

Phase Out of Live Sheep Exports by Sea – transition assistance

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule																																									
Parties	Commonwealth Western Australia																																								
Duration	This Schedule is expected to expire on 30 June 2029.																																								
Purpose	<p>This Schedule will support implementation of the Commonwealth's Phase Out of Live Sheep Exports by Sea – transition assistance in Western Australia. It includes:</p> <ul style="list-style-type: none"> • A \$40.0 million Processing Capacity program from 2025-26, targeting capital works increasing the capacity, efficiency and productivity of the sheep processing supply chain in Western Australia (Attachment A). • A \$1.5 million Community wellbeing program from 2024-25 to promote resilience in Western Australian communities impacted by the phase out of live sheep exports by sea (Attachment B). • \$2.0 million from 2024-25 to cover Western Australia administration costs for the delivery of the two programs outlined above. <p>The export of live sheep by sea from Australia is prohibited by law from 1 May 2028. Programs under this Schedule are to assist sheep producers and supply chain businesses to plan, respond and adapt to the phase out of live sheep exports by sea.</p>																																								
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to Western Australia of \$43.5 million (GST exclusive) in respect of this Schedule.</p> <table border="1"> <thead> <tr> <th colspan="2">Table 1</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> <th>2027-28</th> <th>2028-29</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Estimated total budget</td> <td></td> <td>1.010</td> <td>16.290</td> <td>15.559</td> <td>10.453</td> <td>0.188</td> <td>43.500</td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Western Australia</td> <td></td> <td>1.010</td> <td>16.290</td> <td>15.559</td> <td>10.453</td> <td>0.188</td> <td>43.500</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td></td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> <td>0.000</td> </tr> </tbody> </table>	Table 1		2024-25	2025-26	2026-27	2027-28	2028-29	Total	Estimated total budget		1.010	16.290	15.559	10.453	0.188	43.500	<i>Less estimated National Partnership Payments</i>								- Western Australia		1.010	16.290	15.559	10.453	0.188	43.500	Balance of non-Commonwealth contributions		0.000	0.000	0.000	0.000	0.000	0.000
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Additional terms	<p>Roles and responsibilities</p> <p>1. The Commonwealth and Western Australia recognise that this agreement establishes clear responsibilities between the Parties to support the successful implementation of the specified programs.</p> <p><i>Role of the Commonwealth</i></p> <p>2. In addition to Clause 19 of the FFA – Environment Agreement, the Commonwealth:</p> <ol style="list-style-type: none"> a. is responsible for the broad policy parameters of the programs b. will, through exchange of letters between senior officials, agree a governance framework and any grant guidelines for program delivery. <p><i>Role of Western Australia</i></p> <p>3. In addition to Clause 20 of the FFA – Environment, Western Australia:</p> <ol style="list-style-type: none"> a. is responsible for efficient and effective program delivery and administration in accordance with public sector ethical values and duties such as probity, accountability and transparency. b. will implement the governance framework referred to in clause 2b above to oversee the delivery of the programs. c. will develop, implement and manage the programs to provide funding to recipients. <p>Third parties</p> <p>4. Western Australia may engage third parties to support the delivery of programs under this Schedule.</p> <p>5. While third parties are not signatories to this Schedule, Western Australia is responsible for ensuring third party compliance with the terms and conditions of this Schedule.</p> <p>Monitoring, reporting and evaluation</p> <p>6. Western Australia will provide 6-monthly reporting to the Commonwealth on the progress of projects funded under the programs. Reporting requirements and due dates are outlined in Table 2.1 and 2.2.</p> <p>7. Western Australia will provide a Post-Completion Report to the Commonwealth within 6 months of the completion of each program described in this schedule. Reporting requirements and due dates are outlined in Table 2.1 and 2.2.</p> <p>8. The reports will be approved by the appropriate delegated representative of the relevant Western Australian department or agency.</p>
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9. Western Australia will support the Commonwealth to respond to reasonable ad-hoc queries in relation to the programs described in this Schedule.

10. A review of the funding profile will be undertaken annually.

Unspent funds

11. Uncommitted program funds are to be returned to the Commonwealth.

12. Consistent with the original policy intent, either party may propose an alternative purpose for any uncommitted program funds, which if agreed would be actioned through a variation of the Schedule.

