

Rural and Regional Adjustment (Further Variation of COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation (No. 2) 2021

Explanatory Notes for SL 2021 No. 152

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Further Variation of COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation (No. 2) 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

On 14 August 2021, Border Restrictions Direction (No. 35) was given and it restricted entry into Queensland by anyone who had been in a declared COVID-19 hotspot within the previous fourteen days. Subsequently, all of New South Wales was declared a COVID-19 hotspot.

In recognition of the impact the Queensland-NSW border closure was having on businesses trading in a defined 'border area', the COVID-19 Business Support Grants Scheme (August 2021) (the Scheme), prescribed in schedule 37 of the *Rural and Regional Adjustment Regulation 2011*, was amended on 16 September 2021 to expand the Scheme to allow for businesses and non-profit organisations to apply for a grant under the Scheme if they were:

- were trading in the defined 'border area' on 31 July 2021; and
- had been impacted by a 'border closure event'.

The policy objective of the *Rural and Regional Adjustment (Further Variation of COVID-19 Business Support Grants Scheme (August 2021)) Amendment Regulation (No. 2) 2021* (the Amendment Regulation) is to amend the Scheme further to provide for a one-off \$5,000 ongoing hardship grant to these businesses and non-profit organisations in the

'border area' if they have been continuously affected by 'border closure events' between 14 August 2021 and 14 October 2021.

Achievement of policy objectives

The Amendment Regulation achieves its objective by amending the Scheme which is established as an approved financial assistance scheme under the Act.

Under the Scheme, the Queensland Rural and Industry Development Authority (QRIDA) will be able to provide one-off, ongoing hardship grants of \$5,000 from 14 October 2021 if a 'border closure event' has been continuously in effect since 14 August 2021. To be eligible to receive an ongoing hardship grant, eligible businesses and non-profit organisations will need to demonstrate to the satisfaction of QRIDA that they:

- were trading in the 'border area' on 31 July 2021 and on 14 October 2021;
- have received, or are eligible to receive, an initial COVID-19 business support grant; and
- have been affected by 'border closure events' for the whole period of 14 August 2021 to 14 October 2021.

The border area is already defined under the Scheme and means the area shown on the map 'COVID-19 business support grants—border areas mapping' dated 13 September 2021. It broadly includes the areas of Coolangatta, Currumbin–Tugun, Currumbin Waters, Wallangarra, Goondiwindi and Mungindi.

Applicants are only entitled to received one initial COVID-19 business support grant under the Scheme because of a lock down direction or border closure direction, and one ongoing hardship grant under the Scheme.

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 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

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

Alternative ways of achieving policy objectives

An alternative way to achieve the policy objective would be to establish a separate approved assistance scheme under the *Rural and Regional Adjustment Act 1994* that relates only to ongoing hardship grants or to have an entity other than QRIDA provide the assistance. Expanding the existing COVID-19 Business Support Grants Scheme (August

2021) to allow QRIDA to provide one-off, ongoing hardship grants of \$5,000 from 14 October 2021 is more efficient and minimises administrative burden on both QRIDA and Government.

Benefits and costs of implementation

The total cost to the Queensland Government will depend upon the level of uptake of the Scheme. After the Scheme's commencement in August, the Commonwealth and Queensland Governments agreed to jointly fund (50/50) the Scheme. The total value of assistance that is jointly funded by the Commonwealth and Queensland Governments is estimated at \$600 million, but this includes a related assistance package which is being delivered separately and is not part of the Scheme. The Scheme, as expanded under this Amendment Regulation, will be accommodated within the existing jointly funded \$600 million package, \$25 million of which was initially allocated for hardship initiatives. Of this initial allocation, up to \$6.5 million will be utilised for the ongoing hardship grants.

The Scheme will assist eligible businesses and non-profit organisations affected by ongoing border closure events through the provision of grant payments of \$5,000.

Consistency with fundamental legislative principles

The Scheme already references the 'COVID-19 business support grants—border areas mapping' to define the border area. The Amendment Regulation may breach the fundamental legislative principle (FLP) that legislation should not subdelegate a legislative power conferred on a Regulation by the Act to an external document that is produced administratively and is not subjected to Parliamentary scrutiny (section 4(2)(b) and 5(e) of the *Legislative Standards Act 1992*) because it further relies on this map that sits outside of the Regulation.

It is desirable to refer to a map that describes the 'border area' because the Queensland-New South Wales border is so large and the included area is not a uniform distance within Queensland from the Queensland-New South Wales border, which would make it difficult to describe other than in a map. For this reason, and because a specific, static version of the map is referred to, any potential breaches of the FLP are mitigated and justified.

Consultation

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR) on whether the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation*. The OBPR assessed that the amendment is excluded from further analysis on the basis of category (k) – regulatory proposals designed to reduce the burden of regulation, or that clearly do not add to the burden, and it is reasonably clear there are no significant adverse impacts.