

Rural and Regional Adjustment (Variation of Resilient Homes Assistance Scheme) Amendment Regulation 2022

Explanatory Notes for SL 2022 No. 176
made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Variation of Resilient Homes Assistance 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 Resilient Homes Assistance Scheme (Scheme) was established to provide financial assistance to Queensland homeowners impacted by the 2021-2022 flood events to undertake works to increase residential homes' resilience against future flood events. During the implementation of the Scheme, unintended impediments were identified that impacted the ability of otherwise eligible homeowners to apply for assistance under the Scheme.

The objectives of the *Rural and Regional Adjustment (Variation of Resilient Homes Assistance Scheme) Amendment Regulation 2022* (Amendment Regulation) are to amend the Scheme to address these issues. First, to ensure that assistance funding provided is inclusive rather than exclusive of the Goods and Services Tax (GST). This ensures that, in addition to any potential co-contribution, homeowners are not required to cover the cost of GST which may pose a financial barrier to some homeowners applying for assistance.

Second, in limited circumstances, provide financial assistance for alternative resilience options to demolish an eligible home and either build or relocate a new home to a location above the flood hazard level on the land on which the eligible home is located. These alternative options address circumstances where a homeowner might otherwise be eligible for home-raising works under the Scheme, but, due to building typology and/or construction, this is not possible.

Finally, reducing potential administrative burdens on applications by removing the requirement for an applicant to notify both the Queensland Rural and Industry Development Authority (QRIDA) and the Department of Energy and Public Works (DEPW), in writing, of changes to the eligible works. QRIDA and DEPW work closely to administer the Scheme, and the administrative burden on applicants could be reduced by only requiring the applicant to notify QRIDA, as the authority, in writing and allowing QRIDA to administratively notify DEPW in seeking a new value for money certificate covering the changes.

Achievement of policy objectives

The policy objectives will be achieved by amending the Scheme in Schedule 44 of the *Rural and Regional Adjustment Regulation 2011* to remove the requirement for funding to be exclusive of GST; providing financial assistance for two additional alternative resilience options for demolishing and replacing or relocating a new home; and removing the additional notification requirement for changes to eligible works.

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 that foster the development of a more productive and sustainable rural and regional sector in Queensland.

The Amendment Regulation makes changes to support the operation of an existing assistance scheme being administered by QRIDA.

Inconsistency with policy objectives of other legislation

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

Benefits and costs of implementation

The Queensland and Australian Governments have allocated a budget of \$375 million over two financial years (2022-2024) to the Scheme. The total cost to the Queensland Government will depend on the level of uptake.

Including GST in funding amounts provided will increase individual funding amounts by the applicable GST, however, this reduces the potential financial barrier of additional out of pocket expenses which will particularly benefit those applicants experiencing hardship.

The introduction of additional alternative resilience options is not anticipated to significantly increase expenditure under the scheme as funding for the alternative resilience options is capped at \$100,000. No additional funding with co-contributions is available for alternative resilience options.

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*.

Consultation

DEPW worked closely with the Resilient Homes Fund Program Board in developing and approving the proposed amendments to the Scheme.

Extensive consultation has also been conducted by DEPW and the Queensland Reconstruction Authority through direct engagement with:

- the Australian Government, through the National Emergency Management Agency;
- impacted local governments;
- the Insurance Council of Australia and insurers;
- representatives from the building industry through the state Building Recovery Group, part of the Functional Recovery Groups under the Queensland Recovery Plan;
- representatives from the community services industry such as the Australian Red Cross and community centres; and
- homeowners from impacted local government areas.

Stakeholder consultation has included extensive workshops, community and industry forums and meetings since the funding was announced in May 2022.

During the consultation, stakeholders highlighted the need to ensure that the most vulnerable people are supported through the process. To support this, the removal of the requirement for funding to be exclusive of GST will ensure homeowners are not required to cover the cost of GST which may pose a financial barrier to some applicants. The National Emergency Management Agency confirmed support for changes to the fund under the Disaster Recovery Funding Arrangements to allow payments to be inclusive of GST.

In addition, the availability of alternative resilience options for homeowners who may otherwise be eligible for home-raising works under the Scheme, but, due to building typology and/or construction could not proceed with resilience works, promotes further accessibility to the program.

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 noted that the proposed changes will not add to the burden of regulation and are unlikely to result in significant adverse impacts. OBPR advised that no further regulatory impact analysis was required.