that many factors could directly or indirectly contribute to outcomes or influence how change occurred
- identified the assumptions that underpinned it, as well as the possible unintended outcomes that could result from package activities.

Data collection

Data collection included a combination of qualitative and quantitative secondary data, as well as qualitative primary data from key stakeholders.

Secondary data collection

Secondary data collected and analysed included:

- publicly available information on government websites (such as QRA, QRIDA and DPI)
- progress reporting from QRIDA to QRA
- previous evaluation reports published on the Australian Institute of Disaster Resilience Knowledge Hub
- interim evaluation reporting (on packages within the economic line of recovery and resilience)
- news media, social media and Queensland Ministerial media statements regarding the package.

Interviews

In October and November 2024, QRA's evaluation team gathered qualitative feedback from semi-structured interviews with program design and delivery stakeholders from QRIDA, DPI and QRA (n = 6).

To ensure perspectives were captured accurately for reporting, stakeholders were given the opportunity to review the evaluation team's notes, clarify any statements or supply additional information.

Topics discussed included:

- program design, governance and implementation
- needs and expectations of flood-affected businesses
- barriers and enablers that affected uptake of the program
- what worked well and what could be improved for future program design.

Evidence scan

The evaluation team conducted an evidence scan of:

- programs with similar objectives and target stakeholders to the Recovery Loans program
- the social, economic and personal factors that may have enabled, or created barriers for community outcomes
- previous evaluations of similar programs implemented in Queensland and other Australian jurisdictions.

This information supported the assessment of the appropriateness of the program's design to meet the needs of flood-affected businesses.

Findings

Interpretation

Data reported represent a point-in-time assessment of the Recovery Loans program, based on what could be gathered and analysed by the evaluation team, post-program implementation. Effectiveness measurement in this final evaluation was limited by:

- low uptake of the program
- not collecting data directly from loan recipients due to identifiability concerns
- the timing of the evaluation (which occurred well before the conclusion of the ten-year loan period).

As such, findings should be considered indicative only and not representative of all program stakeholders. In this section:

- 'qualitative feedback' refers to perspectives of program design and delivery stakeholders interviewed by the evaluation team
- 'anecdotal feedback' refers to perspectives of loan recipients as reported by program design and delivery stakeholders.

Package design

Barriers and enablers

Establishing need for the program

DPI, QRIDA and the former Department of State Development, Infrastructure, Local Government and Planning received reports of major damage to medium to large businesses (including primary producers, agricultural supply chain businesses and non-agricultural businesses critical to the industry).

Eligibility requirements for the existing DRFA grants and loans such as the Extraordinary Disaster Assistance Recovery Grant, Disaster Assistance (Essential Working Capital) Loan, the Disaster Assistance Loan or Disaster Freight Subsidy) did not cover medium to large businesses with employee numbers greater than 20.

The funding request form outlined the following rationale for the Recovery Loans program:

- Data suggested large numbers of transport operators affected by the floods, which had negative consequences on their operations and supply chains.
- There was evidence of disruption to food manufacturing and supply which was considered critical to the people in Queensland, especially in flood-affected regions.
- QRIDA was well-placed to administer the program, in part because of their role in delivering other DRFA Category C and D grants and loans in response to the flooding event.
- Similar loans were provided in response to the 2011 floods and Ex-Tropical Cyclone Yasi.
- An estimated 15 large businesses and 75 medium businesses could benefit Recovery Loans program.

Design and development process

The package was designed through consultation between DPI, QRIDA, QRA and NEMA.

Qualitative feedback indicated that lessons learned from previous events and data collected in response to the Southern Queensland Floods informed the design of the Recovery Loans Package. These data included:

- agency enquiry data (from flood-affected rural landholders)
- administrative data on applicants who were ineligible for existing loans and grants
- DPI's Agriculture Disaster Impact Survey.

