

Rural and Regional Adjustment (Disaster Assistance Schemes) Amendment Regulation 2018

Explanatory Notes for SL 2018 No. 172

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Disaster Assistance Schemes) Amendment Regulation 2018

Authorising law

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

Policy objectives and the reasons for them

Natural disaster assistance in Australia is delivered through the joint Commonwealth-State Natural Disaster Relief and Recovery Arrangements (NDRRA). The NDRRA establishes a suite of pre-approved cost sharing measures which can be activated by the States to assist with the response and recovery from natural disasters. From 1 November 2018 the NDRRA will be renamed the Disaster Recovery Arrangements, although this change does not impact on the changes contained in this regulatory amendment.

The purpose of NDRRA assistance programs is to support community recovery after a natural disaster through the provision of financial assistance to eligible small business, primary producers and non-profit organisations to help with clean up and restoration activities.

In 2017, the Australian Government made a number of changes to the NDRRA guidelines which govern the delivery of natural disaster assistance in Australia. In Queensland, disaster schemes of financial assistance are administered by the Queensland Rural and Industry Development Authority (QRIDA). The *Rural and Regional Adjustment Act 1994* (section 11) requires that all schemes of financial assistance administered by QRIDA be established under regulation.

As the states/territories administer NDRRA assistance in accordance with the Australian Government guidelines, the 2017 Australian Government changes have necessitated regulatory amendments to ensure Queensland, disaster schemes are consistent with the Australian Government guidelines.

The *Rural and Regional Adjustment (Disaster Assistance Schemes) Amendment Regulation 2018* (amendment regulation) will make amendments to the following disaster schemes of financial assistance, set out in the *Rural and Regional Adjustment Regulation 2011* (Regulation):

- Schedule 2 Natural Disaster Relief (Primary Producers) Scheme
- Schedule 3 Natural Disaster Relief (Small Business) Scheme
- Schedule 7 Natural Disaster Relief (Essential Working Capital) Scheme
- Schedule 21 Natural Disaster Relief (Non-profit Organisations) Scheme
- Schedule 23 Natural Disaster Recovery Grants Scheme.

In summary these changes include:

- a) all concessional loan terms will be increased from seven years to 10 years (Schedule 2, 3, 7 and 21). The scheme's current operational guidelines provide for a seven year term with a discretion to increase the term to 10 years
- b) as the NDRRA Guidelines place a greater emphasis on terrorism as an eligible disaster event, the schemes are being renamed to remove the word 'natural' and are now simply referred to as disaster schemes, save for Schedule 23 which will be renamed as the Special Disaster Assistance Recovery Grants Scheme
- c) both standard (\$10 000) and exceptional circumstances (\$25 000) grants under Schedule 23 Natural Disaster Recovery Grants Scheme are now eligible to get a recovery grant for purchasing, hiring or leasing equipment or materials to clean premises or a property or equipment that is necessary to immediately resume the activities of the primary production enterprise, small business or non-profit organisation under both grant programs, whereas previously these measures were only eligible for exceptional grants
- d) primary producers can now also use a recovery grant for:
 - I. getting a tradesperson to conduct a safety inspection or for essential repairs to premises (previously only available for small businesses)
 - II. replacing dead livestock
 - III. replacing lost or damaged plants if the replacement is essential for immediately resuming business activities
 - IV. repairing and restoring fields
- e) a requirement that non-profit organisations demonstrate they have used available insurance before applying for concessional loan assistance
- f) a removal of the grant component to the concessional loans for non-profit organisations
- g) providing the same definition of non-profit organisations across the disaster schemes.

Achievement of policy objectives

The amendment regulation will achieve its objectives by amending the disaster assistance schedules of the Regulation to ensure that the schemes are administered in accordance with the revised Australian Government guidelines.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the main policy objectives of the Act in that it provides financial assistance to rural and regional sector in Queensland. The Act was established to allow QRIDA to administer financial assistance schemes of both the Queensland and Australian Governments. The NDRRA programs being amended are jointly funded by the Queensland and Australian Governments.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The amendment regulation will ensure that NDRRA assistance schemes administered in Queensland are in accordance with the guidelines established by the Australian Government for that assistance. NDRRA assistance measures are cost shared between the Queensland and Australian Governments in accordance with a cost sharing formula determined by the NDRRA policy document *NDRRA Determination 2017*.

No additional costs accrue to the Queensland Government or are being imposed on potential applicants for assistance as a result of the changes being made.

Consistency with fundamental legislative principles

The amendment regulation is consistent with fundamental legislative principles.

Consultation

The Department of Agriculture and Fisheries applied a self-assessed exclusion from undertaking further regulatory impact analysis (Categories (c) and (g) *Regulatory proposals that are for the internal management of the public sector or statutory authority and that are of a machinery nature*).

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