

Rural and Regional Adjustment Amendment Regulation (No. 8) 2014

Explanatory Notes for SL 2014 No. 327

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment Amendment Regulation (No. 8) 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 subordinate legislation is to establish the Drought Recovery Concessional Loans Scheme (the scheme) as an approved scheme under the *Rural and Regional Adjustment Regulation 2011* (the Regulation).

Under the scheme, the Australian Government is offering concessional loans to drought-affected farm businesses for the purposes of planting and/or restocking drought recovery activities, associated expenses and for the refinancing of an existing drought concessional loan. The Drought Recovery Concessional Loans are designed to assist farm businesses to recover from the effects of drought and the impacts of the disruption imposed on live cattle exports in mid-2011, and to return to commercial viability in the longer term.

The Australian Government has asked QRAA to administer the scheme on its behalf in Queensland. To enable QRAA to administer the scheme on behalf of the Australian Government, it is necessary to establish the scheme as an approved scheme for the purposes of the Act.

Achievement of policy objectives

The subordinate legislation establishes the Drought Recovery Concessional Loans Scheme as a new approved scheme under the Regulation. As provided under the *Drought Concessional Loans Scheme Guidelines – Scheme Guidelines for Queensland* (the guidelines), the intended outcomes for the scheme are that:

- Drought Recovery Concessional Loans are available to Farm Businesses that are in need of financial assistance as a result of drought conditions and were impacted by the disruption imposed on live cattle exports in mid-2011.
- Receipt of a Drought Recovery Concessional loan will provide the loan recipients funds to carry out planting and/or restocking of their businesses and to refinance an existing Drought Concessional Loan to assist the farm businesses to generate income to return to commercial viability in the longer term.

According to the guidelines, the Australian Government will provide Queensland with \$50 million for the provision of Drought Recovery Concessional Loans. Once these funds are expended, no more loans will be offered. The Drought Recovery Concessional Loans Scheme will end on 30 June 2015.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the objects of the Act in that it will enable QRAA to support the State's economy by administering a scheme that aims to give assistance to the rural sector in Queensland during drought.

Inconsistency with policy objectives of other legislation

The subordinate legislation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

The State Government will not incur any additional costs in the implementation of this subordinate legislation. The scheme in Queensland will be delivered by QRAA using funds provided by the Australian Government.

Consistency with fundamental legislative principles

The subordinate legislation is consistent with fundamental legislative principles.

Consultation

The Australian Government has developed the guidelines for the scheme in consultation with QRAA.

The Office of Best Practice Regulation (OBPR) has been consulted regarding the need for a Regulatory Impact Statement (RIS). OBPR advised that a RIS is not required for this subordinate legislation as the amendments are excluded on the grounds that it is a regulation for the internal management of the public sector or a statutory authority.