



Queensland

Rural and Regional Adjustment Amendment Regulation (No. 7) 2012

Explanatory Notes for SL 2012 No. 176

made under the

Rural and Regional Adjustment Act 1994

General outline

Short title

Rural and Regional Adjustment Amendment Regulation (No. 7) 2012.

Authorising law

Sections 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act)

Policy objectives and the reasons for them

Financial assistance to those who have been directly impacted by natural disasters is governed by the joint Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA). The NDRRA establishes a suite of pre-approved measures which can be provided in response to a natural disaster in order to assist with community recovery. These measures include concessional loans to primary producers, small business and non-profit organisations.

Concessional loans for primary producers and small business are already established under Schedules 2 and 3 respectively of the *Rural and Regional Adjustment Regulation 2011* (the Regulation). Concessional loans to

non-profit organisations have not normally been made available in response to natural disasters. That said however, a Category B loans scheme to non-profit organisations was made available in response to the flooding and Tropical Cyclone Yasi of 2011 and the South West and the Sunshine Coast/Gympie flooding of 2012. Those schemes are Schedules 11, 18 and 19 of the Regulation respectively.

In response to the continual introduction of temporary schemes, it is proposed to establish a permanent scheme which will be available in response to eligible natural disasters putting non-profit organisations on the same footing as primary producers and small business.

Eligible natural disasters are defined in the *NDRRA Determination 2011* which is the master policy document developed by the Australian Government for the NDRRA. These include bushfire; earthquake; flood; storm; cyclone; storm surge; landslide; tsunami; meteorite strike; or tornado. The list of eligible natural disasters in the *NDRRA Determination 2011* has expanded to include tsunami, meteorite strike and tornado since the primary producer and small business loan schemes were introduced so an expansion of eligible disasters in the Regulation is consistent with the policy intent of the NDRRA.

Accordingly, in order to provide consistency across the three natural disaster concessional loan schemes, it is proposed that the existing concessional loans schemes for primary producers and small business (Schedule 2 and 3 of the Regulation) be amended to include the same list of eligible natural disasters as the new concessional loan scheme for not for profit organisations.

The proposed scheme, the Natural Disaster Relief (Non-profit Organisations) Scheme, will be able to be activated whenever it is decided by the Queensland Government that sufficient non-profit organisations had suffered direct damage by an eligible natural disaster to warrant the activation of this assistance measure.

The proposed scheme will eliminate the need to amend the Regulation and introduce a new scheme each and every time that concessional loans to charities are made available in response to a natural disaster.

The scheme will provide for assistance in the form of a concessional loan and a grant for re-establishing the normal operation of an eligible entity, including doing any of the following—

- (a) repairing or replacing damaged plant and equipment;

- (b) repairing or restoring essential premises, including grounds, amenities and infrastructure;
- (c) supplying stock for up to 1 month to replace lost stock and maintain liquidity of the eligible entity.

The amount of loan assistance for an applicant under the scheme must not be more than \$100,000 and the amount of grant assistance for an applicant under the scheme must not be more than \$5,000.

Being a Category B measure under the NDRRA, the Queensland Government can introduce concessional loans to non-profit organisations on a needs basis without the approval of the Australian Government.

Achievement of policy objectives

Section 10 of the Act provides that QRAA may only give assistance under an approved scheme and section 11 of the Act provides that an approved assistance scheme is one which is approved by regulation. Consequently approved assistance schemes under which QRAA administers financial assistance are prescriptively detailed in the Regulation. The establishment of this new scheme is delivering on the policy objectives of the NDRRA which is to assist community recovery through the provision of financial assistance to recover from eligible natural disasters.

Consistency with policy objectives of authorising law

This subordinate legislation is consistent with the objects as outlined in section 3 of the Act in that it will enable QRAA to support the State's economy by providing assistance to primary producers, small business and other elements of the economy in periods when they are experiencing temporary difficulty.

Inconsistency with policy objectives of other legislation

This subordinate legislation is not inconsistent with the policy objectives of any other legislation.

Benefits and costs of implementation

This subordinate legislation is of a beneficial nature in that it provides a grant and loan package to eligible non-profit organisations that have suffered direct damage from an eligible natural disaster. Despite being made available in response to three natural disasters in the last year there has been little to no interest by non-profit organisations in this assistance.

Consistency with fundamental legislative principles

No fundamental legislative principle issues have been identified in the preparation of this subordinate legislation.

Consultation

QRAA has been consulted in regard to establishing the proposed scheme. The Department of Communities, Child Safety and Disability Services had requested the introduction of a permanent scheme.

The Regulatory Review Branch, Queensland Treasury and Trade, stated that a formal Regulatory Assessment Statement is not required for this proposal as it is not likely to impose significant impacts on the community, business, or government.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Agriculture, Fisheries and Forestry.

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