

Rural and Regional Adjustment (Natural Disaster-related Assistance Schemes) Amendment Regulation 2022

Human Rights Certificate

Prepared in accordance with Part 3 of the *Human Rights Act 2019*

In accordance with section 41 of the *Human Rights Act 2019*, I, Mark Furner MP, Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities, make this human rights certificate with respect to the *Rural and Regional Adjustment (Natural Disaster-related Assistance Schemes) Amendment Regulation 2022* made under the *Rural and Regional Adjustment Act 1994*.

In my opinion, the *Rural and Regional Adjustment (Natural Disaster-related Assistance Schemes) Amendment Regulation 2022* is compatible with the human rights protected by the *Human Rights Act 2019*. I base my opinion on the reasons outlined in this statement.

Overview of the Subordinate Legislation

The *Rural and Regional Adjustment (Natural Disaster-related Assistance Schemes) Amendment Regulation 2022* is made under the *Rural and Regional Adjustment Act 1994*.

The authorising law for the regulation is section 44 of the *Rural and Regional Adjustment Act 1994*.

All schemes of financial assistance administered by the Queensland Rural and Industry Development Authority (QRIDA) are required to be set out in regulation.

This subordinate legislation does two things: introduce two new disaster assistance schemes and make a minor amendment to two existing drought preparedness schemes.

The legislation is to introduce two new schemes of financial assistance jointly funded by the Australian Government and Queensland Government under the Disaster Recovery Funding Arrangements (DRFA) to be administered by QRIDA to support eligible entities recover from the major natural disasters of late 2021/early 2022 in southern Queensland.

These new schemes are the Medium to Large Business Recovery Loans Scheme (Schedule 46) and the Rural Landholder Recovery Grants Scheme (Schedule 47). Two drought preparedness schemes are being amended, namely the Drought Preparedness Grant Scheme (Schedule 39) and the Drought Ready and Recovery Finance Loan Scheme (Schedule 40).

Minor amendment to drought preparedness schemes

The “Drought Preparedness Grant Scheme” provides a 25 per cent rebate on new capital infrastructure identified in the applicant’s resilience plan that is undertaken to improve the drought preparedness of his or her primary production enterprise, for example, for the purchase and installation of new water infrastructure or fodder storages.

The “Drought Ready and Recovery Finance Loan Scheme” provides a concessional loan of up to \$250,000 to either support projects or activities undertaken by the producer to improve his or her drought preparedness (the purchase and installation of new permanent capital infrastructure such as, but not limited to, water infrastructure or fodder storages) or activities that will assist the producer to recover from a drought.

The proposed regulatory amendment will make these two schemes slightly more accessible to potential applicants. Section 4 of Schedules 39 and 40 provides that “an eligible project is a project the authority is satisfied...will not commence before the authority approves assistance under the scheme for the project”. The paying of a deposit on an invoice related to a project has been interpreted as having commenced a project for the purposes of section 4. Accordingly, QRIDA has been declining to approve applications for projects where the applicant has already provided a deposit for the activity, even though the work itself might not have actually been commenced.

This regulatory amendment clarifies that the provision of a deposit on an activity does not constitute having commenced the activity, which will mean that QRIDA will no longer have to decline applicants on activities for which an applicant has paid a deposit.

Two new disaster assistance programs

On 18 May 2022, the Australian Government approved a Category D recovery package under the DRFA which included an economic recovery component. Within the economic recovery component are two new programs to be administered by QRIDA, namely: the “Rural Landholder Recovery Grants Scheme” and the “Medium to Large Business Recovery Loans Scheme”. QRIDA is normally the administrator of DRFA schemes that provide financial support to disaster impacted business in Queensland.

Medium to Large Business Recovery Loans Scheme (Schedule 46)

The objectives of the Scheme are to provide concessional loan funding of up to \$5, 000,000 to assist medium to large businesses to reinstate/re-establish their businesses as a result of direct damage following the eligible flooding events of late 2021 early 2022. This scheme of assistance will be available for businesses suffering direct damage from the following disaster events:

- Central, Southern and Western Queensland Rainfall and Flooding 10 November - 3 December 2021,
- Ex Tropical Cyclone (TC) Seth 29 December 2021 - 10 January 2022,
- South East Queensland (SEQ) Rainfall and Flooding 22 February - 5 April 2022, and
- Southern Queensland flooding: 6 - 20 May 2022.

