

PROJECT AGREEMENT FOR ASSISTANCE FOR WATER INFRASTRUCTURE AND PEST MANAGEMENT

Council of
Australian
Governments

An agreement between:

- n the Commonwealth of Australia; and
- n the States and Territories of
 - t New South Wales,
 - t Victoria,
 - t Queensland,
 - t Western Australia,
 - t South Australia,
 - t Tasmania,
 - t the Australian Capital Territory, and
 - t the Northern Territory.

The outputs of this project will be improved water-related infrastructure for drought-affected farm businesses and reduced total grazing pressure and predation of livestock in drought-affected areas due to pest animals.

Project Agreement for Assistance for Water Infrastructure and Pest Management

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 and pest management for drought-affected farm businesses. The assistance for pest management under this Agreement will be provided by state governments through appropriate on-ground delivery organisations, including natural resource management groups and local governments.
3. This Agreement and its Schedules constitute the entire agreement for this project.
 - (a) General arrangements that apply to all projects are set out in the body of this Agreement. Specific arrangements for individual projects are set out in bilateral Schedules to this Agreement.

PART 1 – FORMALITIES

Parties to this Agreement

4. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the States and Territories (the States).

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2015 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

6. Project outputs are set out in the Schedules to this Agreement.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

7. Under this Agreement, the Parties have specific roles and responsibilities, as outlined below. Any additional roles specific to individual projects will be outlined in the Schedules to this Agreement.
8. The Commonwealth agrees to be accountable for:
 - (a) monitoring and assessing achievement against milestones in the delivery of the water infrastructure and pest management assistance under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - (b) providing a consequent financial contribution to the States to support the implementation of this Agreement.
9. The States agree to be accountable for:
 - (a) all aspects of delivering on outputs as set out in Schedules to this Agreement; and
 - (b) producing a Project Plan for pest management activities including details of estimated Commonwealth and, where relevant, State funding allocations, delivery arrangements and organisations, the scope and delivery method of projects, community consultation and communications approaches, stages and associated milestones, completion dates and risks associated with each stage of the activities; and
 - (c) reporting on the delivery of outputs as set out in the Schedules to this Agreement.
10. All Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring 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 3 PROJECT MILESTONES, REPORTING AND PAYMENTS

11. Project milestones, reporting and payments are outlined in the Schedules to this Agreement.

PART 5 – FINANCIAL ARRANGEMENTS

12. The Commonwealth will provide a total financial contribution to the States of up to \$22 million in respect of this Agreement. All payments are GST exclusive.
13. The Commonwealth's funding contribution will not be reduced where the States secure funding from other activity partners through innovative and collaborative partnerships.
14. The Commonwealth's and the States' 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 1.
15. Payments for pest management activities will be made subject to the States demonstrating that milestones have been met in accordance with the agreed Project Plan.
16. Project Plans are flexible documents that may be varied over time to accommodate changes in circumstances. However, variations to Project Plans that directly affect milestones and their

achievement, and therefore associated payments, are subject to written agreement between the Ministers or their delegates.

Table 1: Estimated financial contributions

(\$ million)	2013-14	2014-15	Total
Water Infrastructure	0.0	12.0	12.0
Managing Farm Pests	5.0	5.0	10.0
Estimated total budget	5.0	17.0	22.0
Less estimated National Partnership Payments	5.0	17.0	22.0
Balance of non-Commonwealth contributions	0.0	0.0	0.0

(a) Notes: \$4 million of total funding will be held in contingency, should drought conditions spread to additional areas.

17. A breakdown of the Commonwealth contribution to each State is outlined in Schedules A and B to this Agreement.
18. Having regard to the agreed estimated costs of projects specified in the Schedules to this Agreement, the States 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, the States bear all risk should the costs of the project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the States to deliver projects cost effectively and efficiently.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

19. 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

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

Delegations

22. 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

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

Interpretation

26. For the purposes of this Agreement:

- (a) "Drought-affected area" refers to an area receiving state/territory government drought assistance in 2013-14 and/or 2014-15.

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

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

The Honourable Katrina Hodgkinson MP
Minister for Primary Industries

Signed for and on behalf of the State of Victoria by

The Honourable Peter Walsh MP
Minister for Agriculture and Food Security

Signed for and on behalf of the State of Queensland by

The Honourable Dr. John McVeigh MP
Minister for Agriculture, Fisheries and Forestry

Signed for and on behalf of the State of Western Australia by

The Honourable Ken Baston MLC
Minister for Agriculture and Food

Signed for and on behalf of the State of South Australia by

The Honourable Leon Bignell MP
Minister for Agriculture, Food and Fisheries

Signed for and on behalf of the State of Tasmania by

The Honourable Jeremy Rockliff MP
Minister for Primary Industries and Water

Signed for and on behalf of the Australian Capital Territory by

Simon Corbell MLA
Minister for the Environment and Natural Resources

Signed for and on behalf of the Northern Territory by

The Honourable Willem Westra van Holthe
MLA
Minister for Primary Industry and Fisheries

