

Western Australia

PROJECT AGREEMENT FOR AN ON-FARM EMERGENCY WATER INFRASTRUCTURE REBATE SCHEME

PART 1: PRELIMINARIES

1. This bilateral schedule to the Project Agreement for an On-farm Emergency Water Infrastructure Rebate Scheme should be read in conjunction with that Agreement. The Schedule has been developed in accordance with clause 11 of the Agreement.

PART 2: FORMALITIES

2. This Schedule will commence as soon as it is agreed between the Commonwealth and Western Australia and expire on 30 June 2021 or on completion of the project, including final performance reporting and processing of final payments against milestones.

PART 3: DELIVERY OF THE ON-FARM EMERGENCY WATER INFRASTRUCTURE REBATE SCHEME IN WESTERN AUSTRALIA

3. Under this Schedule, Western Australia agrees to deliver a rebate scheme, with Commonwealth funding of up to \$5.62 million over the life of the agreement, to drought affected primary producers and horticulture farmers in Western Australia over 2018-19 to 2020-21.
4. In providing rebates to primary producers and horticulture farmers, Western Australia must be satisfied that the rebate recipient has demonstrated that they are from the grazing or horticulture industries and within one of the districts highly vulnerable to periodic severe water deficiencies.
5. 'Drought-affected' in the WA context will refer to all of Western Australia's grazing districts which are highly vulnerable to periodic severe water deficiencies. These will be defined in Western Australian program guidelines for the rebate scheme, to be published in 2019. The definition of drought-affected may be amended over the life of the scheme in consultation with the Commonwealth as conditions change and will be published as required.

PART 4: FINANCIAL ARRANGEMENTS

6. The Commonwealth will provide a maximum estimated financial contribution of \$5,620,000 to Western Australia. All payments are exclusive of GST.
7. The estimated financial contributions to be provided by the Commonwealth are outlined in Table 1.

Table 1. Estimated financial contributions

\$	2018-19 (actuals)	2019-20	2020-21	Total
Estimated total budget	250,000	3,770,000	1,600,000	5,620,000
Less estimated National Partnership Payments	250,000	3,770,000	1,600,000	5,620,000
Balance of non- Commonwealth contributions	0	0	0	0

PART 5: PROJECT MILESTONES, REPORTING AND PAYMENTS

8. Table 2 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to Western Australia demonstrating that the relevant milestone has been met.

Table 2: Milestones, reporting and payment summary

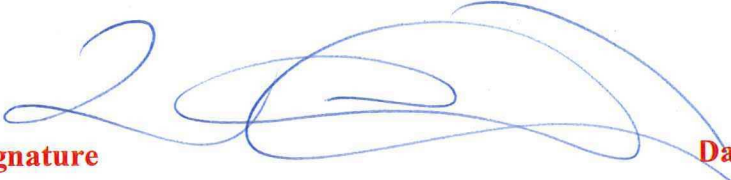
Output	Performance milestone	Report due	Payment
<u>Year 1, 2018-19</u> New infrastructure to water livestock for drought affected farm businesses	<i>Milestone 1</i> Payments made to eligible primary producers consistent with this agreement for the period 1 July 2018 and 30 April 2019	1 May 2019	Value of rebates paid to 30 April 2019, up to \$1,350,000
	<i>Milestone 2</i> Establishment of first 50% administration arrangements for the delivery of a Western Australian On-farm Emergency Water Infrastructure Rebate Scheme in accordance with Part 3 of this schedule	1 May 2019	\$250,000
<u>Year 2, 2019-20</u> New infrastructure to water livestock and permanent plantings for drought affected farm businesses	<i>Milestone 3</i> Payments made to eligible primary producers and horticulture farmers consistent with this agreement for the period 1 May 2019 and 30 April 2020	1 May 2020	Value of rebates paid from 1 May 2019 to 30 April 2020 up to \$3,770,000
<u>Year 3, 2020-21</u> New infrastructure to water livestock and permanent plantings for drought affected farm businesses	<i>Milestone 4</i> Establishment of second 50% administration arrangements for the delivery of a Western Australian On-farm Emergency Water Infrastructure Rebate Scheme in accordance with Part 3 of this schedule	1 May 2021	\$250,000
	<i>Milestone 5</i> Payments made to eligible primary producers and horticulture farmers consistent with this agreement for the period 1 May 2020 and 30 April 2021.	1 May 2021	Value of rebates paid from 1 May 2020 to 30 April 2021 up to \$1,350,000

