

Rural and Regional Adjustment Amendment Regulation (No. 4) 2014

Explanatory Notes for SL 2014 No. 114

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment Amendment Regulation (No. 4) 2014

Authorising law

Section 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994*

Policy objectives and the reasons for them

The objective of the subordinate legislation is to establish the Drought Concessional Loans Scheme (the scheme) as an approved assistance scheme under the *Rural and Regional Adjustment Regulation 2011* (the Regulation). Under the scheme, the Australian Government is offering concessional loans to drought-affected farm businesses for debt restructuring, operating expenses and drought recovery activities.

The scheme is part of a package of measures announced by the Australian Government with the aim of helping farm businesses recover from and prepare for future droughts and return to profitability in the long term. The scheme will be made available to a number of jurisdictions, including Queensland.

The Australian Government has asked QRAA to administer the scheme on its behalf in Queensland. To enable QRAA to administer the scheme on behalf of the Australian Government, it is necessary to establish the scheme as an approved assistance scheme for the purposes of the Act.

According to the scheme guidelines, the Australian Government will provide Queensland with \$100 million for the provision of Drought Concessional Loans. Once these funds are expended, no more loans will be offered. The scheme will end on 30 June 2015.

Achievement of policy objectives

The subordinate legislation establishes the scheme as a new approved assistance scheme under the Regulation. As provided under the Drought Concessional Loans Scheme Guidelines (the guidelines), the intended outcomes for the scheme are that:

- Drought Concessional Loans are available to Farm Businesses that are experiencing a Significant Financial Impact as a result of the effects of drought and that are considered Commercially Viable in the longer term
- receipt of a Drought Concessional Loan provides the opportunity for Loan Recipients to continue their operations, while recovering from the effects of drought, and return to Commercial Viability in the longer term.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the objects of the Act as outlined under section 3 in that it will enable QRAA to support the State's economy by administering a scheme that aims to give assistance to the rural sector in Queensland during drought.

Inconsistency with policy objectives of other legislation

The subordinate legislation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

The State Government will not incur any additional costs in the implementation of this subordinate legislation. The scheme in Queensland will be delivered by QRAA using funds provided by the Australian Government.

Consistency with fundamental legislative principles

The subordinate legislation is consistent with fundamental legislative principles.

Consultation

The Australian Government has developed the guidelines for the scheme in consultation with QRAA, adjustment authorities and agriculture departments in other jurisdictions.

The Office of Best Practice Regulation (OBPR) has been consulted regarding the need for a Regulatory Impact Statement (RIS). OBPR advised that the subordinate legislation to establish the scheme is excluded from having to undertake a RIS on the grounds that it is a regulation for the internal management of the public sector or a statutory authority.