

# **Rural and Regional Adjustment Amendment Regulation (No. 7) 2014**

Explanatory Notes for SL 2014 No. 230

made under the

*Rural and Regional Adjustment Act 1994*

## **General Outline**

### **Short title**

*Rural and Regional Adjustment Amendment Regulation (No. 7) 2014*

### **Authorising law**

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

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

The objective of the amendment regulation is to provide financial assistance to producers affected by short term quarantine restrictions for bovine Johne's disease (BJD).

In 2012 there was an outbreak of BJD and the Queensland Government is seeking to eradicate the disease through quarantine and movement restrictions on affected cattle. To support producers recovering from the financial impact of these restrictions, the Bovine Johne's Disease Assistance Scheme (the Scheme) was established to allow QRAA to provide financial assistance.

The Scheme has two types of assistance. The first is direct market assistance which is designed to assist producers recover from the financial impact of the slaughter of cattle. The second is supply chain pathway assistance which seeks to assist producers recover from the financial impact of taking alternative supply actions. Administratively, this latter form of assistance has only been payable to eligible producers in quarantine for more than six months.

The Queensland Cattle Industry Biosecurity Fund Implementation Committee has however identified that this creates inequality for producers affected by quarantine restrictions for less than six months who may not have destocked all their animals. Such producers have encountered costs associated with the quarantine restrictions.

As such it is desirable to add a new type of assistance that will allow producers under short-term quarantine for between two and six months to receive financial assistance. It will be paid as a grant based on the costs incurred as a result of that quarantine.

## **Achievement of policy objectives**

Section 10 of the Act provides that QRAA may only give assistance under an approved scheme and section 11 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 *Rural and Regional Adjustment Regulation 2011*.

The amendment regulation achieves the objective as it amends the Scheme to enable QRAA to provide assistance to eligible applicants who have suffered a financial loss as a result of short term quarantine of cattle. Short term quarantine of cattle is for a period of at least two months but not more than six months. The amount of assistance that may be given to an eligible applicant under the scheme is half of the amount of the costs incurred by the applicant in implementing a property disease investigation plan or a property disease eradication plan. An example of these costs might be feeding, agisting or consigning cattle to a feedlot.

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

The amendment regulation is consistent with the objects as outlined in section 3 of the Act, which in part, 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**

The amendment regulation is not inconsistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The amendment regulation will be of benefit to producers affected by the short term quarantine restrictions due to BJD that have not been eligible for any financial assistance for direct market or supply chain assistance. Businesses will be required to prepare and submit some information to demonstrate eligibility.

This new scheme benefits the State as it pursues the objective of eradicating BJD to maintain a protected status that may provide potential market access opportunities. The costs of Government are minimal as this is an addition to the Scheme and will be funded through the existing BJD assistance package funding allocation.

## **Consistency with fundamental legislative principles**

The amendment regulation is consistent with fundamental legislative principles.

## Consultation

DAFF has consulted with QRAA as the administrator of the Scheme. Consultation with industry on the proposed changes to the funding program has been undertaken with the Queensland Cattle Industry Biosecurity Fund Implementation Committee. Membership of this Committee includes: Animal Health Australia, QRAA, AgForce, Brahman Breeders Association, Queensland Dairyfarmers' Organisation, Australian Livestock and Property Agents and the Australian Meat Industry Council.

The Office of Best Practice Regulation (OBPR) within the Queensland Competition Authority was consulted with regard to regulatory impact statement (RIS) requirements. The OBPR advised that the regulatory amendments do not require further analysis and assessment under the treasurer's guidelines.