



# ***STATE DEVELOPMENT, NATURAL RESOURCES AND AGRICULTURAL INDUSTRY DEVELOPMENT COMMITTEE***

**Members present:**

Mr CG Whiting MP (Chair)  
Mr DJ Batt MP  
Mr JE Madden MP  
Mr BA Mickelberg MP  
Ms JC Pugh MP  
Mr PT Weir MP

**Staff present:**

Dr J Dewar (Committee Secretary)  
Ms C Furlong (Assistant Committee Secretary)

**PUBLIC BRIEFING—SUBORDINATE LEGISLATION: NO. 189  
OF 2018, RURAL AND REGIONAL ADJUSTMENT (BUS  
DRIVER SAFETY SCHEME) AMENDMENT REGULATION;  
NO. 002 OF 2019, RURAL AND REGIONAL ADJUSTMENT  
(SOLAR FOR RENTAL PROPERTY SCHEME) AMENDMENT  
REGULATION**

**TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 1 APRIL 2019**

**Brisbane**

## MONDAY, 1 APRIL 2019

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### **The committee met at 11.17 am.**

**CHAIR:** Good morning. I acknowledge the traditional owners of the land on which we stand today. I declare open this public briefing for the committee's consideration of subordinate legislation No. 189 of 2018, the Rural and Regional Adjustment (Bus Driver Safety Scheme) Amendment Regulation, and subordinate legislation No. 002 of 2019, the Rural and Regional Adjustment (Solar for Rental Property Scheme) Amendment Regulation. Thank you for your attendance today. My name is Chris Whiting. I am the member for Bancroft and chair of the committee. Other committee members with us here today are: Mr Pat Weir, deputy chair and member for Condamine; Mr David Batt, member for Bundaberg; Mr Jim Madden, member for Ipswich West, Mr Brent Mickelberg, member for Buderim; and Ms Jess Pugh, member for Mount Ommaney. Later on the member for Glass House, Mr Andrew Powell, will join us.

I remind members of the schedule of instructions under schedules 3 and 8 of the standing orders. Public Service employees may be called upon to provide factual and technical background to government legislation and administration. However, a committee shall not ask an officer or a department to give opinions on matters of policy. The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament.

The proceedings are being recorded by Hansard and witnesses will be provided with a copy of the transcript. To assist with clarity, can you please identify yourself when you first speak and speak clearly and at a reasonable pace. All those present today should note that it is possible that you might be filmed or photographed during proceedings by media and images may also appear on the parliament's website or social media pages. The media rules endorsed by the committee are available from committee staff if required. I ask everyone present to turn mobile phones off or switch to silent mode. I also ask that if witnesses take a question on notice today they provide the information to the committee by 10 am on Monday, 8 April 2019.

The briefing today is to consider subordinate legislation No. 189 of 2018, which relates to the Bus Driver Safety Scheme, and subordinate legislation No. 002 of 2019, which relates to the Solar for Rental Properties Scheme.

**HALLAM, Mr Rodney, Senior Manager, Business Development and Policy, Queensland Rural and Industry Development Authority**

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

**CHAIR:** I welcome representatives from the Queensland Rural and Industry Development Authority. I now invite you to make an opening statement after which committee members may have some questions for you.

**Mr MacMillan:** The Queensland Rural and Industry Development Authority, QRIDA, is a statutory body established under the Rural and Regional Adjustment Act 1994 to provide administrative services towards the delivery of financial assistance programs. These services are provided to the Queensland government, Australian government and related agencies. We have been administering a wide range of government financial programs and services for more than 20 years and over that time have developed extensive knowledge and skills, people and experience, technology and systems to provide cost-effective and efficient service delivery. Over that time QRIDA has delivered more than \$1 billion in concessional loans to Queensland farmers under the Primary Industry Productivity Enhancement Scheme, which we call PIPES, and more than \$805 million in natural disaster assistance grants and loans to primary producers, small business and not-for-profits, and we continue to do more to support rural and regional Queensland through administration of financial assistance programs on behalf of government agencies.

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QRIDA's 2018 to 2022 strategic plan outlines our authority's strategic intent to foster growth, sustainability and economic development in rural and regional communities. We do this by delivering more programs of financial assistance across Queensland. An example of our strategy and capability in action can be seen in our role in the delivery of the disaster recovery funding arrangement grants and loans associated with the recent North and Far North Queensland monsoon trough. In the five weeks since this event was activated, QRIDA has approved in excess of \$35 million in grants to over 700 primary producers, small businesses and not-for-profits who were so severely impacted by that event.

