



Queensland

Rural and Regional Adjustment Amendment Regulation (No. 4) 2012

Explanatory Notes for SL 2012 No. 76

made under the

Rural and Regional Adjustment Act 1994

General outline

Short title

Rural and Regional Adjustment Amendment Regulation (No. 4) 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

The Queensland Government has decided to close the Queensland Government Solar Hot Water Rebate Scheme (Solar Hot Water Scheme) which is administered by QRAA under the *Rural and Regional Adjustment Regulation 2011* (the Regulation). The Solar Hot Water Scheme is prescribed in Schedule 15 of the Regulation. Schedule 15 currently does not have a closing date for applications made under the general eligibility criteria. Accordingly, an amendment to Schedule 15 of the Regulation is required to give affect to the Government decision to close the Solar Hot Water Scheme.

The scheme will be amended to introduce a final purchase day which will be the date that this amendment regulation commences. Hot water systems purchased after the final purchase date will no longer be eligible for the rebate under the Solar Hot Water Scheme.

Where an applicant has both purchased and installed the system prior to the final purchase date but has not yet submitted their application they will have six months from the date of purchase to submit their application.

An applicant who has purchased the system before the final purchase date but who has not installed the system will be required to install it no later than 5 weeks after the final purchase date and have submitted their application for the rebate prior to 14 weeks from the final purchase date.

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 Regulation. Schedule 15 of the Regulation which establishes the Solar Hot Water Scheme currently does not have a closure date so an amendment to the Regulation is required in order to give affect to the Queensland Government decision to close this scheme.

Consistency with policy objectives of authorising law

The policy objectives of the authorising law are contained in Section 3 of the Act. It provides that: “The object of this Act is to establish QRAA primarily to administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland.”

As it is intended to terminate this assistance scheme and the scheme currently does not have closure provisions a regulatory amendment is necessary.

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

The termination of this scheme will mean that households will no longer be able to apply for a rebate on the purchase of a solar hot water system. This may in turn impact on the demand for solar hot water systems and the solar hot water installation industry. The closure of the scheme will provide a cost savings to the Queensland Government.

Consistency with fundamental legislative principles

Whilst the proposed legislation has been developed with regard to fundamental legislative principles, it arguably may be considered to negatively impact upon individuals' rights and liberties by virtue of the scheme closure taking effect from the date of commencement of the legislation and the fact that applications are to be treated differently based on whether installation of the system has occurred.

The Queensland Government Solar Hot Water Rebate Scheme was initially introduced without a closing date for receipt of applications made under the general eligibility criteria. The proposed legislation seeks to close the scheme from the date of commencement, such that persons who purchase a solar water heater after this date will not be eligible for the rebate. The Government's intention to avoid a rush on purchases and subsequent applications for rebates prior to the scheme closing, is achieved by closing the scheme on the same day as the legislation commences.

In order to mitigate concerns of negative impacts, the proposed legislation strikes a balance between Government's imperative to close the scheme and finalise applications as quickly as possible, whilst not disadvantaging prospective applicants from applying for the rebate.

Individuals who have purchased and installed a solar water heater on or before the date of commencement of the proposed legislation, will be able to lodge their applications for a rebate within six months of the purchase date. Whereas individuals who have purchased but who have not had their system installed on or before the commencement date, will only have five weeks from that date in which to have their system installed.

The Government believes that setting a firm installation date provides clarity to customers regarding their eligibility as well as influences a higher proportion of applications to be received within a shorter period of time.

Whilst on its face the difference in installation periods for different categories of applicants seems inequitable, a five week installation period

is considered more than adequate to accommodate the majority of installations, recognising that the median timeframe for installation of systems based on an analysis of application data, is within three days of purchase. The proposed legislation therefore sets a realistic and generous timeframe for installation based on the Government's historical purchase and installation data to date.

The statistics on applications for rebates under the scheme received, indicate comparatively low numbers of purchases and installations of late. This in conjunction with the fact that the majority of installations are made within a short period following purchase, lead the Government to the conclusion that very few, if any, prospective applicants will be unable to have a system installed once the five week installation period is introduced.

The Government acknowledges that, although extremely remote, the potential for prospective applicants' rights to be adversely affected still exists. However, to put the scale of potential disadvantage into perspective, the full cost of a fully installed solar water heater is approximately \$5000, therefore the standard rebate of \$600 under the general eligibility criteria in the scheme represents only 12% of the typical cost and the concessional rebate of \$1000 represents 20% of the cost of a fully installed system.

Further, to address concerns regarding potential impacts of the proposed legislation, more than 4,000 industry participants, suppliers and installers will be directly notified of the changes once the proposed legislation commences and encouraged to contact any of their customers they believe may be affected.

Consultation

QRAA and the Office of Clean Energy have been consulted in regard to establishing the proposed scheme.

The Regulatory Review Branch, Queensland Treasury and Trade, advise that a Regulatory Assessment Statement is not required.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Agriculture, Fisheries and Forestry.

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