

# **Rural and Regional Adjustment (Variation of Special Disaster Assistance Recovery Grants Scheme) Amendment Regulation 2022**

Explanatory Notes for SL 2022 No. 190

made under the

*Rural and Regional Adjustment Act 1994*

## **General Outline**

### **Short title**

*Rural and Regional Adjustment (Variation of Special Disaster Assistance Recovery Grants Scheme) Amendment Regulation 2022*

### **Authorising law**

Sections 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994* (the Act)

### **Policy objectives and the reasons for them**

The policy objective of the *Rural and Regional Adjustment (Variation of Special Disaster Assistance Recovery Grants Scheme) Amendment Regulation 2022* (the amendment regulation) is make minor amendments to Schedule 23 Special Disaster Assistance Recovery Grants Scheme of the *Rural and Regional Adjustment Regulation 2011* to clarify certain aspects of eligibility, namely the definition of primary producer and the criteria for obtaining a grant under the scheme for the purchase of equipment such as machinery.

Schedule 23 is a measure under the joint Commonwealth State Disaster Recovery Funding Arrangements (DRFA) administered in Queensland by the Queensland Rural and Industry Development Authority (QRIDA). It provides clean up and recovery grants for eligible entities impacted by significant natural disasters. The Act requires that all QRIDA schemes of financial assistance be set out in regulation.

The proposed amendments are intended to assist QRIDA in its administration of the scheme by better aligning the wording in the regulation with the intent of the DRFA policy, *Guideline 3 Category C assessment framework* set out at the website [disasterassist.gov.au](http://disasterassist.gov.au).

The proposed amendments will provide greater clarity with respect to when an applicant is eligible to apply for a grant as a “primary producer” and when the purchase of equipment is eligible for a grant under the Scheme.

These two issues arise from time to time and the proposed amendments are intended to ensure assistance is provided in accordance with the intent of the DRFA policy (ensuring that only actual primary producers are eligible to apply and that applicants can only purchase equipment with a grant if the purchase relates to conducting clean-up activities as opposed to general purchases of equipment which are major capital investments such as tractors and bulldozers). That is to say, the regulatory amendments proposed here do not represent a policy change, but a change in the wording to better align with the intent of the DRFA policy.

Change to the definition of primary producer (see section 3 Definitions)

To be eligible to apply for a grant as a primary producer an applicant must demonstrate that he or she spends the majority of his or her labour on, and derives the majority of his or her income from, a primary production enterprise or that he or she will 'eventually' do so (see definition of primary producer in Schedule 23).

This amendment seeks to clarify the primary producer definition with respect to those applicants who do not currently derive the majority of their income from a primary production enterprise. For example, many production types such as macadamias have long lead times from planting until when the primary producer will derive the majority of his or her income from that planting. The use of the word 'eventually' in the definition of primary producer has been interpreted broadly by some applicants to be an open ended and undefined time period such that potential applicants with no realistically clear path to becoming genuine primary producers (as defined) consider themselves eligible to receive assistance as a primary producer. As a result of this, the wording in the regulation is to be changed, with the word 'eventually' replaced with within a 'reasonable time.' A reasonable time would be the reasonable period as considered by QRIDA taking into account the specific circumstances of the applicant, most notably his or her production type.

Amendment of the scheme concerning the purchase of equipment (see section 8 Assistance under standard or exceptional circumstances grant generally specifically 8 (2) (b))

This amendment seeks to better define when the purchasing of equipment to clean a property is eligible to receive a grant under the Scheme. The policy intent of the DRFA recovery grants is to provide grant funding for the purchase of consumable items and equipment for clean-up and reinstatement purposes, such as personal protective equipment, safety boots, coveralls, masks, brooms, shovels, disinfectants, and cleaning chemicals. Grants under this program are not intended for major capital purchases such as the purchase of large machinery such as tractors or dozers to perform clean up although some applicants have sought grant funding under the Scheme for these purchases arguing they are 'equipment'. Where QRIDA has received applications for assistance under the Scheme for the purchase of dozers and tractors, it has declined these applications on the grounds that they are not 'equipment.'

It is proposed to amend this eligible activity (Section 8 (2) (b)) to make clear that where an applicant seeks a grant for the purchase any equipment or materials to clean a property, premises or equipment, such a purchase of equipment or materials will only be eligible for a grant if the 'equipment or materials are not readily available for hire or lease' such as cleaning chemicals, gloves, masks, brooms, mops shovels or buckets. The purchase of equipment and materials is also eligible if such a purchase is necessary to clean the property, premises or equipment and the equipment or materials are not readily

available for hire or lease at a cost that is equal to or less than the cost of purchasing them. In practice, this amendment will ensure that QRIDA does not receive applications for assistance related to the purchase of major capital investments which are outside of the intent of the DRFA policy.

## **Achievement of policy objectives**

The amendment regulation will achieve its objective of ensuring that Queensland's administration of DRFA programs closely aligns with the policy of the DRFA established by the Australian Government.

## **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 including schemes offered by the Australian Government.

QRIDA may also administer 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**

This amendment regulation is not inconsistent with the policy objectives of any other legislation.

## **Benefits and costs of implementation**

The disaster scheme subject to this regulatory amendment is funded through the DRFA. There will be no change to expenditure as a result of this change. The intent of the changes is to clarify existing DRFA policy and how QRIDA currently administers the program in accordance with the policy.

In practice, it is expected that these two minor amendments, by clarifying eligibility criteria related to being a primary producer and the purchase of equipment, will assist QRIDA in its administration of the scheme through reducing the number of applications it receives that are not consistent with DRFA policy (requests for grants for the purchases of major machinery and from applicants with no clear path to eventually becoming primary producers).

## **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**

The Office of Best Practice Regulation, in Queensland Treasury, advised that the amendment is excluded from further analysis under the *Queensland Government Guide to Better Regulation* on the basis that the proposal would not add to the burden of regulation and is unlikely to result in significant adverse impacts.

As these regulatory amendments do not result in a change in policy, or how applications are assessed by QRIDA, or any change in eligibility, consultation with industry on these amendments has not occurred.

Through the Queensland Reconstruction Authority, the Australian Government National Emergency Management Authority was consulted on these changes and it advised that the changes did not require its approval as they were consistent with the DRFA policy.

©The State of Queensland 2022