

Rural and Regional Adjustment (COVID-19 International Tourism Adaptation Grant Scheme) Amendment Regulation 2020

Explanatory Notes for SL 2020 No. 189

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (COVID-19 International Tourism Adaptation Grant Scheme) Amendment Regulation 2020

Authorising law

Sections 3, 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act).

Policy objectives and the reasons for them

The public health response to the novel coronavirus COVID-19 pandemic, including the international travel restrictions have and are continuing to result in losses of income for tourism businesses with consequential economic impacts on State and regional economies.

Grants under the Scheme are designed to assist eligible applicants to pivot their business' products, services or marketing to the domestic tourism market or meet operating costs until the international tourism market reopens.

Achievement of policy objectives

The subordinate legislation achieves the policy objective by establishing the COVID-19 International Tourism Adaptation Grant Scheme (Scheme) to enable the Queensland Rural and Industry Development Authority (QRIDA) to provide grants from a minimum of \$2,000 up to a maximum of \$10,000 (excluding GST) per applicant to tourism businesses in regional Queensland who can demonstrate they have suffered losses of income due to the international travel restrictions.

Under the Act, QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation.

To be eligible for assistance under the Scheme, an applicant must satisfy QRIDA of a range of criteria, including:

- have an established operating base in regional Queensland with an international tourism-related focus;
- have a valid Australian Business Number active as at 1 February 2020;
- be registered for GST;
- headquarters be located in Queensland and primarily operate outside of the Brisbane City Council, Redlands City Council, Logan City Council, Ipswich City Council and Moreton Bay Regional Council boundaries;
- have suffered a loss of income as a result of the international travel restrictions that commenced on 1 February 2020; a narrative of the impact on the business with supporting information will be required;
- have fewer than 200 full-time equivalent employees at 1 February 2020;
- have an annual turnover over \$75,000 for the 2018/19 or 2019/20 financial year, or for recently commenced businesses that hadn't worked for the full financial year, be able to provide financial records to show that a proportionate amount of the annual turnover was met for the period of the financial year they operated; and
- not be insolvent or have owners or directors that are undischarged bankrupts.

The funding available under the scheme can be used towards:

- tourism experience design and development activities including training, which are aimed at enabling the business to respond to a new market (e.g. from an international to a domestic tourism market);
- pivoting of the tourism business focus from the international market to the domestic tourism market including tourism marketing and promotional activities, tourism trade engagement and retail partnerships; and
- operational costs to hibernate the tourism business until international tourism resumes.

Applicants will be ineligible for grant funding if they do not meet the assessment criteria or have been approved to receive funding through either the Small Business COVID-19 Adaption Grant Program (round 1) or the Small Business Adaption Grant Scheme - round 2 from the Queensland Government. Applicants will also be ineligible if, for an eligible activity, they have received or been approved for assistance from the Commonwealth Government or State Government.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the policy objectives of the Act. The Act establishes QRIDA to administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland. QRIDA may also support the State's economy by administering approved assistance schemes to assist primary producers, small businesses and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

Inconsistency with policy objectives of other legislation

The subordinate legislation is not inconsistent with the policy objectives of any other legislation.

Benefits and costs of implementation

QRIDA has extensive experience in administering grant, loan and rebate and payment schemes for government and is well placed to administer the Scheme.

A total funding pool of \$5 million (excluding GST) is available for tourism businesses that can demonstrate a loss of income as a result of the imposition of international travel restrictions due to the COVID-19 pandemic. Grants to a maximum of \$10,000 (excluding GST) are available per applicant. The total cost to the Queensland Government will depend on the level of uptake.

The Scheme is designed to assist eligible applicants to pivot their products, services or marketing to the domestic tourism market or meet operating costs until international travel resumes. The Scheme is expected to benefit at least 500 tourism businesses outside the greater Brisbane region.

Consistency with fundamental legislative principles

The subordinate legislation 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 Department of State Development, Tourism and Innovation has undertaken consultation through the Tourism and Events Economic Recovery Group which includes industry, key tourism and event stakeholders and businesses.

The Queensland Government will continue to work with members of the Tourism and Events Economic Recovery Group to support and assist the recovery of the tourism industry.

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR), within the Queensland Productivity Commission, on whether the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation*. OBPR advised that it considered the proposal does not add to the burden of regulation and is unlikely to result in significant adverse impacts; and that no further regulatory impact analysis was required.