

PROJECT AGREEMENT FOR ASSISTANCE TO FARM BUSINESSES FOR WATER-RELATED INFRASTRUCTURE

Council of
Australian
Governments

An agreement between:

- the Commonwealth of Australia; and
- the State of New South Wales.

The output of this project will be improved water-related infrastructure for drought-affected New South Wales farm businesses.

Project Agreement for Assistance to Farm Businesses for Water-Related Infrastructure

INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.
2. This Agreement will support the improvement of water-related infrastructure for drought-affected New South Wales farm businesses. The additional assistance under this Agreement will be provided through the New South Wales Government Emergency Water Infrastructure Rebate.
3. This Agreement constitutes the entire agreement for this project.

PART 1 – FORMALITIES

Parties to this Agreement

4. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of New South Wales (New South Wales).

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and New South Wales sign the Agreement and will expire on 30 June 2014 or on completion of the project, including acceptance of final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – PROJECT OUTPUT

Output

6. The output of this Agreement will be:
 - (a) improved water-related infrastructure which will:
 - (i) assist producers to be more productive through the installation of new water infrastructure; and

- (ii) assist to mitigate degradation of natural watering points through the provision of new water infrastructure;
- (iii) address animal welfare needs; and
- (iv) assist producers to be more resilient for future droughts.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

7. The Commonwealth will be responsible for:
- (a) monitoring and assessing achievement against milestones under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - (b) providing a consequent financial contribution to New South Wales to support the implementation of this Agreement.

Role of New South Wales

8. New South Wales will be responsible for:
- (a) all aspects of delivering on the project outputs set out in this Agreement;
 - (b) on-forwarding the Commonwealth funding contribution under this Agreement through the New South Wales emergency water infrastructure grants to eligible recipients through an increase in the rebate from 50 per cent to 75 per cent; and
 - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

9. The Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

10. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, and expected payments to be made, once a report certifying that milestones have been met is received and accepted.

Table 1: Milestones, reporting and payment summary

Output	Milestones	Date due	Payment
Improved water-related infrastructure for New South Wales farm businesses	Commonwealth acceptance of New South Wales emergency water infrastructure rebate guidelines	Within two weeks of this Agreement being signed	\$1.5m
	Publication of guidelines		
	Commonwealth acceptance of a report demonstrating take up by eligible producers equivalent to ≥ 75 per cent of total payments to date (i.e. $\geq \$1.125m$)	No later than 15 May 2014	\$1.5m

Reporting arrangements

11. New South Wales will provide a performance report in accordance with Table 1 during the operation of the Agreement. The performance report is to contain the following information:
 - (a) a description of actual performance of New South Wales in the period to date against the project milestones;
 - (b) details of any matters that have arisen which could adversely impact on the delivery of the output, and how New South Wales proposes to resolve these matters; and
 - (c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.

PART 5 – FINANCIAL ARRANGEMENTS

12. The Commonwealth will provide a total financial contribution to New South Wales of up to \$3.0 million in respect of this Agreement. All payments are GST exclusive.
13. The Commonwealth's funding contribution will not be reduced where New South Wales secures funding from other activity partners through innovative and collaborative partnerships.
14. The Commonwealth's and New South Wales' estimated financial contribution to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 2.

Table 2: Estimated financial contributions

(\$ million)	2013-14	Total
Estimated total budget	3.0	3.0
Less estimated National Partnership Payments	3.0	3.0
Balance of non-Commonwealth contributions	0.0	0.0

15. Having regard to the agreed estimated costs of projects specified in a Project Agreement, New South Wales will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, New South Wales bears all risk should the costs of the project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for New South Wales to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

16. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

Variation of the Agreement

17. The Agreement may be amended at any time by agreement in writing by both the Parties.
18. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

Delegations

20. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

Dispute resolution

21. Either Party may give notice to the other Party of a dispute under this Agreement.
22. Officials of both Parties will attempt to resolve any dispute in the first instance.
23. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
24. If a dispute cannot be resolved by the relevant Ministers, it may be referred by either Party to relevant first ministers for consideration.

The Parties have confirmed their commitment to this agreement as follows:

*Signed for and on behalf of the Commonwealth
of Australia by*

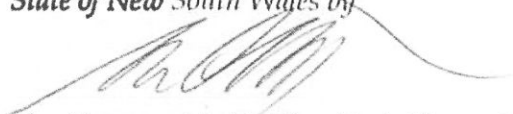
The Honourable Barnaby Joyce MP

Minister for Agriculture

25 March 2014



*Signed for and on behalf of the
State of New South Wales by*



The Honourable Katrina Hodgkinson MP

Minister for Primary Industries

25 March 2014