



Queensland

# **Rural and Regional Adjustment Amendment Regulation (No. 3) 2012**

## **Explanatory Notes for SL 2012 No. 51**

made under the

*Rural and Regional Adjustment Act 1994*

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## **General outline**

### **Short title**

*Rural and Regional Adjustment Amendment Regulation (No. 3) 2012*

### **Authorising law**

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

### **Policy objectives and the reasons for them**

Parts of Gympie and the Sunshine Coast notably the townships of Cooroy and Pomona have been impacted by a severe storm and heavy rain and associated flooding between 24-26 February 2012. This regulatory amendment will introduce a new assistance scheme to those eligible non-profit organisations that have been directly impacted by that flooding.

Financial assistance to those who have been directly impacted by natural disasters is governed by the joint Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA). The NDRRA establishes a suite of pre-approved measures which can be provided in response to a natural disaster in order to assist with community recovery.

On 29 February 2012 the Minister for Police, Corrective Services and Emergency Services announced that Category B assistance (concessional loans to small business and primary producers and freight subsidies for producers) would be made available to eligible businesses in the local government areas of Gympie and the Sunshine Coast. This activation is called the *Disaster Event - North Coast Storm and Flooding, 24 - 26 February 2012*. On 1 March 2012 this activation was amended to include concessional loans for non-profit organisations.

Concessional loans for primary producers and small business are already established under Schedules 2 and 3 respectively of the *Rural and Regional Adjustment Regulation 2011* (the Regulation). Concessional loans to non-profit organisations have not normally been made available in response to natural disasters. That said however, Category B loans schemes for non-profit organisations were made available in response to the flooding and Tropical Cyclone Yasi of 2011 and in response to the western Queensland flooding of January-February 2012. Those schemes are Schedules 11 and 18 of the Regulation respectively.

Accordingly, in order to allow QRAA to provide concessional loans to eligible non-profit organisations a new scheme is required to be included in the Regulation.

The new scheme will be called the *North Coast Storm and Flooding February 2012 Non-profit Organisations Assistance Scheme*. The Scheme will provide assistance through a concessional loan and a grant for re-establishing the normal operation of an eligible entity, including doing any of the following—

- (a) repairing or replacing damaged plant and equipment;
- (b) repairing or restoring essential premises, including grounds, amenities and infrastructure;
- (c) supplying stock for up to 1 month to replace lost stock and maintain liquidity of the eligible entity.

The amount of loan assistance for an applicant under the scheme must not be more than \$100,000 and the amount of grant assistance for an applicant under the scheme must not be more than \$5,000. The proposed scheme is the same as that offered after Cyclone Yasi and in response to the recent flooding in western Queensland save that it will have a closing date of 31 August 2012.

Being a Category B measure under the NDRRA the Queensland Government can introduce concessional loans to non-profit organisations on a needs basis without the approval of the Australian Government.

### **Achievement of policy objectives**

Section 10 of the Act provides that QRAA may only give assistance under an approved scheme and section 11 of the Act provides that an approved assistance scheme is one which is approved by regulation. Consequently approved assistance schemes under which QRAA administers financial assistance are prescriptively detailed in the subordinate legislation.

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

This subordinate legislation is consistent with the objects as outlined in section 3 of the Act in that it will enable QRAA to support the State's economy by providing assistance to primary producers, small business and other elements of the economy in periods when they are experiencing temporary difficulty.

### **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**

This subordinate legislation is of a beneficial nature in that it provides a grant and loan package to eligible non-profit organisations that have suffered direct damage from the *Disaster Event - North Coast Storm and Flooding, 24 - 26 February 2012*. The Department of Communities has advised that five non-profit organisations suffered direct damage from this event.

It is unknown how many, if any, will apply for the assistance to be made available under the proposed new scheme. That said, the Category B loan scheme and grant scheme offered in response to the flooding of 2011 and Tropical Cyclone Yasi has had no applicants to date.

### **Consistency with fundamental legislative principles**

No fundamental legislative principle issues have been identified in the preparation of this subordinate legislation.

### **Consultation**

QRAA and the Department of Communities were consulted with regard to establishing this scheme. These agencies are supportive of this new assistance scheme.

The Regulatory Review Branch, Queensland Treasury noted that the proposed regulation qualifies for an exclusion from the RAS system on the basis that it is a flood-related regulatory proposal designed to implement recovery and assistance measures.

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#### ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Employment, Economic Development and Innovation.

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