

Rural and Regional Adjustment (Climate Smart Energy Saver Scheme) Amendment Regulation 2023

Explanatory Notes for SL 2023 No. 119

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Climate Smart Energy Saver Scheme) Amendment Regulation 2023

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

On 28 September 2022, the Honourable Anastacia Palaszczuk MP, the then Premier and Minister for the Olympics, announced the Queensland Energy and Jobs Plan (Plan). The Plan sets out actions across three focus areas to transform Queensland's energy system to ensure there is a continued delivery of clean, reliable, and affordable power, and the targets of 70% renewable energy by 2032, and 80% by 2035.

The focus area two of the Plan is to deliver affordable energy for households and businesses. Action 2.2 (Deliver a new household program) will deliver a \$60 million household energy savings program to help Queensland households take up energy efficiency measures, including support for rooftop solar and batteries and energy efficient appliances.

An integral part of the household energy savings program is to support Queensland households to manage their electricity use and bills. The Climate Smart Energy Saver Scheme (Scheme) is part of the household energy savings program. The Scheme will assist Queensland households to manage their electricity use and bills by offering a rebate to eligible applicants to offset the costs of the purchase and installation of energy-efficient appliances.

The primary purpose of the *Rural and Regional Adjustment (Climate Smart Energy Saver Scheme) Amendment Regulation 2023* (Amendment Regulation) is to enable the Queensland Rural and Industry Development Authority (QRIDA) to administer the Scheme.

Achievement of policy objectives

The policy objective will be achieved by amending the Rural and Regional Adjustment Regulation 2011 to establish the Scheme as an approved scheme under the *Rural and Regional Adjustment Act 1994* (the Act). This enables the QRIDA to administer the scheme, as QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation under the Act.

The Amendment Regulation will prescribe a new schedule which will set out the Scheme in detail. The Scheme will offer a prescribed rebate to eligible applicants for the purchase and installation of an eligible appliance or hot water system. A low-income rebate will be available for applicants experiencing financial vulnerability, where they have a taxable income of \$66 667 or less.

Either rebate will be limited to one person in each household with a maximum of 1500 rebates available for the prescribed energy efficient hot water systems.

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 Queensland Government has allocated \$22 million to the Scheme which is designed to help Queensland households offset costs of purchasing and installing energy efficient appliances and hot water systems to enable them to manage their electricity use and bills. The Scheme will also help to reduce household energy consumption and greenhouse gas emissions.

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*.

Section 4(5)(e) - Subordinate legislation should allow the subdelegation of a power delegated by an Act only (a) in appropriate cases and to appropriate persons; and (b) if authorised by an Act

The incorporation of a standard introduces a potential fundamental legislative principles inconsistency.

The use of Australian Standards (AS) / New Zealand Standards (NZS) as relevant standards have been used in previous energy assistance schemes such as Schedule 34 and Schedule 35 of the Rural and Regional Adjustment Regulation 2011.

AS/NZS 4755.1.2017 is an Australian Standard that specifies a demand response framework, which consists of a Demand Response Enabling Device complying with AS/NZS4755.1 and one or more electrical products complying with the relevant parts of AS/NZS 4755.3.

The requirement of air conditioners to comply with AS/NZS 4755.1:2017 is to ensure that Queensland Government rebates are not funding air conditioners that have no option but to add to load on the electricity network during peak times, and that fail to meet standards that may be formalised in the near future.

In November 2019, Australian Energy Ministers (including Queensland's Energy Minister) took a decision to introduce demand response capability requirements for air conditioners and other appliances and devices. The mandatory requirement for compliance with the AS/NZS 4755.1.2017 has not yet been introduced, however meeting this standard is an important measure for Queensland's electricity system reliability.

Consultation

To help shape the Plan, extensive consultation was conducted by the Department of Energy and Public Works (DEPW) with agencies, across jurisdictions, industry, and the public.

In addition, consultation on matters related to program design was undertaken with retailers and installers of energy efficient appliances and hot water systems, and industry peak bodies including Master Electricians Australia and Master Plumbers' Association of Queensland. The consultation was undertaken by face-to-face and virtual stakeholder meetings, phone calls and exchange of correspondence. As a result of the consultation process, scheme parameters were adjusted to further increase the benefit to scheme customers.

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 (Guidelines)*. The OBPR advised that the proposal will not add to the burden of regulation and will not result in significant adverse impacts. No further regulatory impact analysis is required under the Guidelines.