Qualitative feedback suggested that development of the funding request form for the program occurred quickly, as impacts from the 2021-22 event were significant.

Original intent

According to program design and delivery stakeholders, the original intent for the package was to have a broader focus, whereby all medium to large businesses in flood-affected areas would be eligible (not just those with strong links to primary production or agricultural supply chains).

This original intent was informed by council and agency reporting that indicated larger-scale businesses with extensive damage were not eligible for any type of government funding or assistance.

At the time, it was believed that no Queensland Government Department had a remit that included both loan administration and a focus on medium or large businesses. As such, the program was re-imagined so the scope of eligible businesses fit within the remit of DPI and QRIDA.

Scope

Loans could be used for a range of clean up, restoration and repair activities or to improve the business' resilience for future disaster events (e.g. flood mitigation works or moving the business premises to a different location).

The Recovery Loans program targeted larger scale businesses in the agriculture supply chain (including primary producers) for which a standard concessional loan as a small business or primary producer ($250,000) was insufficient to support recovery.

Examples of supply chain businesses eligible for a loan under the Recovery Loans program included abattoirs, livestock or produce freight companies, canneries or produce markets or businesses that provided support to the agricultural sector such as mechanical repair businesses or excavation businesses.

Approval timeframes

The Recovery Loans program required the following to commence implementation:

- a published activation summary (on QRA's website)
- an Establishment Notice
- a Ministerial Media Release.

A joint media release was created by DPI to launch the Recovery Loans program alongside the Rural Landholder Recovery Grants program. Due to delays in confirming the interest rate, announcement of the program did not occur until April 2023 (more than 12 months after the flooding event, for which the package was activated).

Administration

QRIDA's administration of the Recovery Loans program was allowed through the Natural Disaster-related Assistance Schemes Amendment Regulation 2022 (the Regulation), made under the *Rural and Regional Adjustment Act 1994.*

The Regulation included the ability to activate the Recovery Loans program for future disaster events.

Eligibility

The original request form outlined the 37 LGAs activated for the 2021-22 Southern Queensland Floods.[1] Of those, 22 LGAs had been activated for primary producer assistance and 20 for small business assistance (See **Table 2** in **Appendix A – Southern Queensland Floods)**.

Eligibility criteria were designed to provide financial assistance to businesses that:

- were ineligible for existing sources of 'primary producer' and 'small business' DRFA measures or
- could not adequately address the damage sustained using existing DRFA measures.

Anecdotal feedback suggested eligibility criteria were considered by some stakeholders to be fit-for-purpose and consistent with identified community needs and expected uptake.

Comparison to other concessional loan programs

Qualitative feedback suggested program design and delivery stakeholders were not aware of other concessional loan schemes implemented previously in Queensland or in other Australian jurisdictions that were akin to the Recovery Loans program. It was considered unique in both design and purpose.

Other concessional loan schemes identified by the evaluation team for previous events were:

- For ex-tropical cyclone Yasi (2011) – 10-year concessional loans of up to $650,000 at 4% interest rate available for eligible businesses, primary producers and not-for-profit organisations in Far North Queensland, with a grant component of $50,000.[2]
- For ex-tropical cyclone Oswald (2013) 10-year concessional loans of up to $650,000 at 1.7% interest rate (after a two-year interest free period) available for eligible businesses and primary producers, with a grant component of $50,000.[3]

Evaluations of these packages were not undertaken, so their overall value to affected communities was not determined.

Independent research by the Australian Chamber of Commerce and Industry (ACCI) in 2023 found that 'loan support' was the least likely funding measure used by businesses across jurisdictions in response to disaster events.[4] Feedback to the review suggested businesses were reluctant to take on loans due to risk and uncertainty the disaster event created.

While concessional loans support businesses to borrow funds at lower rates, many businesses may not have been in a position where it was appropriate for them to acquire additional debt.

1 This was later increased to 39 LGAs (with the addition of Rockhampton and Livingstone) across the four significant weather events.

