

Rural and Regional Adjustment (Variation of Tourism and Hospitality Sector Hardship Grants Scheme) Amendment Regulation 2022

Explanatory Notes for SL 2022 No. 36

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Variation of Tourism and Hospitality Sector Hardship Grants Scheme) Amendment Regulation 2022 (the Amendment Regulation)

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 Tourism and Hospitality Sector Hardship Grants scheme (the scheme) was established to support Queensland tourism and hospitality businesses that were highly impacted by the closure of international and state borders, and the restriction of movements associated with public health directions made by the Commonwealth and State Government in response to the COVID-19 pandemic.

The scheme was open to eligible employing tourism and hospitality businesses and not-for-profit organisations within specified Australia and New Zealand Standard Industrial Classification (ANZSIC) codes. It is jointly funded by the Commonwealth and Queensland Governments as part of a \$600 million package of support for Queensland businesses impacted by COVID-19.

The scheme was open to applications from 11 October to 22 November 2021. Grant assistance was paid in two equal instalments, with a second payment application needed after the first payment was received to ensure the business or organisation still met key eligibility criteria. The second payment application period was from 8 November to 6 December 2021. Overall, more than 3530 businesses received over \$109 million in grant payments, including first and second payments, through the scheme.

Since the closure of the second payment application period, approximately 5 per cent of approved applicants that received a first payment have been identified as not submitting

a second payment application. This is due to a variety of reasons, including that they were not aware or did not have sufficient opportunity to apply for the second payment by the closing date. The objective of the Amendment Regulation is to ensure the Queensland Rural Industry Development Authority (QRIDA) can provide intended financial assistance to these businesses and organisations, by providing additional time for eligible businesses to make application for a second payment and be assessed for eligibility for the second payment.

The eligibility criteria for the second payment remains unchanged and to receive the second payment, approved applicants need to provide confirmation that, as at 8 November 2021, the entity employed at least one (1) employee in its Queensland operations; remains solvent; and remains trading from a premises in Queensland.

Achievement of policy objectives

The Amendment Regulation achieves its objective by amending the scheme to be administered by QRIDA.

The amendment will provide eligible businesses with approximately three weeks to apply for a part 2 second payment and to retrospectively validate applications made for the second payment before the first payment had been made.

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 businesses, 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 have an entity other than QRIDA provide the assistance. However, QRIDA was established to provide assistance and support to the State's economy and has significant experience and expertise in administering grants funding. Given QRIDA's expertise and administration of the scheme to date, QRIDA is the most appropriate entity to decide the additional applications.

Benefits and costs of implementation

The scheme is jointly funded by the Commonwealth and Queensland governments as part of the \$600 million package to support Queensland's businesses impacted by COVID-19 lockdowns and restrictions, including Queensland's tourism and hospitality businesses.

The Amendment Regulation will benefit those eligible businesses who had received a first payment, but missed out on a second payment of up to \$50,000. If they are assessed as eligible for the second payment, this will help ensure they remain viable and are ready to scale up as visitation returns.

More than 3530 businesses had received over \$109 million in grant payments under the scheme prior to the making of the Amendment Regulation. It is expected that this Amendment Regulation will result in approximately \$3.2 million additionally distributed to eligible businesses and organisations. Adequate funds remain in QRIDA's assistance funds to cover the additional assistance.

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*.

The provision that aims to retrospectively validate part 2 second payment applications submitted to the authority before a first payment had been received is consistent with section 34 of the *Statutory Instruments Act 1992*, in that a beneficial provision of a statutory instrument may be given retrospective operation if the statutory instrument expressly provides for that operation. A beneficial provision means a provision that does not operate to the disadvantage of a person (other than the State, a State authority or a local government) by decreasing the person's rights; or imposing liabilities on the person. In this instance, the only person who would be disadvantaged is QRIDA, as it would be required to consider applications that otherwise would not have been considered to be valid. However, QRIDA is a State authority, and therefore, this retrospective validation provision can be considered to be a beneficial provision.

Consultation

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR) on whether the amendments are excluded from further analysis under the *Queensland Government Guide to Better Regulation*. The Office of Best Practice Regulation 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.