

Rural and Regional Adjustment (Commonwealth Scheme - North and Far North Queensland Flood Disaster) Amendment Regulation 2019

Explanatory Notes for SL 2019 No. 57

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Commonwealth Scheme-North and Far North Queensland Flood Disaster) Amendment Regulation 2019

Authorising law

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

Policy objectives and the reasons for them

A severe natural disaster occurred in North and Far North Queensland during January to February 2019, heavily impacting graziers in North West Queensland with hundreds of thousands of livestock deaths and extensive infrastructure damage. Damage was also significant in coastal regions, including the local government areas of Douglas, Townsville, Hinchinbrook and Burdekin.

In response to this damage, the joint Commonwealth-State Disaster Recovery Funding Arrangements (DRFA) Categories A, B, C and D have been activated. Of these, most notably, the value of Category C recovery grants for primary producers which can be used for a wide range of clean up and restoration activities were increased to \$75,000.

After consultation with primary producers, local government and agricultural industry groups, the Commonwealth Government has identified this DRFA assistance as insufficient, as the damage sustained by many producers is beyond the value of the Category C grants and other assistance available. Accordingly, it has sought to introduce a new assistance program outside of DRFA intended to address the two major issues

identified during industry consultation, namely: replacing lost livestock and repairing damaged fields and crops, and repairing damaged infrastructure.

This new assistance scheme was announced by the Prime Minister on 23 March 2019. Given its regional profile and its current administration of business assistance under the DRFA to primary producers in the region, the Commonwealth Government has asked that the Queensland Rural and Industry Development Authority (QRIDA) administer the scheme. The scheme subject to this regulation will build upon and provide additional support to that available under DRFA, notably the Category C recovery grants (the scheme contained in Schedule 23 of the *Rural and Regional Adjustment Regulation 2011*). The key features of this new Commonwealth Government scheme are:

- the scheme will close on 30 June 2021 or until the available funds are exhausted;
- total funding of \$300 million is available, with the scheme having two subprograms: a restocking and replanting grant, and an on farm infrastructure grants program;
- the applicant is a primary producer with the same definition as Category C;
- the applicant is in an area eligible for Category C for the event;
- the applicant is using the grant because the Category C grant is insufficient and the grant will be used for restoration activities ie property development or improvement are ineligible;
- the maximum an applicant can receive is \$400,000 under both programs;
- the applicant must be viable to receive the assistance;
- the applicant cannot claim for an item if he or she can claim insurance for the item.

The guidelines for this scheme will be placed on the QRIDA website.

Achievement of policy objectives

The amendment regulation will achieve its objectives by empowering QRIDA to administer the *North Queensland floods (North and Far North Queensland Monsoon Trough, 25 January-14 February 2019) Restocking, Replanting and On-farm infrastructure grants* scheme on behalf of the Commonwealth Government.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the policy objectives of the Act. The Act establishes QRIDA primarily to administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland including schemes offered by the Commonwealth Government.

QRIDA may also administer approved assistance schemes to assist primary producers, small business and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

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 scheme will be solely funded by the Commonwealth Government with \$300 million available. QRIDA will be paid by the Commonwealth Government for the administration of the scheme.

Consistency with fundamental legislative principles

The amendment regulation has been drafted with regard to, and is consistent with, the fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*.

Consultation

The Commonwealth Department of Agriculture and Water Resources, Emergency Management Australia and QRIDA were involved in the development of the guidelines for this scheme.

The Queensland Productivity Commission (QPC) has been consulted in regard to the regulatory impact statement (RIS) requirements. QPC noted that the proposed regulatory amendment is excluded from further regulatory impact analysis under the Queensland Government Guide to Better Regulation as it considered the proposal does not add to the burden of regulation and is unlikely to result in significant adverse impacts.