Let me now turn to the administrative details of the two schemes in question today. In relation to the Solar for Rental Properties Scheme, QRIDA administers the Solar for Rental Properties Scheme on behalf of the Department of Natural Resources, Mines and Energy and is part of the Queensland government's Affordable Energy Plan. The objective of the scheme is to provide assistance to owners of eligible premises to install solar PV systems to make electricity more affordable for tenants of the premises. The scheme is being piloted initially in three regional cities—Townsville, Gladstone and Bundaberg.

The Solar for Rental Properties Scheme is a two-stage program with expressions of interest currently being submitted, with stage 2 involving assessment of applications and payments of rebates to successful applicants. All applications with the Solar for Rental Properties Scheme are submitted online via QRIDA's fast grants portal, thereby ensuring minimal touch points by QRIDA staff. As at 26 March 2019, 97 expressions of interest had been received, with none yet moving to final application. The scheme provides for up to 1,000 approved applicants. The Solar for Rental Properties Scheme is staffed by one full-time FTE and is overseen by a team leader who oversees a range of other programs for QRIDA.

The resources for the Solar for Rental Properties Scheme is funded through an administration fee provided to QRIDA by the Department of Natural Resources, Mines and Energy. QRIDA is well placed to deliver the Solar for Rental Properties Scheme as it represents one component of the Queensland government's Affordable Energy Plan which QRIDA has delivered already, matching its specialist knowledge, skills and systems in grants and loans administration and management. QRIDA's agile staffing model means that we can engage more temporary staff as required to process applications without drawing on permanent officers who are dealing with our core programs.

Turning to the Bus Driver Safety Scheme, QRIDA administers the Bus Driver Safety Scheme on behalf of the Department of Transport and Main Roads. The objective of the scheme is to provide for assistance to operators of eligible bus services from across Queensland to install anti-shatter film and driver barriers to make them safer for drivers and passengers. The scheme was designed as a low-volume scheme and QRIDA has one temporary FTE, or full-time equivalent, available to review applications as required. The resources for the Bus Driver Safety Scheme are funded through an administration fee provided to QRIDA by the Department of Transport and Main Roads. The scheme opened on 19 November 2018 and closed on 31 March 2019. As at the closing date, two applications have been received for a total of 1,215 buses.

In summary, many of the financial assistance programs QRIDA administers for other departments, like the two discussed today, are singular, one-off initiatives. While the policy is driven and directed by the program owner, many of these departments do not have or retain existing resources and capabilities for grant and loan administration. QRIDA is a specialist grant and loan administrator. It not only provides that service to other departments in a very cost-effective way but also provides those program owners with an experienced, independent and arms-length administrator of these schemes. The two schemes discussed today are resourced and funded by their respective program owners and do not detract from the resourcing or delivery of QRIDA's core schemes it administers. QRIDA is proud to leverage its 20-plus years of specialised knowledge, skills, experience and systems, to deliver these and other programs on behalf of the Queensland government. Thank you for the opportunity to address the committee today.

**CHAIR:** One of the things you talked about for the bus scheme is the charging of an administration fee. I understand that this is a fundamental part of the model of how you operate. Obviously the admin fee is used to cover your costs and put on further staff. Am I correct in saying that? Could you tease out how you charge that admin fee and what you do with it to give us a bit more of a picture?

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**Mr MacMillan:** With regard to the Bus Driver Safety Scheme, we actually charged them an upfront administration fee of \$65,000 and there was no fee per application because it was a very, very low-volume scheme. As I mentioned, as at 29 March we have actually had two applications for 1,215 buses. What we do is we work with the policy owner, the department, to try to understand exactly what their needs are. We do not hold policy, but we try to assist them with a scheme that will actually deliver in a cost-effective way.

I will ask Rod to expand on this, but we understand what our costs are—so we make sure that our department or our authority is not losing money on that—and we make sure that the department is getting a cost-effective model for the delivery of that. It is just a combination of us understanding our costs to establish it, our costs to monitor it and our costs to assess and then making sure that we make a small margin so that we can invest that margin back into our own business, back into the training of our people, back into our administration costs and then back into increased technology which we can actually use better. The core of our business is PIPES—that is, rural and regional Queensland—so we use those skills to build capacity and we use those funds to build capacity within our own authority. Rod, would you like to add to that?

