

# Rural and Regional Adjustment Amendment Regulation (No. 2) 2016

Explanatory notes for SL 2016 No. 133

made under the

*Rural and Regional Adjustment Act 1994*

## General Outline

### Short title

*Rural and Regional Adjustment Amendment Regulation (No. 2) 2016*

### Authorising law

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

### Policy objectives and the reasons for them

Natural disaster assistance in Australia is delivered through the joint Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA). The NDRRA establishes a suite of pre-approved cost sharing measures which can be activated by the States to assist with the response and recovery from natural disasters. These measures are grouped into Categories A, B, C and D.

The purpose of NDRRA assistance programs is to support community recovery after a natural disaster through the provision of financial assistance to help with clean up and restoration activities.

Category C recovery grants are potentially available to primary producers, small businesses and non-profit organisations to assist with the clean-up and restoration from a severe natural disaster. In Queensland, Category C recovery grants are known as the Special Disaster Assistance Scheme (the Scheme). When activated Category C recovery grants are administered by QRAA. The Scheme is established under schedule 23 of the *Rural and Regional Adjustment Regulation 2011* (the Regulation).

The states/territories administer NDRRA assistance in accordance with Federal Government guidelines. In November 2015 the Queensland Government was informed of changes to the disaster assistance guidelines for Category C assistance with a new *Guideline 3 - Category C Interim Assessment Framework*, dated September 2015 (Category C guidelines). These changes will require amendment to schedule 23 to be consistent with the new Category C guidelines.

## **Achievement of policy objectives**

The subordinate legislation will achieve its objectives by amending schedule 23 of the Regulation to ensure that the Scheme is administered in accordance with the revised Federal Government guidelines. The subordinate legislation provides for the following changes to Schedule 23:

1. The title of the Scheme is to be changed from the Special Disaster Assistance Scheme to the Natural Disaster Recovery Grants Scheme.
2. Changes to the range of eligible activities for which a standard or exceptional circumstances grant can be used. Standard grants are up to \$10,000 while exceptional circumstances grants are up to \$25,000. The range of eligible activities for which a standard or exceptional circumstances grant can be used are now largely the same. This will require changes to the eligible activities in the standard grant provisions to provide that a standard grant can be used to fund the same activities as would an exceptional circumstances grant. The exception will be for the purchase, hire or lease costs for equipment or materials essential to the immediate resumption of farming, which is an expense only available to applicants for exceptional circumstances grants.
3. Minor changes to the definition of small business to allow certain categories of businesses to apply for assistance even if the business did not provide more than 50 per cent of the applicant's income.

## **Consistency with policy objectives of authorising law**

The subordinate legislation is consistent with the main policy objectives of the Act in that it provides financial assistance to the rural and regional sector in Queensland. The Act was established to allow QRAA to administer financial assistance schemes of both the Queensland and Federal Governments. The NDRRA program being amended is jointly funded by the Queensland and Federal Governments.

## **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**

The subordinate legislation will ensure that NDRRA assistance schemes administered in Queensland are done in accordance with the guidelines established by the Federal Government for that assistance. NDRRA assistance measures are cost shared between the Queensland and Federal Governments in accordance with a cost sharing formula determined by the NDRRA policy document *NDRRA Determination 2012*.

No additional costs accrue to the Queensland Government or are being imposed on potential applicants for assistance as a result of the changes being made.

## **Consistency with fundamental legislative principles**

The subordinate legislation is consistent with fundamental legislative principles.

## **Consultation**

AgForce and Queensland Farmers' Federation were informed that the Federal Government had made changes to the Category C guidelines and were provided with a copy of the new guidelines.

The Queensland Productivity Commission noted that a Regulatory Impact Statement (RIS) is not required as the regulatory changes arising from this amendment are of a machinery nature.

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