2 Media release, "Rebuilding the Far North After Yasi", 16 February 2011, https://ministers.treasury.gov.au/ministers/wayne-swan-2007/media-releases/rebuilding-far-north-after-yasi

3 Media release, "Further flood assistance for primary producers and business", 16 February 2013, https://statements.qld.gov.au/statements/71618

4 ACCI, "Independent Review of Commonwealth Disaster Funding", https://www.australianchamber.com.au/wp-content/uploads/2023/08/ACCI-Submission-to-the-Independent-Review-of-Commonwealth-Disaster-Funding-04082023.pdf

Implementation

Loan administration

The Recovery Loans program was administered in three rounds across eligible LGAs.

Table 1: Loan application rounds

Applications	Round 1	Round 2	Round 3
Applications opened	12 April 2023	1 July 2023	1 Oct 2023
Applications closed	30 June 2023	30 Sept 2023	31 Dec 2023

Decision-making, loan assessments and payments were administered by QRIDA, in accordance with the *Rural and Regional Adjustment Act 1994.*

Qualitative feedback suggested these processes were well-established within QRIDA. Resourcing for the program was considered appropriate, as it was designed to have a capability uplift in response to increased uptake (as opposed to hiring additional resources upfront to administrate the program).

Decision-making processes were established through existing QRIDA procedures (such as the QRIDA Decision-Making Protocol) which were considered by program design and delivery stakeholders to be fit-for-purpose and timely.

Costs and delivery timeframes

The program was delivered well within timeframes and budget. There were no extension of time requests and no funds were reallocated away from the program.

As the direct result of low uptake, the program experienced a $144.7 million underspend.

Community outcomes

Context

In Queensland, disaster recovery is designed to be locally-led and community focused. However, helping communities recover from disasters (such as flooding events) can prove challenging and complex.

The speed of recovery across the different lines of recovery and resilience can be affected by many factors. Research suggests that in times of disaster, businesses that own assets (rather than lease them) and those that have not acquired much debt, recover fastest.

Leading into the Southern Queensland Floods, businesses of all sizes were already heavily leveraged due to recent compounding weather events and cumulative impacts from COVID-19.

From the Southern Queensland Flooding event alone:

- loss in agricultural production was estimated to have cost affected regions $254 million[5]
- local government and agency reporting indicated:[6]
  - businesses of all sizes experienced severe damage and disrupted business operations
  - industries and supply chains impacted included horticulture, aquaculture, livestock, intensive animal industries, sugar cane, cropping, dairy, grains and bee keeping
  - topsoil losses had the potential to create long term industry impacts for farm production, agribusiness suppliers and food processors
  - a number of businesses did not have insurance which was considered too expensive due to previous flooding events.

5 Deloitte Access Economics, 2022, https://www.qra.qld.gov.au/2021-22-Southern-Queensland-Floods

6 QRA disaster dashboard reporting, March 2022

There were also reports that larger commercial businesses, considered critical to the economic and social fabric of the regions, had been impacted by flood and crop losses but were not eligible for any government assistance or funding.

Awareness of the program

Qualitative feedback suggested limited promotion or awareness raising was undertaken for the Recovery Loans program due to package announcement delays (see **Approval timeframes**).

Instead, the program was soft launched from April 2023. QRIDA's regional area managers used their networks and connections to local governments and industry groups to generate awareness of the package.

According to program design and delivery stakeholders, medium to large businesses within eligible industries were a 'new target group' for DRFA assistance in Queensland. It was felt an opportunity was missed to tailor promotion and communication activities to these stakeholders.

This likely limited the overall awareness of the program among eligible businesses.

Program uptake

There were three applicants for the Recovery Loans program. Of these, two were approved – one in August 2023 (for $0.385 million) and one in April 2024 (for $4.9 million)[7]. See **Figure 2**.

