PAC/COVID-19
Sub No 39

Submission to Public Accounts Committee Inquiry into the Government's economic and health expenditure response to the COVID19 pandemic

by Paul Dimmick,

Owner Operator of Huon Bush Retreats

I submit our experience of being denied the Covid19 Hardship Grant as follows.

I also copy at the end of this document an allegation that I have received via anonymous email. I do not have a list of grant recipients, so I cannot check if this person actually received the grant. I understand that the committee does have such a list. You might like to check if this person/business is on the list. If so, it is probably appropriate to refer the matter to police.

I would be happy to attend a session of the committee for a face to face discussion.

Contact

Paul Dimmick

Huon Bush Retreats

[redacted]

[redacted]

Brief Summary

Government announced the Grant Scheme and published guidelines. It stated that the funds were limited pool of $30M which would be allocated in $15K grants "competitively, on merit"

I had 3 phone discussions with people in State Growth. I was told the to be the most competitive on merit, that I should diligently address the published criteria. I should take my time, produce a quality and accurate submission with good supporting info from our accountant. No hurry, you have until the closing date.

We followed that advice and produced a quality application. This involved paying our accountant, bookkeeper and staff to replace me while I worked on the grant and less attention to other items such as maintenance. This cost us hundreds.

A few days before the closing date, there was a news story with the Minister saying much of the money had already been paid out.

We submitted our application 3 days before closing date, but by then, pretty much all the money had already been handed out.

We were denied the $15K with no explanation.

We submitted a review request and we were told we were denied because we didn't have:

1. ***an elevated economic and social benefit to the community***
2. ***a full time equivalent (FTE) employee forecast of greater than 4***
3. ***the businesses strategical importance in the current environment and***
4. ***economic and future job prospects for growth.***

Unless State Growth has a time machine, it is clear that the assessment could not possibly have been "competitive on merit" because much of the money was handed out before all submissions were submitted.

This is completely unfair, and discriminatory against businesses who took their time to do a quality application:

- We completely refute all but point 3. Even point 3 should not have excluded us because SG gave full grants to many sole traders.
- We know of successful grant recipients who would have failed one or even all of these, so clearly not all applicants were assessed on these criteria
- These were not in the original criteria, they were just made up after SG handed out most of the money in breach of their own statements.
- Different businesses were denied on different variations of these, eg we know of a bus company who had 4FTE but were denied because they didn't have 5FTE

State Growths own code of conduct, business plan stratetgic plan says that they will be transparent and reliable. State Growths own Guide to Grant Applications states that applications will be assessed only on the advertised criteria.

Compare published eligibility, Advertised Criteria and Replacement Criteria

Advertised Assessment Criteria	Rejection Criteria stated to us	Were we assessed on this ? Y/N	Were early applicants assessed on this ? Y/N	Note
briefly describe how the Covid-19 event has impacted your business?		N	Y	We were prohibited from operating, yet this was not assessed.
Severe financial hardship test		N	?	Our income was essentially zero, yet this was not assessed. Other businesses who were still generating income, were given the $15K grant.
Please outline how you are operating in the current environment?		N	?	We were prohibited from operating, yet this was not assessed. Other businesses who were allowed to operate, were given the $15K grant.
What products and services are you providing for the Tasmanian or Australian community?	*an elevated economic and social benefit to the community*	y	y	Apparently, donuts and drinks for rich boys are assessed as being more social benefit than eco-tourism with flow on effects. We employ locals and for every dollar people spend in our business, they spend $2 elsewhere in the Huon community.

Employed fewer than 50 Full-Time Equivalent Employees. and Please estimate the number of employees you will have at this time next year	*have a full time equivalent (FTE) employee forecast of greater than 4*	Assessed against the changed criteria, not against the original.	N. Sole traders received the grant.	We declared 2, currently reduced to 0.1 FTE. We expected to recover to near 2FTE in a year. SG rejected us because we were projecting less than 4 FTE, yet they gave the full grant to many sole traders. " this time next year " is still Covid recovery period, so of course we will be forecasting less FTE. We know of a bus operator who has 4 FTE. They were rejected because they didn't have 5FTE.
	the businesses strategical (sic) importance in the current environment and	Y	N	The Tasmanian Trade Strategy identifies nature based tourism businesses such as Huon Bush Retreats, as a key strategy. Yet we were rejected on this criteria. Apparently donuts and rich boys drinks are more strategical benefit to Tasmania.
Please outline your business prospects for the future, including sustainable jobs and/or business growth	*economic and future job prospects for growth.*	Y	Several recipient businesses that we know of have no plans to expand.	Out supporting documents showed excellent post Covid recovery prospects. Growth was never mentioned in the criteria. We have a family business of the right size to be sustainable. There is no desire nor need to grow beyond 2019.

