

Rural and Regional Adjustment (Variation of Resilient Homes Assistance Scheme) Amendment Regulation 2023

Explanatory Notes for SL 2023 No. 184

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Resilient Homes Assistance 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

During 2021-22 Queensland homeowners across 39 local government areas experienced damage to their residential property as a result of extraordinary levels of rainfall during the following four major flooding events:

- the Central, Southern and Western Queensland flooding (10 November – 3 December 2021)
- the ex-Tropical Cyclone Seth floods (29 December 2021 – 10 January 2022)
- the South East Queensland floods (22 February 2022- 5 April 2022)
- the Southern Queensland Flooding (6 May 2022 - 20 May 2022).

The \$741 million Resilient Homes Fund (RHF) was established under Category D of the joint Commonwealth-State Disaster Recovery Funding Arrangements (DRFA) to support homeowners to address the immediate impacts of the events and build resilience for future events.

Through the Resilient Homes Assistance Scheme (Scheme) an eligible homeowner is able to apply for funding toward repairing or retrofitting their home to enhance resilience, raise their home and in some cases, demolition and replace their home.

Since program commencement, the RHF program has worked with key stakeholders to review and refine policy settings and processes to provide greater flexibility to increase the support to homeowners through the RHF.

This includes expanding the eligibility criteria for 'home raising', 'demolition and replacement' and 'relocation' works to enable more people to receive financial support to undertake these works. As the number of participants in the RHF is less than expected, the combined retrofit and home raise program budget has the capacity to deliver funding under the expanded criteria, which some applicants have advised is their preference over retrofitting. The amendment Regulation expands the criteria to include:

- Providing additional capped funding options for home raising, demolition and replacement and relocation works to homeowners whose existing habitable floor level is below the assessed flood level, or, the 2022 flood level.
- Providing additional capped funding options for home raising, demolition and replacement and relocation works to homeowners whose enclosed part of their home is below the assessed flood level, or, the 2022 flood level.

The primary purpose of the *Rural and Regional Adjustment (Variation of Resilient Homes Assistance Scheme) Amendment Regulation 2023* (Amendment Regulation) is to extend the Home Raise, Demolition and Replacement and Relocation programs to provide greater flexibility under the Scheme to ensure all eligible homeowners can access an appropriate level of funding to improve their home's flood resilience.

This is achieved by amending the definitions of 'eligible works' to provide further clarity on the types of assistance available under the scheme and will better support the objective of the Regulation, allowing communities impacted by recent flooding events to recover quickly and to become more resilient to future flooding.

Achievement of policy objectives

The policy objective will be achieved by amending the approved assistance scheme in Schedule 44 of the *Rural and Regional Adjustment Regulation 2011* under the *Rural and Regional Adjustment Act 1994* (the Act). This enables QRIDA to administer the Scheme, as QRIDA can only provide financial assistance under an approved assistance scheme prescribed by regulation under the Act.

QRIDA will be able to provide financial assistance to successful applicants in the form of a grant. The grant is made to support Queenslanders to resiliently rebuild or raise their flood-affected houses, and to enable people to return to their homes.

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.

QRIDA may also support the State's economy by administering approved assistance schemes to assist primary, producers, small business, and other sectors including the community 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.

Alternative ways of achieving policy objectives

No reasonable alternative options exist. Leaving the Scheme unamended risks ineffective application of the Scheme, and not achieving the desired purpose of the Regulation. Additionally, moving administration of the Scheme was not an option as QRIDA already administers the Scheme and has significant experience and expertise in administering grants funding. Given QRIDA's established expertise, QRIDA is the most appropriate entity to administer the Scheme.

Benefits and costs of implementation

QRIDA has extensive experience in administering grant, loan, rebate, and payment schemes for the government and is well placed to administer the Scheme.

The Scheme is designed to significantly reduce the effort, cost (including costs for the community and government), and time in which Queenslanders may return to their homes now and following future flood events.

While there are administrative costs incurred in QRIDA delivering the Scheme, these costs are outweighed by the benefit of QRIDA's experience in delivering similar schemes.

The Queensland and Australian Governments have allocated a budget of \$741 million over four financial years (2022-2026) to the RHF. Amendments to the Scheme in the Amendment Regulation are covered under the existing funding, however the total cost to the Queensland Government will depend on the level of uptake.

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

Extensive consultation has been undertaken with key stakeholders by the Department of Energy and Public Works, including through the RHF Program Board with representation from senior officers from the following agencies:

- Queensland Reconstruction Authority;
- National Emergency Management Agency;
- QRIDA;
- Department of Premier and Cabinet;
- Queensland Treasury;

- Department of Treaty, Aboriginal Torres Strait Islander Partnerships, Communities and Arts; and
- Department of State Development, Infrastructure, Local Government and Planning.

Since the commencement of the program, the RHF has gathered insights and feedback from homeowners, highlighting the need for greater flexibility in application of Scheme assistance and funds, as well as difficulties in meeting criteria. These concerns helped shaped the development of the Amendment Regulation to address these operational issues with the Scheme.

The Department of Agriculture and Fisheries consulted the Office of Best Practice Regulation (OBPR), on the legislative impact analysis. The Department of Agriculture and Fisheries concluded that the proposal does not increase costs or regulatory burden and does not require regulatory impact analysis.

©The State of Queensland 2023