9. The State will provide performance reports in accordance with Table 2 during the operation of the Agreement. Each performance report is to contain a description of:
 - a. total rebate applications received
 - b. rebate applications processed
 - c. total funding disbursed
 - d. activities funded
 - e. location of activities
 - f. expected rebate applications over the next milestone period
 - g. other parameters as agreed between the Commonwealth and Western Australia by senior officials.
10. In addition to performance reports, Western Australia will provide quarterly status reports or as requested over the life of the agreement.
11. Status reports will include data on rebate applications received, processed and total funding disbursed and total funding per eligible activity.

PART 6: SIGN OFF

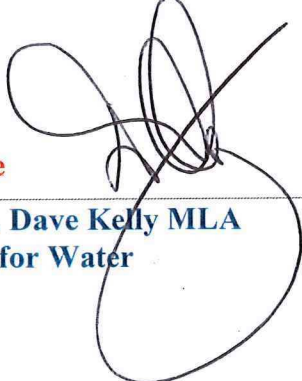
12. The Parties have confirmed their commitment to this agreement as follows:

Signed for and on behalf of the Commonwealth of Australia by

Signature  **Date** 29.1.20

The Hon. David Littleproud MP
Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management

Signed for and on behalf of Western Australia by

Signature  **Date** 18/2/20

The Hon. Dave Kelly MLA
Minister for Water

On-farm Emergency Water Infrastructure Rebate Scheme

FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Formalities and operation of schedule	
Parties	Commonwealth of Australia New South Wales Victoria Queensland Western Australia South Australia Tasmania Australian Capital Territory Northern Territory
Effect on other agreements	The Project Agreement for an On-farm Emergency Water Infrastructure Rebate Scheme that commenced on 14 December 2018 is replaced by this Agreement and Schedule. This Schedule is expected to expire on 30 June 2021.
Output and Purpose	This Schedule will provide funding for rebates to eligible primary producers and horticulture farmers for the costs associated with the purchase and installation of on-farm water infrastructure that addresses animal welfare needs, permanent planting needs and improves resilience to drought.

Estimated financial contributions

The Commonwealth will provide an estimated total financial contribution to the States of up to \$11.905 million in respect of this Schedule, noting this does not include payments made prior to 1 July 2020 under previous agreements. All payments are GST exclusive.

Table 1 (\$ million)	2020-21
Estimated total budget	11.905
Less estimated National Partnership Payments	11.905
New South Wales	2.0
Victoria	0.0
Queensland	3.0
Western Australia	1.6
South Australia	1.0
Tasmania	0.5
Australian Capital Territory	0.76
Northern Territory	1.0
Unallocated funds	2.045
Balance of non-Commonwealth contributions	0.0

The Commonwealth will provide an additional estimated total financial contribution to the States of up to \$50 million in respect of this Schedule, noting this does not include payments made prior to 1 July 2020 under the previous agreement. States will be paid the value of funding for legacy rebates received before 2 October 2020 on the condition that they participate in the expansion of the Scheme by co-funding all future applications. All payments are GST exclusive.

Table 2 (\$ million)	2020-21
Estimated total budget (1)	50.175
Estimated National Partnership Payments (2)	50
New South Wales	
Victoria	
Queensland	
Western Australia	2.620
South Australia	
Tasmania	
Australian Capital Territory	
Northern Territory	
Unallocated funds	47.379
Balance of non-Commonwealth contributions	0.175
(3) = (1) – (2)	

Note: the full distribution of co-funded financial contributions will be determined after consultation with the States.