Figure 2: Recovery loan applications

Source: QRIDA

For the application not approved, the applicant did not supply the documents necessary for QRIDA to properly assess the application and not all eligibility requirements were satisfied.

According to the funding request form, potential program uptake was estimated to be roughly 15 large businesses and 75 medium businesses, with up to $150 million in support needed. Program design and delivery stakeholders acknowledged there may have been insufficient demand for the program, despite anecdotal community feedback and other reporting suggesting there was a need.

Furthermore, anecdotal feedback suggested uptake of the program was likely impacted by several factors including:

- the name of the program (which could be considered misleading since the scope was limited to primary production and agricultural supply chain businesses)
- its delayed commencement date (which seemed to miss the critical period of need)
- the soft-launch approach (which may have reduced community awareness).

Program-level outcomes

The objective of the Recovery Loans program was to provide concessional loans over a maximum 10-year term to assist medium to large businesses to reinstate/re-establish their businesses following the 2021-22 Southern Queensland Floods. Specifically, it sought to ensure:

a) the needs of medium to large businesses were addressed in disaster recovery and preparedness for future events
b) medium to large businesses were aware of the risks of future disasters
c) medium to large businesses could return to full operation after the event
d) infrastructure was built in accord with changing recovery needs.

7 Industries and LGAs have not be reported to reduce the likelihood of businesses being identifiable.

Although program design and delivery stakeholders saw potential benefits and value in the program, these were not realised for the 2021-22 event. Anecdotal feedback suggested both loan recipients were grateful for the loans, but the short to long-term benefits to these businesses could not be captured for the evaluation.

Due to low program uptake, the package had limited to no contribution to broader economic resilience and recovery objectives for the Southern Queensland Floods.

Unintended outcomes

Negative

Anecdotal feedback suggested that potentially eligible businesses had to seek alternative sources of funding (or close), due to an inability to access the Recovery Loans program when they needed it most. Businesses were reported to access overdrafts, traditional lending and more risky funding sources (such as pay day lending and loan sharks) so they could continue trading. Businesses who closed became ineligible for the program and those who sought more risky sources of funding could not be refinanced under the program.

Positive

Program design and delivery stakeholders highlighted the strong working relationship between DPI and QRIDA which was fostered by the package delivery.

Future considerations

This section highlights limitations of the 2021-22 Medium to Large Business Recovery Loans Scheme Evaluation and what could be considered in the design, implementation and evaluation of similar future packages.

Program design

Context for future packages

Program design and delivery stakeholders agreed that the Recovery Loans program would not be a suitable scheme for all types of events. It was most suitable for disaster events that identified catastrophic damage and a strong demand for the package.

As there was insufficient evidence to determine the appropriateness or effectiveness of program, careful consideration should be given to implementing a similar package in future.

Although loan packages typically have lower uptake than grant packages for disaster recovery, program design and delivery stakeholders highlighted that the competitive concessional interest rate represented better value to recipients longer term than other types of funding.

There is an opportunity to strengthen the benefits of these types of programs via targeted communications to key stakeholder groups, should a similar Recovery Loans package be rolled out in future.

The Regulation

Program design and delivery stakeholders suggested that having the Recovery Loans program as an ‘off-the-shelf’ option meant future similar programs would likely experience a smoother design and implementation process.

Program implementation

Implementation timeframe

Qualitative feedback from program design and delivery stakeholders proposed that uptake for Category D exceptional circumstances packages (like the Recovery Loans program) might be increased if it was launched at the same time as other Category C and D disaster assistance grants and loans.

Administering these packages simultaneously would:

- support QRIDA to direct unsuccessful applicants of other DRFA grants and loans to additional sources of funding without losing their 'touch point'
- improve the likelihood of such packages reaching affected businesses within their critical period of need.

Community perspectives

Available data enabled reporting on delivery agent perspectives, but less information was available on loan recipients due to low program uptake and identifiability concerns. Should this or a similar program be implemented in future, it would be beneficial to understand the short-term outcomes experienced by loan recipients.