Program descriptions

13. Program descriptions are at Attachment A and B.

Table 2.1: Performance requirements, reporting and payment summary – Process Capacity program and administration		
Performance milestones	Report due	Payment
<p>Milestone 1 – Executed Schedule Western Australia enters into a funding agreement with the Commonwealth by signing this Schedule.</p>	Upon execution	\$260,000
<p>Milestone 2 – Program Plan to enable the delivery of the Processing Capacity Program Receipt and Commonwealth acceptance of a Program Plan that is aligned to the program parameters outlined in Attachment A and includes:</p> <ul style="list-style-type: none"> • implementation details, such as phases of the program and high-level delivery schedules/timelines, projected budget, expected outcomes and performance metrics • governance arrangements for program delivery <ul style="list-style-type: none"> • monitoring and evaluation plan • risk assessment and risk management plan • communication and engagement plan • reporting requirements as agreed per clause 6 	15/06/2025 (for payment in 2025-26)	\$15,540,000
<p>Milestone 3 – Interim Progress Report as at 31 December 2025 Satisfactory progress against the Program Plan demonstrated through an interim Progress Report as at 31 December 2025 to the satisfaction of the Commonwealth that includes:</p> <ul style="list-style-type: none"> • progress report on activities tracked against the Program Plan • itemised Expenditure Report • amount of the allocated funding that has been expended and committed • number of projects contracted • for each grant funded: <ul style="list-style-type: none"> • description of works, grant and co-contribution amount, delivery progress, timeline for completion and status of funds expended • identify areas/towns/locations where grants investment occurring • performance metrics on objectives for each grant, for example: number/size of cool rooms funded. 	28/02/2026	nil

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<p>Milestone 4 – Annual Progress Report as at 30 June 2026</p> <p>Satisfactory progress against the Program Plan demonstrated through an Annual Progress Report as at 30 June 2026 to the satisfaction of the Commonwealth that includes:</p> <ul style="list-style-type: none"> • if needed, an updated Program Plan agreed with the Commonwealth, reflecting any changes to implementation, including changes in the work program, major delays or issues to date • progress report on activities tracked against the Program Plan • itemised Expenditure Report • amount of the allocated funded that has been expended and committed • number of projects contracted. • for each grant funded: <ul style="list-style-type: none"> • description of works, grant and co-contribution amount, delivery progress, timeline for completion and status of funds expended • identify areas/towns/locations where grants investment occurring • performance metrics on objectives for each grant, for example: number/size of cool rooms funded. 	<p>31/08/2026</p>	<p>\$15,559,000</p>
<p>Milestone 5 – Interim Progress Report as at 31 December 2026</p> <p>Satisfactory progress against the Program Plan demonstrated through an Interim Progress Report as at 31 December 2026 to the satisfaction of the Commonwealth containing:</p> <ul style="list-style-type: none"> • progress report on activities tracked against the Program Plan • itemised Expenditure Report • amount of the allocated funded that has been expended and committed • number of projects contracted • for each grant funded: <ul style="list-style-type: none"> • description of works, grant and co-contribution amount, delivery progress, timeline for completion and status of funds expended • identify areas/towns/locations where grants investment occurring • performance metrics on objectives for each grant, for example: number/size of cool rooms funded 	<p>28/02/2027</p>	<p>nil</p>
<p>Milestone 6 – Annual Progress Report as at 30 June 2027</p> <p>Satisfactory progress against the Program Plan demonstrated through an Annual Progress Report as at 30 June 2027 to the satisfaction of the Commonwealth that includes:</p> <ul style="list-style-type: none"> • if needed, an updated Program Plan agreed with the Commonwealth, reflecting any changes to implementation, including changes in the work program, major delays or issues to date • progress report on activities tracked against the Program Plan • itemised Expenditure Report • amount of the allocated funded that has been expended and committed 	<p>31/08/2027</p>	<p>\$10,453,000</p>

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<p>Milestone 7 – Interim Progress Report as at 31 December 2027 Satisfactory progress against the Program Plan demonstrated through an Interim Progress Report as at 31 December 2028 to the satisfaction of the Commonwealth containing:</p> <ul style="list-style-type: none"> • progress report on activities tracked against the Program Plan • itemised Expenditure Report • number of projects contracted • for each grant funded: <ul style="list-style-type: none"> • description of works, grant and co-contribution amount, delivery progress, timeline for completion and status of funds expended • identify areas/towns/locations where grants investment occurring • performance metrics on objectives for each grant, for example: number/size of cool rooms funded 	28/02/2028	Nil
<p>Milestone 8 – Annual Report as at 30 June 2028 Satisfactory progress against the Program Plan demonstrated through an Interim Progress Report as at 30 June 2028 to the satisfaction of the Commonwealth containing:</p> <ul style="list-style-type: none"> • progress report on activities tracked against the Program Plan • itemised Expenditure Report • amount of the allocated funded that has been expended and committed • number of projects contracted • for each grant funded: <ul style="list-style-type: none"> • description of works, grant and co-contribution amount, delivery progress, timeline for completion and status of funds expended • identify areas/towns/locations where grants investment occurring • performance metrics on objectives for each grant, for example: number/size of cool rooms funded 	31/08/2028	\$188,000
<p>Milestone 9 – Final Report as at 31 December 2028 Receipt and acceptance of a Final Report and itemised expenditure report against the Program Plan that demonstrates through a Final Progress Report the Processing Capacity Program have been delivered successfully as described in the agreement. This includes:</p> <ul style="list-style-type: none"> • progress report on activities tracked against the Program Plan • itemised Expenditure Report 	31/03/2029	nil