<p>Additional terms</p>	<p>Guidance on eligible project activities is at Appendix A.</p> <p>In providing rebates to primary producers and horticulture farmers, the States must be satisfied that the rebate recipient has demonstrated that they are from the grazing or horticulture industries and drought affected.</p> <p>'Drought-affected' will be defined in State program guidelines for the rebate scheme. The definition of drought-affected may be amended over the life of the scheme in consultation with the Commonwealth as conditions change and will be published as required.</p> <p>Rebates will be 25 per cent of the costs incurred by primary producers and horticulture farmers, up to a maximum total rebate of \$25,000, for eligible activities undertaken. States will be paid the value of funding for legacy rebates received before 2 October 2020 on the condition that they participate in the expansion of the Scheme by co-funding all future applications for at least 12.5 per cent of the rebate.</p> <p>As part of milestone reporting, States are required to provide evidence of payments made to eligible farmers in regards to both Commonwealth and non-Commonwealth contributions.</p>
-------------------------	---

Table 3D: Western Australia – Performance requirements, reporting and payment summary			
Output	Performance milestones	Report due	Payment
New infrastructure to water livestock and permanent plantings for drought affected farm businesses	<i>Milestone 4</i> Establishment of second 50% administration arrangements for the delivery of a Western Australian On-farm Emergency Water Infrastructure Rebate Scheme	1 May 2021	\$250,000
	<i>Milestone 5</i> Payments made to eligible primary producers and horticulture farmers consistent with this agreement for the period 1 May 2020 and 30 April 2021.	1 May 2021	Value of rebates paid from 1 May 2020 to 30 April 2021 up to \$1,350,000
New infrastructure to water livestock and permanent plantings for drought affected farm businesses under the expansion of the Scheme	<i>Milestone 6</i> Payments at 25 per cent Commonwealth funding made to eligible legacy primary producers and horticulture farmers consistent with this agreement for the period 1 January 2020 to 1 October 2020.	15 May 2021	Value of legacy rebates received under prior arrangements from 1 January 2020 to 1 October 2020 up to \$2,445,128.21
	<i>Milestone 7</i> Co-funded payments at 12.5 per cent Commonwealth funding made to eligible primary producers and horticulture farmers consistent with this agreement for the period 2 October 2020 to 10 June 2021.	11 June 2021	Value of co-funded rebates paid from 2 October 2020 to 10 June 2021 up to \$175,000.

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Keith Pitt MP

Minister for Resources, Water and Northern Australia

[Day] [Month] [Year]

8/4/21.

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



The Honourable Dave Kelly MLA

Minister for Water, Forestry, Youth

[Day] [Month] [Year]

15/4/21

APPENDIX A: GUIDANCE TO STATES ON ELIGIBILITY FOR COMMONWEALTH FUNDING UNDER THE REBATE SCHEME

- A1 Eligible applicants must:
- a. be a primary producer or horticulture farmer (as defined by the state or territory in relation to delivering the rebate scheme)
 - b. be property owners, share farmers or lease holders in the grazing industry
 - c. purchase and install water infrastructure for grazing livestock or permanent plantings that the landholder owns (not stock agisted on their property).
- A2 The property must be within an area defined by the state or territory as being drought impacted as defined in accordance with this schedule.
- A3 Water infrastructure must be purchased and installed for an animal welfare or permanent planting need and to improve drought resilience.
- A4 Eligibility for the rebate for primary producers applies to:
- a. water infrastructure purchased after 30 June 2018
 - b. the purchase and installation of:
 - i. pipes
 - ii. water storage devices such as tanks and troughs associated with stock watering
 - iii. water pumps and associated water distribution systems
 - c. the drilling of new stock water bores and associated power supply such as generators
 - d. desilting dams.
- A5 Eligibility for the rebate for horticulture farmers applies to:
- a. water infrastructure purchased after 30 June 2019
 - b. the purchase and installation of:
 - i. the drilling of new horticulture groundwater bores
 - ii. desilting dams.