The regulation also includes the potential to activate this assistance measure for future natural disasters where this assistance is activated. That is to say, this scheme is not only available for the disasters mentioned above, but could be activated for future disasters should this assistance measure be activated under any future Category D package.

A concessional loan under this scheme can be used by an eligible applicant for a range of clean up, restoration and repair activities or to improve the business' resilience to a future natural disaster, for example, flood mitigation works or moving the business premises to a different location. This scheme is targeted at those larger scale businesses in the agriculture supply chain (including primary producers) for which a standard concessional loan as a small business or primary producer (currently set at \$250,000) is insufficient to support recovery. Examples of supply chain businesses eligible for a loan under this scheme include abattoirs, livestock or produce freight companies, canneries or produce markets or businesses that provide support to the agricultural sector such as mechanical repair businesses or excavation businesses.

The maximum size of the loan is \$5,000,000 exclusive of GST and the maximum term of the loan is ten years and is at a concessional interest rate decided by QRIDA. The applicant must provide security for the loan and QRIDA must be satisfied the applicant can service the loan and will have reasonable prospects for viability if the assistance is provided.

Rural Landholder Recovery Grants Scheme (Schedule 47)

The purpose of this scheme is to help rural landholders (as defined) recover from direct damage sustained in the eligible disaster events of late 2021 and early 2022. This scheme of assistance will be available for rural landholders suffering direct damage from the following disaster events:

- Central, Southern and Western Queensland Rainfall and Flooding 10 November - 3 December 2021,
- Ex TC Seth 29 December 2021 - 10 January 2022,
- SEQ Rainfall and Flooding 22 February - 5 April 2022, and
- Southern Queensland flooding: 6 - 20 May 2022.

The regulation also includes the potential to activate this assistance measure for future natural disasters where this assistance is activated. That is to say, this scheme is not only available for the disasters mentioned above, but could be activated for future disasters should this assistance measure be activated under any future DRFA assistance package.

For the purposes of this scheme a rural landholder is an entity that is the owner or long-term lessee of relevant land of at least 10 hectares that carries out a primary production enterprise on that land. This assistance scheme is intended to provide disaster recovery assistance to rural landholders that conduct a primary production enterprise (earning at least \$20,000 per annum from the enterprise) and do not earn more than \$250,000 from activities other than the primary production enterprise, but are not eligible to receive DRFA assistance as a primary producer (as they do not derive the majority of their income as a primary producer).

DRFA Recovery Grants under Category C/D (see Schedule 23 of the *Rural and Regional Adjustment Regulation 2011*) are limited to those entities that are either primary producers or small businesses (including not for profit entities). There are numerous small scale primary producers that are ineligible to receive this assistance as they are not classified as primary producers (as defined by existing schemes) as they do not derive the majority of their income from their primary production enterprise and do not spend the majority of their labour on their primary production enterprise.

Under the scheme, eligible rural landholders can receive up to a maximum of \$10,000 as a rebate for eligible clean up, repair and restoration activities such as removing debris, dead livestock, repairing or restoring fields or repairing buildings or fixtures such as farm roads that are used to carry out the primary production enterprise (excluding the residential dwelling of the rural landholder).

Human Rights Issues

Human Rights relevant to the subordinate legislation (Part 2, Division 2 and 3 Human Rights Act 2019)

The potential impact of the *Rural and Regional Adjustment (Natural Disaster-related Assistance Schemes) Amendment Regulation 2022* on the human rights in sections 15 to 37 of the *Human Rights Act 2019* was considered and no potential impact was identified.

Conclusion

I consider that the *Rural and Regional Adjustment (Natural Disaster-related Assistance Schemes) Amendment Regulation 2022* is compatible with the Human Rights Act because it does not limit any of the human rights protected by the *Human Rights Act 2019*.

Mark Furner MP
Minister for Agricultural Industry Development and Fisheries and
Minister for Rural Communities