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Table 2.2: Performance requirements, reporting and payment summary – Community Wellbeing program		
Performance milestones	Report due	Payment
<p>Milestone 1- Program Plan to enable the delivery of the Community Wellbeing Program</p> <p>Receipt and Commonwealth acceptance of a Program Plan that identifies the parties that will conduct activities, amounts each party will receive and a detailed delivery timeline for the program and Governance framework.</p>	28/02/25	\$750,000
<p>Milestone 2 – Progress Report as at 30 June 2025</p> <p>Satisfactory progress against the Program Plan demonstrated through an Interim Progress Report as at 30 June 2025 to the satisfaction of the Commonwealth containing:</p> <ul style="list-style-type: none"> • progress report on activities tracked against the Program Plan • itemised Expenditure Report • number of projects/organisations contracted • for each grant funded – description of activities, grant amount, delivery progress, timeline for completion and status of funds expended • performance metrics on program objectives/outcomes such as number of activities per geographical location, number of interactions, etc. 	31/08/2025	\$750,000
<p>Milestone 3 – Final Report as at 30 June 2026</p> <p>Satisfactory progress against the Program Plan demonstrated through a Final Progress Report as at 30 June 2026 to the satisfaction of the Commonwealth containing:</p> <ul style="list-style-type: none"> • progress report on activities tracked against the Program Plan • itemised Expenditure Report • number of projects/organisations contracted • For each grant funded – description of activities, grant amount, delivery progress, timeline for completion and status of funds expended • performance metrics on program objectives/outcomes such as number of activities per geographical location, number of interactions, etc. 	31/12/2026	nil

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

Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Julie Collins MP
Minister for Agriculture, Fisheries and Forestry

[Day] [Month] [Year]

19 12 2024

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



The Honourable Jackie Jarvis MLC
Minister for Agriculture and Food; Forestry; Small
Business

[Day] [Month] [Year]

18 12 2024

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Processing Capacity Program Description

Objectives

- To increase onshore processing supply chain capacity, efficiency and productivity in Western Australia to assist sheep producers and supply chain businesses to adjust to phase out of live sheep exports by sea.
- Processing supply chain businesses in Western Australia have confidence to invest to help moderate the impacts of the phase out.

Outcomes

- The processing supply chain in Western Australia is better positioned to meet the demands of processing livestock (sheep) following the phase out of live exports by sea.
- A stronger more resilient sheep industry and supply chain, adaptable to change.

Eligibility

Eligible activities in scope for this program:

- Proposals providing minimum 1:1 funding co-contributions for:
 - capital projects expanding the capacity, efficiency and productivity of sheep processing facilities
 - capital projects increasing cold storage capacity, efficiency and productivity for sheep products
 - capital projects increasing sheep feed lotting capacity, efficiency and productivity.

Western Australia may propose additional eligible activities relevant to the program subject to agreement by the Commonwealth. Proposals can be made via correspondence between senior officials and must include justification of how the activity will contribute to the program objectives and outcomes.

Community Wellbeing Program Description

Objectives

To help sheep producing communities in Western Australia impacted by the phase out of live sheep exports by sea, to strengthen community resilience, build connections and foster wellbeing.

Outcomes

Impacted Western Australian local communities are more ready and impacts are moderated when live sheep exports by sea end in 2028.

Eligibility

Eligible activities in scope for this program:

- activities, services and communication that strengthen community resilience, build connections and foster wellbeing
- activities that occur in regional and rural communities directly impacted by the phase out of live sheep exports by sea.

Western Australia may propose additional eligible activities relevant to the program subject to agreement by the Commonwealth. Proposals can be made via correspondence between senior officials and must include justification of how the activity will contribute to the program objectives and outcomes.