

# Rural and Regional Adjustment (Rural Agricultural Development Grants Scheme) Amendment Regulation 2022

Explanatory Notes for SL 2022 No. 54

made under the

*Rural and Regional Adjustment Act 1994*

## General Outline

### Short title

*Rural and Regional Adjustment (Rural Agricultural Development Grants Scheme) Amendment Regulation 2022*

### Authorising law

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

### Policy objectives and the reasons for them

Following years of decline, caused by factors such as drought, wild dog attacks on stock and poor wool and meat prices, Queensland's sheep and goat meat industries are entering a period of resurgence. Recent government and private investment in cluster fencing (which has been effective in reducing predation on stock) and the increased global demand for red meat have placed the industry in a strong position for future growth. In 2021, the Government launched the *Queensland Sheep and Goat Meat Strategy*, which seeks to promote and support growth in Queensland's sheep and goat industries—placing particular focus on small-scale processors—by supporting initiatives that will rebuild sheep and goat numbers, improve regional processing capacity, and encourage value chain innovation.

The intent of the Rural Agricultural Development (Sheep and Goats) Grants Scheme (the Scheme) is to enable the Queensland Rural and Industry Development Authority (QRIDA) to administer a grants scheme that will support job-creation, innovation and economic growth in Queensland's sheep and goat primary production industries. This scheme will help realise the goals of *Queensland's sheep and goat meat strategy*, a component of the State Government's *Outback Queensland Unite and Recover Plan*.

## **Achievement of policy objectives**

The subordinate legislation will achieve the policy objective of supporting job growth and innovation in Queensland's sheep and goat primary production industries by providing for grants of up to \$200,000, with a dollar-for-dollar co-contribution from eligible applicants.

Eligible activities for the grants are those that will create employment within, or increase the sale or value, of products or materials derived from, sheep and goat primary production in relevant rural areas of Queensland. Eligible entities could include, for example, businesses employing fewer than 250 full time staff, primary producer representative organisations, Queensland universities and local governments.

The scheme will operate in rounds, which will be opened and closed as notified on the QRIDA website.

The scheme is designed to support not only sheep and goat primary production enterprises, but also businesses along the supply chain of sheep and goat products and businesses that use sheep and goat-derived materials in their products or activities. Some examples of eligible activities are—

- developing a new market for sheep or goat products
- developing a niche product or brand for the sheep and goat product market
- expanding the capabilities of businesses in the supply chain (for example, by providing specialised training or equipment).

Applications for funding under the scheme will be assessed against their capacity to create employment or to provide a significant economic benefit related to sheep or goat industry participants in a relevant rural area. Projects that are assessed as providing the greatest benefit to a relevant rural area in relation to economic development will be prioritised for funding.

To be eligible for funding, applicants must demonstrate, to QRIDA's satisfaction, that they are able to provide a matching co-contribution to the amount sought (up to \$200,000) and that they have adequate experience or other qualifications to give them a reasonable prospect of success in carrying out the activity. Applicants must also demonstrate sound prospects for commercial viability and that the activity for which the funding is sought will provide a significant economic benefit to the rural area in which the activity will be conducted.

A range of activities are ineligible to receive assistance under the Scheme including activities that have already commenced, installing or maintaining certain fencing, making payments towards a debt, purchasing land, undertaking general training, professional costs not related to the activity, conducting feasibility studies or paying administration costs.

## **Consistency with policy objectives of authorising law**

The subordinate legislation is consistent with the objectives of the Act which establishes QRIDA to 'administer assistance schemes that foster the development of a more productive and sustainable rural and regional sector in Queensland'.

## **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 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, QRIDA is the most appropriate entity to administer the grants scheme.

## **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 schemes.

The scheme will provide a grant of up to \$200,000, with a matched co-contribution from applicants, for activities that will support job-creation, innovation and economic growth in Queensland's sheep and goat industries.

\$4 million has been allocated to the scheme.

The scheme will promote and support growth in Queensland's sheep and goat sectors, placing particular focus on Queensland's small-scale processors, helping to maximise opportunities for job creation and economic activity in rural and outback towns.

The scheme adds value to the Queensland Government's total investment of \$60.75 million (to 2021) into the construction of cluster fences to control wild dogs and support the resurgence of our sheep and goat industries.

## **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**

Consultation was undertaken with AgForce Sheep and Wool Board, Australian Meat Industry Council, Goat Industry Council of Australia, Meat and Livestock Australia, independent micro-processors, and Western Meat Exporters through the development of *Queensland's Sheep and Goat Meat Strategy*.

The consultation identified that existing industry participants were identified as the most likely to invest into the supply chain, but have limited scope to access external investors. A co-contribution program was identified as the most likely to provide access to funds and accelerate the growth of the sheep and goat meat supply chain, providing pathways for

the sale of excess livestock for wool producers as well as for producers focussed on sheep and goat meat.

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 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.

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