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

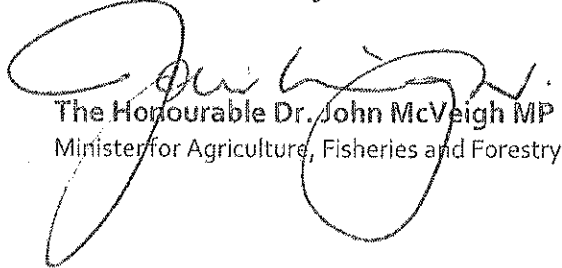
*Signed for and on behalf of the
State of New South Wales by*

The Honourable Katrina Hodgkinson MP
Minister for Primary Industries

*Signed for and on behalf of the
State of Victoria by*

The Honourable Peter Walsh MP
Minister for Agriculture and Food Security

*Signed for and on behalf of the
State of Queensland by*



The Honourable Dr. John McVeigh MP
Minister for Agriculture, Fisheries and Forestry

*Signed for and on behalf of the
State of Western Australia by*

The Honourable Ken Baston MLC
Minister for Agriculture and Food

*Signed for and on behalf of the
State of South Australia by*

The Honourable Leon Bignell MP
Minister for Agriculture, Food and Fisheries

*Signed for and on behalf of the
State of Tasmania by*

The Honourable Jeremy Rockliff MP
Minister for Primary Industries and Water

*Signed for and on behalf of the Australian
Capital Territory by*

Simon Corbell MLA
Minister for the Environment and Natural Resources

*Signed for and on behalf of the Northern
Territory by*

**The Honourable Willem Westra van Holthe
MLA**
Minister for Primary Industry and Fisheries

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



The Honourable Katrina Hodgkinson MP
Minister for Primary Industries

16 JUN 2014

Signed for and on behalf of the State of Queensland by

The Honourable Dr. John McVeigh MP
Minister for Agriculture, Fisheries and Forestry

Signed for and on behalf of the State of South Australia by

The Honourable Leon Bignell MP
Minister for Agriculture, Food and Fisheries

Signed for and on behalf of the Australian Capital Territory by

Simon Corbell MLA
Minister for the Environment and Natural Resources

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Minister for Agriculture and Food Security

Signed for and on behalf of the State of Western Australia by

The Honourable Ken Baston MLC
Minister for Agriculture and Food

Signed for and on behalf of the State of Tasmania by

The Honourable Jeremy Rockliff MP
Minister for Primary Industries and Water

Signed for and on behalf of the Northern Territory by

The Honourable Willem Westra van Holthe MLA
Minister for Primary Industry and Fisheries

Assistance to Queensland Farm Businesses for Water-Related Infrastructure and Pest Management

PART 1 – PROJECT OUTPUT

Output

A1 The outputs of this Agreement will be:

- (a) improved water-related infrastructure, which will:
 - i. assist to mitigate degradation of natural watering points through the provision of new water-related infrastructure;
 - ii. address animal welfare needs; and
 - iii. assist producers to be more resilient for future droughts.
- (b) improved pest animal management activities in drought affected areas, which will:
 - i. reduce total grazing pressure on farms, and/or
 - ii. reduce predation of agricultural livestock from pest animals.

PART 2 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the State

A2 In addition to the roles and responsibilities set out in the overarching Agreement, the State will be responsible for:

- (a) on-forwarding the Commonwealth funding contributions under this Agreement through the relevant state rebate schemes to eligible recipients through an increase in water infrastructure rebates from 50 per cent to 75 per cent;
- (b) on-forwarding the Commonwealth funding contributions for the pest management component to appropriate on-ground delivery organisations in accordance with the Project Plan and the following:
 - i. Ensure that funding will only be available for pest management in drought-affected areas that are receiving state government drought assistance.

- ii. Ensure funding builds on existing state/territory pest management programs which are active in drought-affected areas
- iii. Utilise an appropriate and effective delivery mechanism, which may include using state agencies, local natural resource management organisations, such as regional natural resource management bodies, local government, agricultural industry or other community based organisations with experience in pest animal management.
- iv. Ensure consultation with community, producers and landholders to identify the highest priority pest animals and most cost-effective control approaches to maximise benefits to the greatest number of farm enterprises.
- v. Ensure management techniques adhere to existing animal welfare legislation and voluntary or mandatory Codes of Practice and Standard Operating Procedures for the management of these pests, as well as any federal and state/territory environmental legislation and regulations.

