

# Rural and Regional Adjustment (Zero Emission Vehicle Rebate Scheme) Amendment Regulation 2022

Explanatory Notes for SL 2022 No. 89

made under the

*Rural and Regional Adjustment Act 1994*

## General Outline

### Short title

*Rural and Regional Adjustment (Zero Emission Vehicle Rebate Scheme) Amendment Regulation 2022*

### 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 Queensland Government released *Queensland's Zero Emission Vehicle Strategy 2022-2032* and *Action Plan 2022-2024* on 16 March 2022. The Strategy is designed to accelerate Queensland towards a cleaner, greener transport future while making sure the energy network can support the transition to zero emission vehicles. The 10-year zero emission vehicle Strategy reaffirms the Government's commitment to support Queensland's shift to zero net emissions by 2050 through a number of targets, including that 50 per cent of new passenger vehicle sales be zero emissions by 2030, moving to 100 per cent by 2036.

It is intended that Queensland communities will benefit from the zero emission vehicle strategy through improved air quality, quieter neighbourhoods and streets and improved health for the community and the broader environment.

The Zero Emission Vehicle Rebate Scheme (the Scheme) aims to encourage Queenslanders, both individuals and businesses, to purchase eligible zero emission vehicles instead of internal combustion engine vehicles, and to provide industry and international markets with a clear market signal to increase zero emission vehicles supplied to Queensland.

The intent of the Scheme is to enable the Queensland Rural and Industry Development Corporation (QRIDA) to administer a rebate scheme that will help offset the cost of

purchasing a new zero emission vehicle in Queensland. This scheme will help realise the goals of *Queensland's Zero Emission Vehicle Action Plan 2022-2024*, a component of *Queensland's Zero Emission Vehicle Strategy 2022-2032*.

## **Achievement of policy objectives**

The subordinate legislation will achieve the policy objective to accelerate Queensland towards a cleaner, greener transport future by providing for grants of \$3,000 to eligible applicants who purchase a new zero emission vehicle on or after 16 March 2022 with a purchase price of \$58,000 or less.

The scheme is designed to enhance sustainable, resilient, and liveable communities through improved air quality, greater amenity through quieter neighbourhoods and streets, and improved health for the community and the broader environment.

Applications for funding under the scheme will open from 1 July 2022 and operate until funds are exhausted.

To be eligible for funding, individuals must demonstrate, to the authority's satisfaction, that:

- they reside in Queensland;
- purchased a new zero emission vehicle on or after 16 March 2022 which has not been previously registered and has a dutiable value of \$58,000 or less; and
- they have not already received funding under the scheme or in another State.

Businesses must hold an Australian Business Number for the business, be headquartered in Queensland, and have not received more than 5 rebates in a financial year.

There are no constraints on household or business size, income or other thresholds. However, government entities are not eligible to apply for a rebate under the scheme.

Eligible vehicles must be new, full battery electric, light passenger or light commercial motor vehicle with a purchase price of up to \$58,000 (inc GST) and be registered with the Department of Transport and Main Roads.

Vehicles not eligible under the Scheme include:

- second-hand vehicles
- dealer or demonstrator models
- retrofitted zero emission vehicles and other vehicle conversion kits (including any other alternative fuel source)
- hybrid and plug-in hybrid electric vehicles
- heavy vehicles over 4.5t (including, but not limited to, trucks and buses)
- e-mobility devices (including, but not limited to, electric/motorised wheelchairs, electric scooters, mobility scooters and electric bikes)
- electric motorbikes, trikes and mopeds
- electric boats or marine vessels
- zero emission vehicles registered before 16 March 2022.

## **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 grant 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 \$3,000 grants to eligible applicants to offset the cost of purchasing a new zero emission vehicle in Queensland.

\$45 million has been allocated to the scheme which will help realise the goals set out in *Queensland's Zero Emission Vehicle Strategy 2022-2032* accelerating Queensland towards a cleaner, greener transport future.

## **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**

To help shape the Strategy, extensive consultation was conducted by the Department of Transport and Main Roads with the community, transport and energy industries, environmental and sustainability interest groups, and local and State government agencies. A public survey attracted responses and written submissions from more than 4,700 Queenslanders. There was direct engagement with over 100 stakeholders, and local government and industry workshops.

The Strategy consultation identified that a significant barrier to the purchase of zero emission vehicles in Queensland is the high purchase price when compare to the price of

internal combustion engine vehicles. The Scheme will offset the purchase costs associated with zero emission vehicles purchased and registered in Queensland.

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.

©The State of Queensland 2022