

Rural and Regional Adjustment (Variation of Special Disaster Assistance Recovery Grants Scheme) Amendment Regulation 2021

Explanatory Notes for SL 2021 No. 103

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Variation of Special Disaster Assistance Recovery Grants Scheme) Amendment Regulation 2021

Authorising law

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

Policy objectives and the reasons for them

The policy objective of the amendment regulation is to provide additional assistance to assist primary producers directly affected by the disaster events with costs associated with immediate recovery activities needed to rebuild their primary production enterprises.

In early 2021, two significant natural disasters impacted on Queensland. Tropical Cyclone Niran impacted on parts of northern Queensland between 25 February and 3 March 2021. Between 20-31 March, heavy rainfall led to flooding which severely impacted parts of southern Queensland near the New South Wales border.

In response to the damage from these events, the joint Commonwealth-State Disaster Recovery Funding Arrangements (DRFA) Categories A, B, and C have been activated for the primary producers in the worst impacted areas. After consultation with primary producers and agricultural industry groups, it was determined that this DRFA assistance is insufficient to support the recovery of communities impacted by this disaster.

On 29 April 2021, the Prime Minister announced that the recovery grant for these two events would be increased from the current \$25,000 to \$75,000.

The DRFA recovery grants are administered by the Queensland Rural and Industry Development Authority (QRIDA) under Schedule 23 to the regulation, the Special Disaster Assistance Recovery Grants Scheme. QRIDA currently administers a range of DRFA assistance measures to assist businesses, primary producers and not for profit

organisations impacted by natural disasters. The current maximum amount in the regulation for an exceptional circumstances recovery grant is \$25,000. Accordingly, in order for QRIDA to provide up to \$75,000, a regulatory amendment is necessary.

This regulatory amendment changes the maximum amount of an exceptional circumstances grant from \$25,000 to \$75,000. This change will apply to the two recent natural disasters for which the Special Disaster Assistance Recovery Grants Scheme was activated and for any future disaster events for which this scheme is activated. This regulatory amendment changes the maximum amount that could be offered for an exceptional circumstances recovery grant. However, the Assistance Establishment Notice of the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities, which activates this scheme for an event, sets out the maximum amount for the event (Section 6A (d)) which could be less than \$75,000 should this be so desired.

Achievement of policy objectives

The amendment regulation will achieve its objectives by amending Schedule 23 - Special Disaster Assistance Recovery Grants Scheme (SPDARGS) of the *Rural and Regional Adjustment Regulation 2011* to increase the maximum size of the exceptional circumstances recovery grants from \$25,000 to \$75,000.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the policy objectives of the Act. The Act establishes QRIDA primarily to administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland including schemes offered by the Australian Government.

QRIDA may also administer approved assistance schemes to assist primary producers, small business and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The Scheme will be cost shared between the Queensland and Australian Governments under the DRFA. The proposed regulatory amendments will provide additional financial assistance to applicants eligible for assistance under Schedule 23.

In the first instance, it will be available to primary producers eligible for Schedule 23 who were impacted by the disaster events Tropical Cyclone Niran and the Southern Queensland Severe Weather. This increased assistance will provide them with additional funding to conduct repair, clean up and restoration activities to recover from the impact of these events. The change to the maximum amount of assistance from \$25,000 to \$75,000 will also apply to any future disasters where this assistance is activated. It is unknown how

much this change will cost given expenditure is demand driven (some producers may not apply for the assistance or seek the maximum amount now available).

Consistency with fundamental legislative principles

The amendment regulation 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 requested that the Australian Government increase the size of the Exceptional Circumstances grants for eligible primary producers impacted by Tropical Cyclone Niran and the Southern Queensland Severe Weather. This request was approved by the Prime Minister on 29 April 2021.

This request to increase the size of the exceptional circumstances grants involved discussions between the Queensland Department of Agriculture and Fisheries (DAF), Queensland Reconstruction Authority and Emergency Management Australia of the Australian Government. The Queensland Reconstruction Authority were informed by DAF that in order for QRIDA to administer this increased amount a regulatory amendment would be necessary to increase the maximum amount in the regulation from \$25,000 to \$75,000.

The Office of Best Practice Regulation in the Queensland Productivity Commission advised that the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation* on the basis of category (k) – regulatory proposals that are unlikely to result in significant adverse impacts.