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Appendix A – Southern Queensland Floods

Table 2: Category C and D packages for 2021-22 Southern Queensland Floods

	Package	Completion date
1	Medium to Large Business Recovery Loans Scheme	30 June 2024
2	Rural Landholder Recovery and Resilience Package	30 June 2024
3	Tourism Recovery and Resilience Package	30 June 2024
4	Sport and Recreation Recovery Grant	30 June 2024
5	Small Business Recovery and Resilience Package	30 June 2025
6	Industry Recovery and Resilience Officers Package	31 December 2025
7	Clean Up Grants	31 December 2025
8	Flexible Funding Grants	31 December 2025
9	Local Recovery and Resilience Grants	31 December 2025
10	Community and Recreational Assets	31 December 2025
11	Betterment	31 December 2025
12	Community Health and Wellbeing	30 June 2026
13	Accommodation Support	30 June 2026
14	Community Development	30 June 2026
15	Flood Risk Management	30 June 2026
16	Resilient Homes Fund	30 June 2026
17	Environmental Recovery Package	31 December 2026

Appendix B – Eligibility Criteria

Table 3: Eligibility criteria for 2021-22 Medium to Large Business Recovery Loans Scheme

Eligible applicants must:

a) hold an Australian Business Number (ABN) and have held that ABN at the time of the eligible disaster
b) be registered for GST
c) not be a public company
d) have suffered direct damage to a property, buildings, plant, equipment or stock as a result of the eligible disaster
e) be located in the defined disaster area for the disaster
f) demonstrate a significant relationship to a primary production industry or agricultural supply chain
g) have used all liquid assets and all normal credit sources up to normal credit limits
h) be responsible for the cost of repairing or replacing damaged assets
i) demonstrate the medium to large business has reasonable prospects of re-establishing on a viable basis with the assistance given
j) provide adequate security and loans must be secured by:
   - a mortgage of land and other assets satisfactory to QRIDA and
   - any other security considered necessary, for example – a Specific Security Agreement over plant and machinery, or a General Securities Agreement.

Medium to large businesses include:

- large scale primary producers,
- critical large agricultural supply chain businesses such as meat processors and produce markets and
- medium to large non-agricultural businesses critical to their industry such as equipment manufacturers and transport companies.

Interest rates and loan terms

The term of the loan is decided by QRIDA up to a maximum of 10 years. An interest only period of up to two years may be granted. This is followed by eight years of principal and interest repayments at a concessional interest rate.

Eligible activities

Loan funds are provided to re-establish normal operations and includes:

a) repairing or replacing damaged plant and equipment
b) repairing or replacing buildings
c) repairing primary access and egress
d) relocating the business or critical infrastructure to a location of greater immunity within the existing local government area or an adjacent local government area
e) flood mitigation works approved by the relevant authority
f) purchasing livestock to replace those lost in the disaster
g) supplying stock for up to one month to replace lost stock and maintain liquidity of the business
h) meet carry on requirements, including:
   - re-planting, restoring or re-establishing areas affected by the eligible disaster
   - essential property operations
   - paying rent and rates.

Source: Program Guidelines, 2021-22 Medium to Large Business Recovery Loans Scheme