Further details

Attached here is a series of screenshots showing our dated progress through the system:

- Initial registration
- Submission
- Acknowledgement
- Wait
- Denied
- Smaller amount deposited.

On 13 May, the pool was stated as $30M
On 28 May, the pool was stated as $20M.

I have attached the published guidelines that say the grants would be assessed competitively on merit.
On 27 April, the advertised closing date was 30 April. (attached)
However Sarah Courtney did a news release on 27 April saying that they had already paid out 167 grants of $15k. See the news release copied below. In part it says "***$20 million has been allocated to provide to those businesses under severe hardship, with 167 grants of $15,000 paid out so far."***
How could have these early payouts have been assessed competitively on merit if they were paid BEFORE everyone had submitted on 30 April?

So my suggestion of the right thing for Government to do would be as follows:

- Examine the objective score sheets of all businesses that received the $15k
- Take the LOWEST score from any business that received money before the closing date.
- Make this score the new threshold
- Reassess ALL submissions that were submitted by the due date, using an objective scoring system.
- Grant $15k to every application that scored above this new threshold

I hope this will help. Anything else you need?

Important note:

As many of the successful grant recipients are our industry colleagues, and I need to work with them into the future, I need to be careful to not be seen to "bag them out". Hopefully you can find a successful recipient who will talk with you without me "dobbing them in".

We know of sole traders receiving the full grant, despite us being denied because we didn't have 4 FTE.

We know of businesses receiving the grant, then selling, despite us being denied because we didn't show prospect of growth.

One business that would be seen to be undeserving and that has already publicly acknowledged themselves as a successful recipient, is the Athenaeum Club. Rich boys who do not need the money.

We were told that a condition of application is that our name and amount received might be pubicised.

