

Rural and Regional Adjustment (Farm Business Concessional Loans Scheme–Drought Assistance Concessional Loans) Amendment Regulation 2016

Explanatory notes for SL 2016 No. 194

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Farm Business Concessional Loans Scheme–Drought Assistance Concessional Loans) Amendment Regulation 2016

Authorising law

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

Policy objectives and the reasons for them

On behalf of the Federal Government QRAA administers the Drought Concessional Loan Scheme and the Drought Recovery Concessional Loan Scheme.

The Federal Government will establish the Regional Investment Corporation (RIC) which will be the single administrator for the National Water Infrastructure Loan Facility and Federal Government concessional loans throughout Australia.

Until the RIC is established, as a transitional arrangement the Federal Government is merging the two drought loan products currently administered by QRAA into a new program called Farm Business Concessional Loans Scheme - Drought Assistance Concessional Loans. The Federal Government has asked that QRAA administer this Scheme.

All assistance schemes administered by QRAA are established under the *Rural and Regional Adjustment Regulation 2011*. Accordingly, the administration of a new assistance scheme will require regulatory amendment.

The Farm Business Concessional Loans Scheme – Drought Assistance Concessional Loans will provide eligible farm businesses with loans of up to \$1 million for up to 10 years for debt restructuring, operating expenses, drought preparedness and recovery activities.

Achievement of policy objectives

The subordinate legislation will achieve its objectives by allowing QRAA to administer the Farm Business Concessional Loans Scheme - Drought Assistance Concessional Loans on behalf of the Federal Government.

Consistency with policy objectives of authorising law

The Act was established to allow QRAA to administer financial assistance schemes of both the Queensland and Federal Governments. The subordinate legislation is consistent with the main policy objectives of the Act in that it provides financial assistance to the rural and regional sector in Queensland.

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

QRAA has been funded by the Federal Government for the administration of this loans scheme.

Consistency with fundamental legislative principles

The subordinate legislation is consistent with fundamental legislative principles.

Consultation

QRAA on behalf of the Queensland Government consulted with the Federal Government on the development of the guidelines for this Scheme.

Over the life of the two existing loans that this loan scheme will replace, the Federal Government has received feedback from individual producers and industry groups in relation to aspects of the eligibility criteria. This feedback has informed the guidelines for this loan scheme.

In accordance with the *Queensland Government Guide to Better Regulation* effective August 2016 this regulatory amendment has been self-assessed as being excluded from requiring consideration by the Office of Best Practice Regulation (OBPR) with regard to regulatory impact as it is of a machinery nature and for the internal management of the public sector.