**Mr Hallam:** In terms of the items that we do relate our service fee to, in the first instance they are around establishing the programs, so it is about establishing the processes and the resources. All QRIDA programs are established under regulation so there is an input of effort there in terms of achieving the legislation. We look after the service level arrangements on behalf of departments so we draft the MOUs and look after the compilation of application forms, templates, correspondence—all of those items that we need to open a scheme to application. In the first instance that is what we charge for and then generally it is on a per application basis, and we cost that out on the input at officer level of each stage of processing an application. Normally under that regime QRIDA carries the risk of low application volumes. Cameron mentioned the Bus Driver Safety Scheme was one fee. That was a very well-known scheme. There were 33 bus operators we knew were going to be applicants. We invited them to apply. It was finite and known, and that is why we ended up with just one fee. Normally it is an establishment fee and we charge per application we process.

**Mr MICKELBERG:** You have answered a lot of my questions in your opening remarks, so thank you for that. You mentioned that you are not losing money on either of these two schemes. I just want to be clear. It is on a full cost recovery basis and I think you said you were making a bit of margin on top of that as well. Is that correct?

**Mr MacMillan:** That is correct.

**Mr MICKELBERG:** What is the administration fee provided by DNRME?

**Mr MacMillan:** The establishment fee was \$70,000, which included the cost of an online portal development. We handed that cost to the department to have the portal so that applicants could apply online. Then there is a \$150 fee which applies to the assessing of each application received. As at 29 March, there were 111 expressions of interest applications that had been received for the scheme.

**Mr MICKELBERG:** The solar regulation talks about selected local government areas. You mentioned Townsville, Gladstone and Bundaberg.

**Mr MacMillan:** That is correct.

**Mr MICKELBERG:** Is it your understanding that the regulation is restricted to those areas or could those local government areas be expanded by the department?

**Mr MacMillan:** I will hand over to Rodney to answer that.

**Mr Hallam:** Yes, that is the case. The regulation provides for the inclusion of other areas over the course of the trial, so the department has that option without an amendment regulation. That was certainly contemplated. We cannot reduce the number of areas, so the three initial areas are there for the duration.

**Mr MICKELBERG:** Do you have time frame standards with respect to service level arrangements? I am particularly interested in your core business—so support to primary producers and industry.

**Mr MacMillan:** Most definitely. We have standard response indicators on all of our programs. For example, we are in the midst of the delivery of disaster recovery with regard to the monsoon up north. The standard response indicators for that event are 15 working days for a grant and 30 working days for a loan. To give an indication of our capability, so far we have approved 700 applications in

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the first five weeks of that program, as I mentioned—about \$35 million. The average turnaround is currently sitting at 9.8 days against an SRI of 15 working days. We know how important it is to get the money back into those regions very, very quickly. The SRIs are probably worst case and we try to do best case.

**Ms PUGH:** With regard to the Bus Driver Safety Review and the report prepared by Deloitte, did that report identify risk factors or factors that increase risk in terms of the likelihood of violence against bus drivers and do they form any part of the assessment criteria for applications?

**Mr Hallam:** Yes, that report was part of the considerations by the department informing the scheme. In terms of the way the scheme actually operates, the risk assessment is done by the bus operator, so they identify the risk having regard to the driver barrier component of the scheme. We are relying on their assessment in that regard.

**Mr BATT:** In relation to the solar scheme, Bundaberg is one of the places. You mentioned that it is all online, through the portal. Have you looked at other ways that people can access these funds? With previous schemes, not run by yourselves but other schemes such as the electricity rebates and those sorts of things, I am aware that people in Bundaberg have struggled with that. A lot of them do not have the internet. They come and see us to try to work out how they can make an application for these funds. In general, a lot of the population do have the internet, but a lot of the older population in regional areas do not have access to the internet to apply for these funds.

**Mr MacMillan:** My colleague has confirmed that for this scheme there are not both options. Normally, under most schemes, we would provide them two opportunities, whether it was a writable PDF or an online option. We might have to take that question on notice.

**Mr Hallam:** I would say that it is standard practice that with any scheme we administer that has an online portal access we also have a paper application form available for applicants. This scheme has particular front-end requirements around an applicant first registering their interest and acknowledging that they understand the requirements of the scheme before they go ahead and install the system and submit their invoices to us for reimbursement.

**CHAIR:** The time allocated for this session has now expired.

**The committee adjourned at 11.35 am.**