PART 3 – PROJECT MILESTONES, REPORTING AND PAYMENTS

A3 Tables 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, and expected payments to be made, once a report demonstrating 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 Queensland farm businesses	Queensland emergency water infrastructure rebate program in operation for eligible producers	1 July 2014	\$3.0m
	Commonwealth acceptance of a report demonstrating take up by eligible producers equivalent to ≥ 75 per cent of total payments to date (i.e. $\geq \$2.25m$)	No later than 15 January 2015	\$3.0m
Pest management activities in drought affected areas	Commonwealth receipt of an agreed Project Plan provided by the State for delivery of the 2013-14 pest management funding	On or after signing of the agreement	\$3.5m
	Commonwealth receipt of an agreed Project Plan provided by the state for delivery of the 2014-15 pest management funding	19 September 2014	\$1.5m
	Commonwealth acceptance of a report demonstrating progress in delivery of the pest management funding in accordance with the Project Plans for 2013-14 and 2014-15.	No later than 15 February 2015	\$0.6m

Reporting arrangements

- A4 Queensland will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain the following information:
- (a) a description of actual performance of Queensland 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 outputs, and how Queensland 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.
- A5 Queensland will also prepare a final Project Report within 90 days of the completion of the projects agreed under the Project Agreement. The Project Report will be a stand-alone document that can be used for public information dissemination purposes. The final Project Report will:
- (a) describe the conduct, benefits and outcomes of the projects;
 - (b) evaluate the projects from the responsible Party's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and
 - (c) include a discussion of any other matters relating to the projects, limited to the minimum necessary for the effective assessment of performance and agreed between the Commonwealth and Queensland at least 60 days before it is due.

PART 4 – FINANCIAL ARRANGEMENTS

- A6 The Commonwealth will provide a total financial contribution to Queensland of up to \$11.6 million in respect of this Agreement. All payments are GST exclusive.
- A7 The Commonwealth's and the State's estimated financial contribution to the operation of this Agreement including through National Partnership payments to the State 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	2014-15	Total
Water Infrastructure	0.0	6.0	6.0
Managing Farm Pests	3.5	2.1	5.6
Estimated total budget	3.5	8.1	11.6
Less estimated National Partnership Payments	3.5	8.1	11.6
Balance of non-Commonwealth contributions	0.0	0.0	0.0

Assistance to New South Wales Farm Businesses for Pest Management

PART 1 – PROJECT OUTPUT

Output

B1 The output of this Agreement will be:

- (a) improved pest animal management activities in drought affected areas, which will:
 - i. reduce total grazing pressure on farms, and/or
 - ii. reduce predation of agricultural livestock from pest animals

PART 2 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the State

B2 In addition to the roles and responsibilities set out in the overarching Agreement, the State will be responsible for:

- (a) on-forwarding the Commonwealth funding contributions for the pest management component to appropriate on-ground delivery organisations in accordance with the Project Plan and the following:
 - i. Ensure that funding will only be available for pest management in drought-affected areas that are receiving state government drought assistance.
 - ii. Ensure funding builds on existing state/territory pest management programs which are active in drought-affected areas
 - iii. Utilise an appropriate and effective delivery mechanism, which may include using state agencies, local natural resource management organisations, such as regional natural resource management bodies, local government, agricultural industry or other community based organisations with experience in pest animal management.
 - iv. Ensure consultation with community, producers and landholders to identify the highest priority pest animals and most cost-effective control approaches to maximise benefits to the greatest number of farm enterprises.
 - v. Ensure management techniques adhere to existing animal welfare legislation and voluntary or mandatory Codes of Practice and Standard Operating Procedures for

the management of these pests, as well as any federal and state/territory environmental legislation and regulations.

PART 3 – PROJECT MILESTONES, REPORTING AND PAYMENTS

B3 Tables 1 summarises the milestones for the projects, their relationship to the outputs, expected completion dates, and expected payments to be made, once a report demonstrating that milestones have been met is received and accepted.

Table 1: Milestones, reporting and payment summary

Output	Milestones	Date due	Payment
Pest management activities in drought affected areas	Commonwealth receipt of an agreed Project Plan provided by the State for delivery of the 2013-14 pest management funding	On or after signing of the agreement	\$1.5m
	Commonwealth receipt of an agreed Project Plan provided by the state for delivery of the 2014-15 pest management funding	19 September 2014	\$0.6m
	Commonwealth acceptance of a report demonstrating progress in delivery of the pest management funding in accordance with the Project Plans for 2013-14 and 2014-15.	No later than 15 February 2015	\$0.3m

Reporting arrangements

B4 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 outputs, 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.

B5 New South Wales will also prepare a final Project Report within 90 days of the completion of the projects agreed under the Project Agreement. The Project Report will be a stand-alone document that can be used for public information dissemination purposes. The final Project Report will:

- (a) describe the conduct, benefits and outcomes of the projects;
- (b) evaluate the projects from the responsible Party's perspective, including assessing the extent to which the project milestones have been achieved and why any aspect was not achieved; and

- (c) include a discussion of any other matters relating to the projects, limited to the minimum necessary for the effective assessment of performance and agreed between the Commonwealth and Queensland at least 60 days before it is due.

PART 4 – FINANCIAL ARRANGEMENTS

- B6 The Commonwealth will provide a total financial contribution to New South Wales of up to \$2.4 million in respect of this Agreement. All payments are GST exclusive.
- B7 The Commonwealth's and the State's estimated financial contribution to the operation of this Agreement including through National Partnership payments to the State 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	2014-15	Total
Managing Farm Pests	1.5	0.9	2.4
Estimated total budget	1.5	0.9	2.4
Less estimated National Partnership Payments	1.5	0.9	2.4
Balance of non-Commonwealth contributions	0.0	0.0	0.0