Table 4: Activated Local Government Areas for 2021-22 Southern Queensland Floods

LGAs activated for primary producer assistance	LGAs activated for other DRFA assistance
1. Balonne Shire Council	23. Barcaldine Regional Council
2. Banana Shire Council	24. Barcoo Shire Council
3. Brisbane City Council	25. Blackall-Tambo Regional Council
4. Bundaberg Regional Council	26. Boulia Shire Council
5. Cherbourg Aboriginal Shire	27. Carpentaria Shire Council
6. Fraser Coast Regional Council	28. Central Highlands Regional Council
7. Gold Coast City Council	29. Diamantina Shire Council
8. Goondiwindi Regional Council	30. Flinders Shire Council
9. Gympie Regional Council	31. Gladstone Regional Council
10. Ipswich City Council	32. Isaac Regional Council
11. Lockyer Valley Regional Council	33. Kowanyama Aboriginal Shire Council
12. Logan City Council	34. Livingstone Shire Council
13. Moreton Bay Regional	35. Longreach Regional Council
14. Noosa Shire Council	36. Maranoa Regional Council
15. North Burnett Regional Council	37. Murweh Shire Council
16. Scenic Rim Regional Council	38. Redland City Council
17. Somerset Regional Council	39. Rockhampton Regional Council
18. South Burnett Regional Council	
19. Southern Downs Regional Council	
20. Sunshine Coast Regional Council	
21. Toowoomba Regional Council	
22. Western Downs Regional Council	

Source: Activation Summary, 2021-22 Southern Queensland Floods

Appendix C – Evaluation methodology

Figure 3: Key evaluation questions

Appropriateness

To what extent was the program designed to meet the needs of businesses affected by the Southern Queensland Floods?

How does it compare to similar programs implemented for other disaster events?

To what extent did delivery agents and partners facilitate awareness, access and uptake of the package?

What were the strengths, weaknesses, opportunities and barriers to the program's design and implementation?

Efficiency

To what extent was the program delivered in an economical and consistent manner?

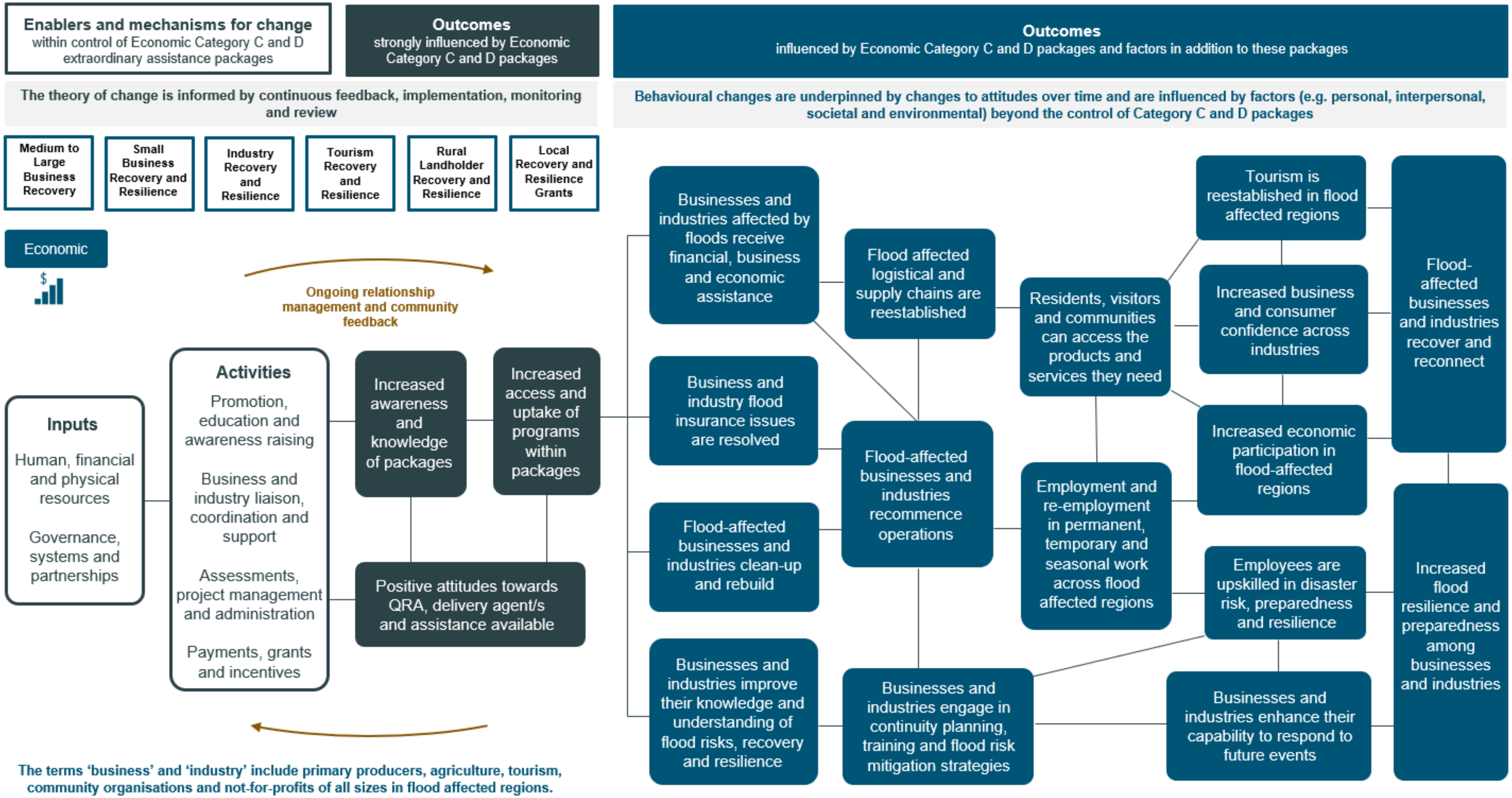
Was the program delivered in time to meet the critical period of community need?