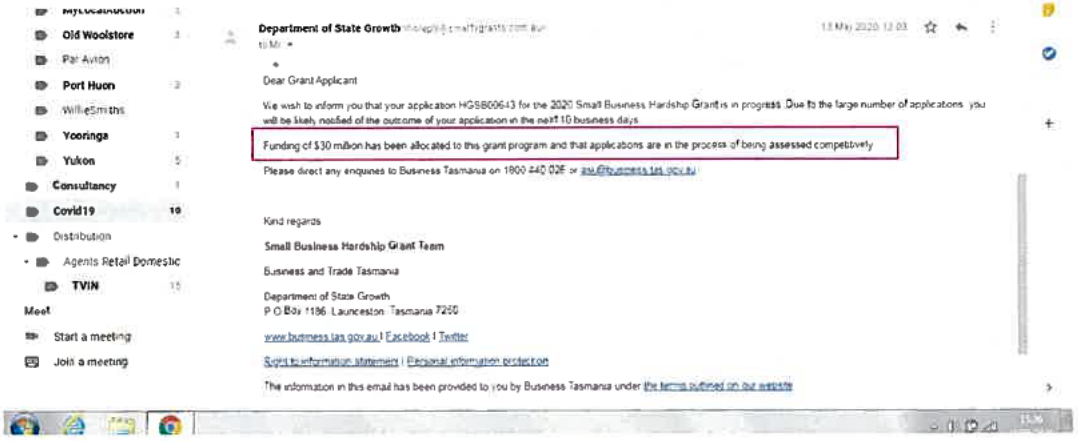
On the application form,

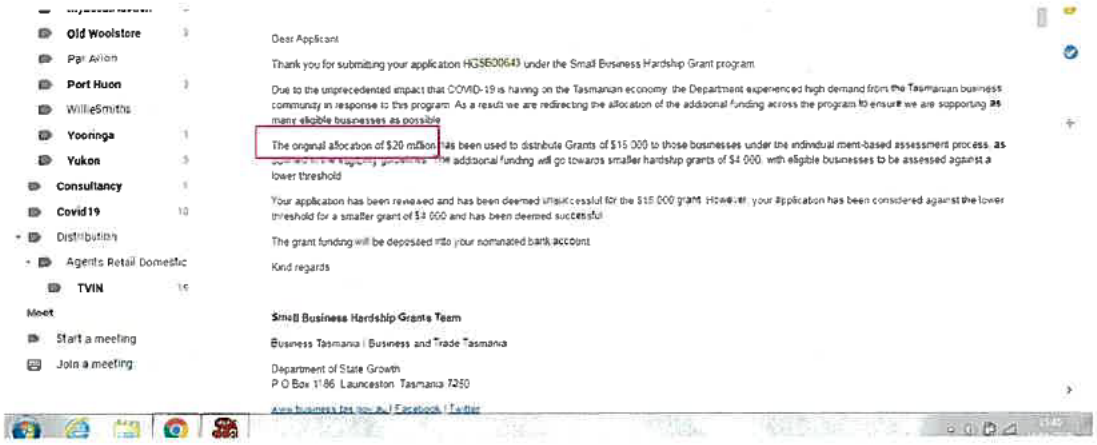
"12. if a grant is awarded, the applicant acknowledges that the guidelines for this program and the information provided within this application will form an agreement between the applicant and the Crown in the right of Tasmania.."

And in the guidelines
"the department may publicise the level of financial assistance, the identity of the recipient, the purpose of the financial assistance, and any other details considered by the department to be appropriate."

SG now refusing to say who got the grants is nothing to do with agreed privacy, but only to cover up that they handed the money to their favorites instead of otherwise viable businesses, in hardship only because of Government imposed restrictions.

Here are screenshots showing parts of the process and the changing goal posts and changing amounts in the pool. There are several contradictions as to the "Original amount". The 2 differing "original amounts" cannot both be true. Is this a case of the Minister lying?





We requested a review and were told that we were denied because we failed the following criteria (criteria which were never in the application). You should also read the attached Tasmanian Trade Strategy that identifies nature based tourism (what Huon Bush Retreats does) as a key strategy.

• ***an elevated economic and social benefit to the community***
We employ locals and for every dollar people spend in our business, they spend $2 elsewhere in the Huon community.

• ***have a full time equivalent (FTE) employee forecast of greater than 4***
We declared 2 reduced to 0.1 FTE. Yet they gave the full grant to many sole traders. "Forecast" is for Covid period, so of course we will be forecasting less FTE.

• ***the businesses strategical importance in the current environment and***
TheTasmanian Trade Strategy identifies nature based tourism (what Huon Bush Retreats does) as a key strategy.

• ***economic and future job prospects for growth.***
Growth was never mentioned in the criteria. We have a family business of the right size to be sustainable. There is no desire nor need to grow beyond 2019 size.

You can compare the criteria in the guidelines, our application and the denial letter, all attached.

One example of rort/unfairness/incompetence

I have received this rort allegation via anonymous email. I do not have a list of grant recipients, so I cannot check if this person actually received the grant. I understand that the committee does have such a list You might like to check if this person is on the list. If so, it is probably appropriate to refer the matter to police.

A business that operated for less than three months with no previous trading history is allegedly given grants for hardship yet businesses that have operated for years miss out. This hobby business claims to organise home kit purchases for clients in capital cities across Australia from a suburban house in Bridgewater. There is no manufacturing etc done in Tasmania. It also seems that it has never actually done even one job as all the images on website and Facebook are stock images.

If true that this person received the grant, it is a clear breach of the eligibility criteria, let alone the assessment criteria.

Robert Lawson ABN 67 351 265 390 registered his ABN [https://abr.business.gov.au/ABN/View?abn=67351265390] for interkit.com.au [phone 0438 297 332] in December 2019, applied for grants in March 2020 and was successful.

Entity name:	LAWSON, ROBERT ARTHUR
ABN status:	Active from 23 Dec 2019
Entity type:	Individual/Sole Trader
Goods & Services Tax (GST):	Registered from 23 Dec 2019
Main business location:	TAS 7030
