

Rural and Regional Adjustment (Commonwealth Schemes) Amendment Regulation 2020

Explanatory Notes for SL 2020 No. 257

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Commonwealth Schemes) Amendment Regulation 2020

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 northern 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 were 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 Australian Government determined that this DRFA assistance was insufficient as the damage sustained by many producers is beyond the value of the Category C grants and other assistance available. Accordingly, it introduced 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/crops and repairing damaged infrastructure.

This program is the North Queensland Restocking Replanting & On-Farm Infrastructure Grants (Restocking Scheme) administered by the Queensland Rural and Industry Development Authority (QRIDA). Subsequent to the introduction of this scheme, after

further community consultation, the Australian Government identified other areas potentially needing assistance with recovery from the event.

Out of the funding originally made available for the Restocking Scheme (at present it is unlikely the full funding allocated to the Restocking Scheme will be used by potential applicants), the Australian Government has asked Queensland to administer five new schemes, of which three are proposed to be administered by QRIDA.

The key features of the three new Australian Government schemes to be administered by QRIDA are:

North Queensland Economic Diversification Grants (North & Far North Queensland Monsoon Trough, 25 January–14 February 2019)

- A \$9 million Economic Diversification Program that will provide grants of between \$10,000 and \$500,000 with a matching contribution from the applicant to support activities that increase the economic diversification of the flood-affected region either through support for emerging industries, expansion of small scale industries, or through intensification and value adding of existing industries and their supply chains. Applicants will be assessed competitively on the criteria of capacity to create jobs, value for money, economic and public benefit to the area and prospects of success and long term viability.

North Queensland Resilient Kids Grants Program (North & Far North Queensland Monsoon Trough, 25 January–14 February 2019)

- A Resilient Kids Program providing \$500,000 per annum for 4 years from 2020-21 for grants of up to \$1 million per eligible applicant (either Western Queensland Primary Health Network or Northern Queensland Primary Health Network) for the development and delivery of a program to support preventative mental health measures for children in flood-affected areas. This would equip children with the skills to identify the early signs of mental health stress, normalise the discussion around mental wellbeing, and increase knowledge about where to turn for help.

North Queensland Telecommunications and Energy Improvement Grants (North & Far North Queensland Monsoon Trough, 25 January–14 February 2019)

- The intent of the North Queensland Telecommunications and Energy Improvement Grants is to fund projects that trial and adapt new technologies that resolve telecommunication and electricity issues reducing reliance on ageing and expensive infrastructure. The scheme will operate over two rounds in 2021 with the opening and closing dates to be published on the QRIDA website. Proposals for funding under this program will be assessed on a competitive basis against their ability to meet the eligibility criteria, namely that the project to be funded will lead to an increase in employment, improved connectivity and improved access to reliable, affordable services. Grants will be made of not less than \$10,000 and up to \$1 million, with applicants required to provide a financial or in kind contribution.

The Guidelines for these three assistance schemes will be available on the QRIDA website: www.qrida.qld.gov.au.

Achievement of policy objectives

The amendment regulation will achieve its objectives by empowering QRIDA to administer the:

- North Queensland Diversification Grants (North & Far North Queensland Monsoon Trough, 25 January–14 February 2019)
- North Queensland Resilient Kids Grants Program (North & Far North Queensland Monsoon Trough, 25 January–14 February 2019)
- North Queensland Telecommunications and Energy Improvement Grants (North & Far North Queensland Monsoon Trough, 25 January–14 February 2019)

on behalf of the Australian 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 Australian 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 three schemes will be solely funded by the Australian Government. QRIDA will be paid by the Australian Government for the administration of the schemes.

The three schemes will provide assistance for economic and social recovery of northern Queensland impacted by the monsoonal flooding and improve the resilience of these communities to future disasters and, therefore, be of benefit to regional Queensland.

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 Australian National Drought and North Queensland Flood Response and Recovery Agency 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 analysis 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.