



Queensland

Rural and Regional Adjustment Amendment Regulation (No. 3) 2013

Explanatory Notes for SL 2013 No. 81

made under the

Rural and Regional Adjustment Act 1994

General outline

Short title

Rural and Regional Adjustment Amendment Regulation (No. 3) 2013.

Authorising law

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

Policy objectives and the reasons for them

Bovine Johne's disease (BJD), which is a wasting disease of cattle not normally prevalent in Queensland, has been identified on some Queensland properties. The Queensland Government has committed to the eradication of BJD from Queensland through movement restrictions of cattle from properties where BJD has or is suspected of being present.

The eradication of BJD and the restoration of Queensland's BJD free status provides considerable commercial advantage to Queensland's livestock industry which is a major business and employer in rural and regional Queensland.

The imposition of movement restrictions on cattle from suspected properties has placed a considerable financial burden on some cattle owners through restrictions on trade and lower cattle prices.

The Queensland Government has given an undertaking that the cost of restoring Queensland's BJD status will not be borne by industry alone and has agreed to provide financial assistance to those cattle owners who have been negatively impacted by the BJD outbreak and that this assistance will be delivered by QRAA. Accordingly, a regulation is required to allow QRAA to administer this new financial assistance scheme.

Achievement of policy objectives

The subordinate legislation establishes the Bovine Johne's Disease Assistance Scheme (the Scheme) as a new scheme to provide financial assistance to the livestock industry. The Scheme will both provide assistance to cattle owners negatively impacted by BJD movement restrictions and encourage the undertaking of activities which may accelerate the lifting of BJD movement restrictions on their property. This in turn will help accelerate the restoration of Queensland's BJD free status.

The Scheme will operate until 30 June 2014 when it is anticipated that an industry funded voluntary levy will commence and funds raised from that levy will provide for any future assistance that may be delivered.

The Scheme consists of two components: Direct Market Assistance and Supply Chain Pathway Assistance.

Where movement restrictions have been imposed on a property Direct Market Assistance provides for a payment per head to owners of eligible cattle.. The payment amount under Direct Market Assistance will vary depending on the price of the cattle:

- 25 per cent for cattle whose value is not more than \$2,500; or
- 35 per cent for cattle whose value is not more than \$3,000; or
- 50 per cent for cattle whose value is over \$3,000

A discount of 25 per cent per year that the cattle is over 7 years of age is also applied.

Supply Chain Pathway Assistance provides an amount of money to assist owners of cattle with the costs of activities identified in a Supply Chain Pathway Assistance Plan (Supply Chain Plan). A Supply Chain Plan is a

document drawn up by the Department of Agriculture, Fisheries and Forestry (DAFF) in partnership with the property owner which will develop an alternative supply chain pathway for cattle unable to be sold into their usual market due to the long term movement restrictions of the property. The type of activities to be undertaken in an alternative supply chain pathway will be determined on a case by case basis for each property in conjunction with DAFF.

The amount of assistance under the Supply Chain Pathway Assistance Program is half of the incurred costs for activities identified in the Supply Chain Plan. Potential activities which could obtain assistance under this program include: additional costs for agistment or consignment of cattle to a feedlot; additional costs to feed cattle; and additional transport costs to move cattle to a market they would not otherwise be transported to.

An applicant can apply for assistance under the Scheme for both Direct Market Assistance and Supply Chain Pathway Assistance with a maximum total amount of assistance of \$50,000 per applicant.

Consistency with policy objectives of authorising law

The 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 the owners of cattle impacted by movement restrictions imposed due to the BJD outbreak.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The subordinate legislation is of a beneficial nature in that it provides financial assistance to cattle owners affected by movement restrictions as a consequence of BJD on or from 20 November 2012.

Consistency with fundamental legislative principles

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

Consultation

The Minister for Agriculture, Fisheries and Forestry consulted extensively with the cattle industry in a number of forums as well as appointed a small number of industry leaders to provide advice and help guide the response to the BJD outbreak including this assistance scheme. The industry committee of cattle industry leaders provided extensive input into the shape of the proposed assistance scheme.

QRAA as the administrator of approved assistance schemes under the Act had extensive involvement in the development of operational aspects of the Scheme

The Queensland Competition Authority noted that the amendment regulation to establish the Scheme has no significant impacts and therefore does not need to undergo the Regulatory Impact Statement (RIS).

ENDNOTES

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