Effectiveness

To what extent did the package achieve its objectives and contribute to intended community outcomes?

Source: Evaluation Plan, 2021-22 Medium to Large Business Recovery Loans Scheme

Figure 4: Logic Model – Economic line of recovery and resilience, 2021-22 Southern Queensland Floods



Source: Queensland Reconstruction Authority 2024

Figure 5: Theory of change – Economic line of recovery and resilience, 2021-22 Southern Queensland Floods

Economic resilience and recovery objectives

- Re-establish business operations, primary production and supply chains in disaster affected regions
- Increase business and consumer confidence across industries in disaster affected regions
- Support businesses and industries to enhance their capability to respond to future events.

Inputs

Funding, infrastructure, facilities, equipment, staff, governance structures, volunteers, record / data management systems, guidelines and partnerships.

Activities

Community promotion, administration, education, referrals, advice, liaison functions, operations, submissions, assessments, support services, relationship building, information sharing, capability building, grants and loans.

Internal threats to validity

Availability of other government and non-government programs and services; changing population needs and behaviours over time.

External threats to validity

Variation in contextual setting; social and economic conditions (e.g. local issues, demographic diversity); political, legislative and government factors (e.g. changings to funding, extensions of time) implementation challenges; market factors; natural disasters.

Package assumptions

Package information is accessible; delivery agents have appropriate knowledge, skills and expertise; resourcing is sufficient to support affected residents; eligibility criteria are appropriate; packages can be delivered within critical periods of need; community feedback systems are embedded in operations; access to support will increase program uptake; uptake of programs will assist with recovery and resilience.

Positive unintended outcomes

Greater trust and confidence in delivery agents (and local and state governments more broadly); social, environmental and economic benefits for adjacent communities; referral and access to broader system of supports outside DRFA funding; improvement/upgrades to local amenities; upskilling of local suppliers and third parties; greater community connection, social cohesion and business networking.

Negative unintended outcomes

Value for money is reduced due to limited competition in regional areas; ongoing or increased risk for future events; redistribution of fiscal resources to impacted areas; negative perceptions of the packages; illegal activities; loss of property values; issues obtaining insurance; flood affected residents recommence business activities in a new area.

Source: Queensland Reconstruction Authority 2024

Queensland Reconstruction Authority
PO Box 15428
City East QLD 4002
Phone (07) 3740 1700
info@qra.qld.gov.au
www.qra.qld.gov.au