

Rural and Regional Adjustment (Further Variation of COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation 2021

Explanatory Notes for SL 2021 No. 146

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Further Variation of COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation 2021

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 COVID-19 Business Supports Grants Scheme (August 2021) (the Scheme) was established to provide relief and support to eligible business affected by public health directions that restricted the reasons for which people could leave their homes in August 2021 in response to COVID-19 outbreaks in Queensland. Under the Scheme, the following payments are available for eligible employing businesses and non-profit organisations:

- a \$10,000 grant for small business with payroll of less than \$1.3 million
- a \$15,000 grant for medium sized business with payroll between \$1.3 million and \$10 million
- a \$30,000 grant for large sized tourism and hospitality focused businesses with payroll of greater than \$10 million.

The Border Restrictions Direction (No. 35), given on 14 August 2021, restricted entry into Queensland by anyone who had been in a declared COVID-19 hotspot within the previous fourteen days. Subsequently, all of New South Wales, including an area defined as the 'border zone', was declared a COVID-19 hotspot.

The policy objective of the *Rural and Regional Adjustment (Further Variation of COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation 2021* (the Amendment Regulation) is to extend eligibility under the Scheme to include businesses and non-profit organisations that:

- were trading within a 'border area' in Queensland on 31 July 2021; and
- have been impacted by a 'border closure event' - the imposition of restrictions on the reasons for which a person may enter Queensland from areas in the border zone in New South Wales while the areas are declared COVID-19 hotspots under Border Restrictions Direction (No. 35) or its successors.

Achievement of policy objectives

The Amendment Regulation achieves its objective by amending the Scheme to allow the Queensland Rural and Industry Development Authority (QRIDA) to provide grants to eligible business and non-profit organisations that were trading in the 'border area' on 31 July 2021 and have been impacted by a 'border closure event'.

The 'border area' is defined by reference to the map 'COVID-19 Business Support Grants – Border areas mapping' dated 13 September 2021, and is based on the Australian Bureau of Statistics (ABS) Statistical Area level 2 of the Gold Coast known as Coolangatta, Currumbin – Tugun, and Currumbin Waters and the ABS defined border suburbs of Wallangarra, Goondiwindi and Mungindi (Queensland).

Applicants will need to demonstrate that they were trading in the "border area" on 31 July 2021 and were affected by a 'border closure event' and have experienced a reduction in turnover of at least 30 per cent for a seven day period when impacted by a 'border closure event', compared with the same period in 2019 or another comparable period.

This differs from all other applicants under the scheme, who must demonstrate that they were required to stop operating or limit their operations, or were otherwise affected by a lock down direction, and that their turnover has reduced by 30 per cent or more in a seven day period when it was impacted by a lock down direction, compared with an equivalent period in 2019 or another comparable period.

All other eligibility criteria and the amount of assistance available under the Scheme remain the same, including that the business or organisation had its headquarters in Queensland and was trading in Queensland on 31 July 2021, and employs at least one employee (other than the business owner).

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 which 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 business and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

Inconsistency with policy objectives of other legislation

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

Alternative ways of achieving policy objectives

An alternative way to achieve the policy objective would be to establish a separate approved assistance scheme under the *Rural and Regional Adjustment Act 1994* that relates only to 'border closure' restrictions or to have an entity other than QRIDA provide the assistance. Expanding the existing COVID-19 Business Support Grants Scheme (August 2021) to eligible business and non-profit organisations is more efficient and minimises administrative burden on both QRIDA and Government.

Benefits and costs of implementation

The total cost to the Queensland Government will depend upon the level of uptake of the Scheme. When the Scheme was amended shortly after its commencement in August to increase the value of the grants to tiered, one-off payments of between \$10,000 and \$30,000, the Commonwealth and Queensland Governments agreed to jointly fund (50/50) the Scheme. The total value of assistance that is jointly funded by the Australian and Queensland Governments is estimated at \$600 million. This amount includes a related assistance package which is being delivered separately and is not part of the Scheme. The Scheme as expanded under this Amendment Regulation will be accommodated within the existing jointly funded \$600 million package. Applicants are only entitled to one payment under the Scheme.

Consistency with fundamental legislative principles

The Amendment Regulation may breach the fundamental legislation principle (FLP) that legislation should not subdelegate a legislative power conferred on a Regulation by the Act to an external document that is produced administratively and is not subjected to Parliamentary scrutiny (section 4(2)(b) and 5(e) of the *Legislative Standards Act 1992*) because it references a map that sits outside of the Regulation.

It is desirable to refer to a map that describes the 'border area' because the Queensland-New South Wales border is so large and the included area is not a uniform distance within Queensland from the Queensland-New South Wales border, which would make it difficult to describe other than in a map. For this reason, and because a specific, static version of the map is referred to, any potential breaches of the FLP are mitigated and justified.

Consultation

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR) on whether the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation*. The OBPR assessed that the amendment is excluded from further analysis on the basis of category (k) – regulatory proposals designed to reduce the burden of regulation, or that clearly do not add to the burden, and it is reasonably clear there are no significant adverse impacts.