

Rural and Regional Adjustment (COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation 2021

Explanatory Notes for SL 2021 No. 109

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation 2021

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 Chief Health Officer made several public health directions that restricted the reasons for which people could leave their homes in August 2021 (the locked down areas directions) in response to COVID-19 outbreaks in Queensland. The locked down areas directions impacted many businesses in Queensland.

The Queensland Government continues to provide support to businesses affected by the COVID-19 pandemic across the State through a range of initiatives. Consistent with the support already provided to Queensland businesses, the Queensland Government has established the COVID-19 Business Support Grants Scheme (August 2021) (the Scheme) to support employing small and medium businesses and non-profit organisations across Queensland, and larger businesses and non-profit organisations in the hospitality and tourism sector, that are impacted by the lock down areas directions.

The policy objective of the subordinate legislation is to enable the Queensland Rural and Industry Development Authority (QRIDA) to give grants of up to \$5,000 (excluding GST) to eligible businesses and non-profit organisations to provide these businesses with relief and support.

Achievement of policy objectives

The subordinate legislation will achieve its objectives by establishing the Scheme as an approved assistance Scheme under the *Rural and Regional Adjustment Act 1994* which will enable QRIDA to administer the Scheme.

Under the Scheme, businesses and non-profit organisations will be eligible for this assistance if they fulfil a range of criteria, including that the business or organisation: had its headquarters in Queensland and was trading in Queensland on 31 July 2021; and it employs at least one (1) employee (other than the business owner).

A business or organisation must have had an annual turnover of more than \$75,000 in any of the financial years between 2018 to 2021 or, if it has been operating for less than a year, would reasonably have been expected to have had a turnover of more than \$75,000 for the 2021-2022 financial year.

For most businesses and organisations, the total wages and superannuation paid by the employer to its employees during the relevant financial year must be less than \$10,000,000. However, a larger business or organisation in the tourism and hospitality sector will also be eligible for assistance.

A business or organisation, regardless of size, must have been required to stop operating or limit its operations or have otherwise been affected by a lock down areas direction. It must also demonstrate that its turnover reduced by 30 per cent or more in a seven (7) day period when it was impacted by a locked down areas direction compared with an equivalent period in 2019 or another period QRIDA considers comparable.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the policy objectives of the Act. The Act establishes QRIDA primarily to administer assistance schemes which 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 business and other sectors during periods of temporary difficulty, or to otherwise benefit the Queensland economy.

Inconsistency with policy objectives of other legislation

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

Alternative Ways of Achieving Policy Objectives

An alternative to way of achieving the policy objective is for the Scheme to be administered administratively by the Department of Employment, Small Business and Training (DESBT). However, QRIDA was established to provide assistance and support to the State's economy and has significant experience and expertise in administering grants funding. Accordingly, QRIDA is more appropriate to administer the grant funding.

Benefits and costs of implementation

The total cost to the Queensland Government will depend on the level of uptake of the Scheme. Initial estimates indicate that up to \$260 million of grants will be made under the Scheme.

The Scheme will assist eligible businesses affected by the lock down direction through the provision of grant payments of up to \$5,000.

Consistency with fundamental legislative principles

Subordinate legislation should have sufficient regard to the institution of Parliament, including by only allowing the subdelegation of power delegated by an Act only in appropriate cases and to appropriate persons – Section 4(5)(a)(i) - *Legislative Standards Act 1992*.

The subordinate legislation potentially infringes this fundamental legislative principle by allowing the scheme's closing date for applications to be determined administratively and notified on QRIDA's website. This may be inconsistent with this fundamental legislative principle as it permits the legislative power of Parliament to be subject to a decision made administratively. However, this potential infringement is justified to provide some flexibility to extend the close (beyond the currently proposed three months) if this becomes necessary.

Consultation

DESBT has been in regular consultation with key stakeholders and small business owners throughout the pandemic on key issues impacting the sector.

Following the announcement of the Scheme for businesses affected by the locked down areas directions in force for South East Queensland in early August 2021, the Minister for Employment and Small Business and Minister for Training and Skills Development undertook targeted consultation on the principles and implementation considerations of the scheme. This consultation was via virtual meetings with a range of stakeholders and their members including:

- Australian Industry Group
- Chamber of Commerce and Industry Queensland
- Queensland Hotels Association
- Queensland Tourism Industry Council
- National Retail Association
- Queensland Small Business Commissioner
- Queensland Social Enterprise Council.

Stakeholders were supportive of the need for a support package during the current lockdown and stressed the urgency with which payments should be made to ensure businesses can receive adequate support as soon as possible.

The Office of Best Practice Regulation in the Queensland Treasury 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 under the *Queensland Government Guide to Better Regulation*.

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