

Rural and Regional Adjustment Amendment Regulation 2024

Explanatory Notes for SL 2024 No. 220

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment Amendment Regulation 2024

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 objectives of the Amendment Regulation are to amend the existing Remote Communities Freight Assistance Scheme to provide retailers serving remote and regional communities with greater flexibility to receive approved cost-of-living rebates they have passed directly onto those communities and to amend the existing Electric Vehicle Charging Infrastructure Scheme to remove the 22-kW AC requirement.

Remote Communities Freight Assistance Scheme

Cost-of-living pressures are being felt across Queensland, but these pressures are disproportionately felt in remote and regional areas of the state. Supply chains in these areas can be complex, with significant distances and operational challenges impacting freight costs, which can make essentials goods significantly more expensive in some areas.

This is especially true in northern areas of the State where major weather events, highly dispersed low populations, lack of significant competition (i.e., market failure), and high fuel and energy costs add to the cost-of-living pressures.

On 20 March 2023 the Queensland Government approved delivery of a new initiative, designed to address freight related cost-of-living pressures in the Northern Peninsula, Torres Strait, and Gulf regions (NPTSG regions).

To further support these remote communities, amendments to the Remote Communities Freight Assistance Scheme were identified which aim to bring greater benefits to communities to relieve cost-of-living pressures while endeavouring to ensure effective implementation. Changes include:

- extending establishment assistance to also include reimbursement for the costs of buying, installing or upgrading computer hardware necessary to comply with the digital discount reporting requirements under the Remote Communities Freight Assistance Scheme;
- increasing the maximum amount of establishment assistance available per approved premise from \$14,000 to \$20,000;
- increasing how often retailers can apply for discount and compliance assistance; and,
- clarifying that gambling (such as lottery tickets) is not an essential good.

The Act limits the Queensland Rural and Industry Development Authority (QRIDA) to providing financial assistance under an approved scheme. The details of an approved scheme must be prescribed by regulation.

Electric Vehicle Charging Infrastructure Scheme

On 16 March 2022, the Queensland Government announced Queensland's Zero Emission Vehicle Strategy and the first Zero Emission Vehicle Action Plan 2022–2024. The Zero Emission Vehicle Strategy seeks to accelerate Queensland toward a cleaner, greener transport future while making sure the energy network supports the transition to zero emission vehicles. It reaffirms the Government's commitment to support Queensland's transition to net zero emissions by 2050.

The Strategy included a Queensland Government investment commitment of \$55 million to support purchase zero emission vehicle incentives, charging infrastructure and fleet support. This led to the implementation of the Zero Emission Vehicle Rebate Scheme and Electric Vehicle Charging Infrastructure Scheme, both administered by the Queensland Rural and Industry Development Authority (QRIDA) as prescribed by the *Rural and Regional Adjustment Regulation 2011*.

The Electric Vehicle Charging Infrastructure Scheme comprises funding of up to 50 per cent of total project costs, to a maximum of \$3 million per applicant, to increase provision of electric vehicle public charging infrastructure for electric vehicles across Queensland. Scheme recipient experience indicates that the 22-kW AC requirement should be removed as it no longer reflects contemporary electric vehicle charging infrastructure market conditions nor advancements in technology to provide redundancy measures at co-funded sites.

Achievement of policy objectives

The policy objective will be achieved by amending the existing Schedule 56, Remote Communities Freight Assistance Scheme in the Rural and Regional Adjustment Regulation 2011 and amending the existing Schedule 43, the Electric Vehicle Charging Infrastructure Scheme in the Rural and Regional Adjustment Regulation 2011.

This enables QRIDA to administer the Schemes, as QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation under the Act.

QRIDA will be able to provide financial assistance to successful applicants in the form of an establishment rebate and discount and compliance assistance payments. The payments are made to support Queenslanders in the NPTSG regions with freight-based cost-of-living pressures.

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.

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

This 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 have an entity other than QRIDA provide the assistance. However, QRIDA was established to provide assistance and support to the State's economy and has significant experience and expertise in administering grants funding. Given QRIDA's established expertise and involvement in administering the Remote Communities Freight Assistance Scheme and the Electric Vehicle Charging Infrastructure Scheme to date, QRIDA is the most appropriate entity to administer the Schemes.

Benefits and costs of implementation

The Queensland Government has committed to investing over \$64 million over five years to target freight-related cost-of-living pressures in the NPTSG regions. This freight funding package includes allocation of over \$52 million for the Remote Communities Freight Assistance Scheme to deliver immediate cost-of-living relief to affected communities.

The Remote Communities Freight Assistance Scheme has and is expected to contribute towards cost-of-living relief to individuals within the NPTSG regions by providing retailers greater flexibility to receive reimbursement for rebates passed on to individuals that target the increased freight costs for essential items being transported to these communities.

Electric Vehicle drivers will benefit from the optimised redundancy charging provided at co-funded sites, reducing charging times and queuing

The financial assistance will be administered by QRIDA under an approved assistance scheme. QRIDA has extensive experience in administering grant, loan, rebate, and payment schemes for the government and is well placed to administer the Schemes. While there are administrative costs incurred in QRIDA delivering the Schemes, these costs are

outweighed by the benefit of QRIDA's experience in delivering similar schemes. Costs associated with implementing the Schemes are included within the total fund allocation.

Consistency with fundamental legislative principles

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.

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.

Consultation

Consultation was carried out during development of the Remote Communities Freight Assistance Scheme, covering transport operators, local government area representatives, regional bodies, retail stores, State government departments, and federal agencies.

Since the Remote Communities Freight Assistance Scheme commenced, engagement has continued with key stakeholders on effective implementation, including NPTSG region retailers such as those participating in the Remote Communities Freight Assistance Scheme, and other retailers who displayed interest in the Scheme, with some indicated interest for more flexibility to receive approved reimbursement for rebates passed on to individuals and some indicated challenges associated with the cost of point-of-sale equipment necessary to meet reporting requirements.

As a result of consultation, the proposed amendments will provide retailers serving remote and regional communities with greater flexibility to receive approved cost-of-living rebates which have been passed onto the communities and will enable more retailers to participate in the Remote Communities Freight Assistance Scheme, achieving the Schemes objective, to reduce the amount of freight costs on essential goods that are passed on to consumers of the goods in remote communities.

TMR has engaged with Scheme recipients regarding the amendment to the Electric Vehicle Charging Infrastructure Scheme, who have indicated support for the amendment.