

Rural and Regional Adjustment (COVID-19 Marine Tourism Rebate Scheme) Amendment Regulation 2020

Explanatory Notes for SL 2020 No. 188

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (COVID-19 Marine Tourism Rebate Scheme) Amendment Regulation 2020

Authorising law

Sections 3, 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act).

Policy objectives and the reasons for them

The public health response to the novel coronavirus COVID-19 pandemic, including travel restrictions has and continues to result in a loss of income for tourism businesses with consequential economic impacts on state and regional economies.

On 31 August 2020, the Queensland Government announced a \$2 million COVID-19 Marine Tourism Rebate Scheme (Scheme) to directly support Queensland based tourism business operating vessels located in eligible government areas in North Queensland. A large proportion of marine tourism businesses operating in this area derive their business from tourists and consequently have experienced losses of income by the travel restrictions imposed due to the COVID-19 pandemic.

The main objective of the subordinate legislation is to support marine tourism businesses based in eligible local government areas in North Queensland, to enable them to offset privately-owned marina berthing fees for eligible vessels they operate in eligible local government areas in North Queensland.

Achievement of policy objectives

The subordinate legislation achieves its objective by establishing the Scheme which enables the Queensland Rural and Industry Development Authority (QRIDA) to provide a rebate to eligible applicants of up to a maximum of \$20,000 to offset privately-owned

marina berthing fees for eligible vessels that operate in eligible local government areas in North Queensland.

Under the Act, QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation.

To be eligible for assistance under the Scheme, an applicant must satisfy QRIDA of a range of criteria, including:

- have an established operating base in Queensland with an international tourism-related focus;
- have a valid Australian Business Number active as at 1 February 2020;
- be registered for GST;
- headquarters be located in Queensland and have paid fees for a privately-owned marina berth in an eligible local government area in North Queensland, during the financial year from 1 July 2020 to 30 June 2021;
- have suffered a loss of income as a result of international and interstate travel restrictions that commenced on 1 February 2020; narrative of the impact on the business with supporting information will be required;
- have fewer than 200 full time equivalent employees as at 1 February 2020;
- have an annual turnover over \$75,000 for the 2018/19 or 2019/20 financial year, or for recently commenced businesses that hadn't worked for the full financial year, be able to provide financial records to show that a proportionate amount of the annual turnover was met for the period of the financial year they operated; and
- not be insolvent or have owners or directors that are undischarged bankrupts.

Applicants that have paid amounts for berthing expenses in advance are also eligible for a rebate. This includes amounts paid for renting a berth at a privately-owned marina located in an eligible local government area, for use by an eligible vessel during 1 July 2020 to 30 June 2021. Costs that will not be covered and are not eligible include any incidental costs of berthing a vessel and any costs associated with the ownership of the vessel.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the policy objectives of the Act. The Act establishes QRIDA to administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland. QRIDA may also support the State's economy by administering approved assistance schemes to assist primary producers, small businesses and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

QRIDA has extensive experience in administering grant, loan and rebate and payment schemes for government and is well placed to administer the Scheme.

The Queensland Government has made available \$2 million (excluding GST) to fund this Scheme. Rebates to a maximum of \$20,000 (excluding GST) are available per applicant. The total cost to the Queensland Government will depend on the level of uptake.

The Scheme will assist eligible marine tourism operators in North Queensland affected by COVID-19 by providing financial relief towards some of their expenses.

Consistency with fundamental legislative principles

The subordinate legislation has been drafted with regard to, and is consistent with, the fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*.

Consultation

The Queensland Government received requests seeking support for marine tourism operators including those in Port Douglas and the Whitsundays, including relief from marine fees, from the Whitsunday Charter Boat Industry Association, the Association of Marine Park Tourism Operators, Tourism Tropical North Queensland and a range of tourism businesses and marina operators in North Queensland.

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR), within the Queensland Productivity Commission, on whether the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation*. The OBPR advised that it considered the proposal does not add to the burden of regulation and is unlikely to result in significant adverse impacts; and that no further regulatory impact analysis was required.