

AMENDED PROJECT AGREEMENT FOR THE SOUTH AUSTRALIA WINE RECOVERY PROGRAM, AND THE HORTICULTURAL NETTING INFRASTRUCTURE PROGRAM - TRIAL

An agreement between:

- the **Commonwealth of Australia**; and
- the **State of South Australia**.

The outputs of this project will be the delivery of a grants program for the purchase and installation of new or replacement of damaged protective netting for horticultural crops; and the delivery of funding for vineyard waste management, building local wine demand, and strengthening regional grape and wine capability.

Amended Project Agreement for the South Australia Wine Recovery Program, and the Horticultural Netting Infrastructure Program - Trial

overview

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.

Purpose

2. This Agreement will support the delivery of funds to primary producers of horticultural crops to purchase and install protective netting to reduce the impact of adverse weather conditions and animal predation, and to reduce the water usage on those same farms.
3. This Agreement was amended in January 2025 to allow South Australia to use residual Commonwealth funding to support wine industry recovery in South Australia by implementing new programs to support waste management, build local demand, establish capability initiatives, and realise future opportunities.

Reporting Arrangements

4. The State of South Australia will report against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

Financial Arrangements

5. The Commonwealth will provide an estimated total financial contribution of \$14.6 million exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

Part 1 — Formalities

6. This Agreement constitutes the entire agreement for this project.

Parties to this Agreement

7. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State of South Australia.

Term of the Agreement

8. This Agreement will commence as soon as the Commonwealth and South Australia sign it and will expire on 30 June 2026 or on completion of the project, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

9. All funding is to be contracted by the State of South Australia by 30 June 2025 with completion of all works to be finalised by, and payments made to grantees by, 30 June 2026.

PART 2 – PROJECT OUTPUT

Outputs

10. To provide funding for payments to eligible primary producers for the costs associated with the purchase and installation of new or damaged protective netting over areas of land used to grow horticultural crops.
11. To provide for use of residual funding already paid by the Commonwealth to support South Australia to deliver a Wine Recovery Program through:
 - a. a vineyard waste management program: supporting waste management of already abandoned or removed vineyards.
 - b. building local demand through South Australia wine promotion: supporting the sector to maintain domestic market share through improved sector promotion.
 - c. regional grape and wine capability program: support state and regional grape and wine associations to run capability initiatives to assist local industry address current issues and realise future opportunities.

Part 3 — roles and responsibilities of each party

Role of the Commonwealth

12. The Commonwealth will be responsible for:
 - (a) monitoring and assessing achievement against milestones in the delivery of the Horticultural Netting Infrastructure Program and the South Australia Wine Recovery Program under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) providing a consequent financial contribution to the States to support the implementation of this Agreement.
13. The State of South Australia will be responsible for:
 - (a) all aspects of delivering on the project outputs set out in this Agreement;
 - (b) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

Shared roles

14. The Commonwealth and the State of South Australia agree to be jointly responsible for:
 - (a) participating in consultations as appropriate regarding implementation of this Agreement;
 - (b) participating in program evaluation of outputs delivered under this Agreement at no cost to the Commonwealth and the State of South Australia.

15. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, 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

16. Table 1 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 the annual performance report demonstrating the relevant milestone has been met.

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestone(s)	Report due	Payment
1. For the delivery of a Horticultural Netting Program	South Australia submits a high-level implementation approach for the program.	31/07/2020	\$7,300,000
	Report detailing all aspects of delivery of the Horticultural Netting Program from commencement to 31 December 2020	31/01/2021	\$7,300,000
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 January 2021 to 30 June 2021	31/07/2021	Nil
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 July 2021 to 31 December 2021	31/01/2022	Nil
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 January 2022 to 30 June 2022	31/07/2022	Nil
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 July 2022 to 31 December 2022	31/01/2023	Nil
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 January 2023 to 30 June 2023.	31/07/2023	Nil
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 July 2023 to 31 December 2023.	31/01/2024	Nil
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 January 2024 to 30 June 2024.	31/07/2024	Nil
	Report detailing all aspects of delivery of the Horticultural Netting Program from 1 July 2024 to 31 December 2024.	31/01/2025	Nil
Report detailing all aspects of delivery of the Horticultural Netting Program from 1 January 2025 to 30 June 2025.	31/07/2025	Nil	
2. For the delivery of the South Australia Wine Recovery Program	South Australia to provide an implementation approach document to the satisfaction of the Commonwealth for the South Australia Wine Recovery Program	3 months after the signing of this revised Agreement	Nil. Residual funds from Output 1 already paid by the Commonwealth to South Australia will be used for Output 2

	As per clause 20, report detailing all aspects of delivery of the South Australia Wine Recovery Program from 1 Jan 2025 to 30 June 2025.	31/07/2025	Nil.
	As per clause 20, report detailing all aspects of delivery of the South Australia Wine Recovery Program from 1 July 2025 to 31 December 2025.	31/01/2026	Nil.
	As per clause 20, report detailing all aspects of delivery of the South Australia Wine Recovery Program from 1 Jan 2026 to 30 June 2026.	31/07/2026	Nil.

17. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

Reporting arrangements

18. The State of South Australia will provide performance milestone reports in accordance with Table 1 during the operation of the Agreement.
19. Each performance milestone report is to contain a description of actual performance in that reporting period in the performance milestone.
20. Each performance milestone report is to contain the following information:

For Horticultural Netting Program

- (A) Payments made to primary producers: number of grants; average grant value; total grant value.
- (b) Crops: average hectares covered by total grant value; hectares covered by commodity; total hectares covered.
- (c) Location: region within the State in which the grantee farm is located.
- (d) Progress with purchase and installation of horticultural netting funded through the Program.

For South Australia Wine Recovery Program

- (E) Vineyard waste stream management: number of projects funded; total project value; type of project funded, location of project
- (F) Building domestic demand: number of grants; average grant value; total grant value; types of activity funded location of grant.
- (G) Regional grape and wine capability: number of grants; average grant value; total grant value; location of regional association and grape grower or wine maker.

Part 5 — financial arrangements

21. The Commonwealth will provide an estimated total financial contribution to the State of South Australia of \$14.6 million in respect of this Agreement. All payments are GST exclusive.
22. The Commonwealth's contribution to the State of South Australia for funding through the Horticultural Netting Program – Trial and the South Australia Wine Recovery Program is up to the maximum amount in Table 2.
23. The Commonwealth's funding contribution will not be reduced where the State of South Australia secures funding from other activity partners.
24. The Commonwealth's and the State of South Australia's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the State of South Australia paid in accordance with *Schedule D — Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: Estimated financial contribution from the Commonwealth to South Australia

(\$ million)	2019-20	2020-21	2021-22	Total
Estimated total budget	0.0	14.600	0.0	14.600
Less estimated payments under the Project Agreement to South Australia	0.0	14.600	0.0	14.600
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0

25. Having regard to the agreed estimated costs of the project specified in this Agreement, the State of South Australia 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 State of South Australia bears all risk should the cost of the project exceed the agreed estimated cost. The Parties acknowledge that this arrangement provides the maximum incentive for the State of South Australia to deliver the project cost effectively and efficiently.

Part 6 — governance arrangements

Enforceability of the Agreement

26. 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

27. The Agreement may be amended at any time by agreement in writing by all the Parties.
28. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all Parties in writing.

Delegations

29. 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

30. Any Party may give notice to other Parties of a dispute under this Agreement.
31. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
32. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

Interpretation

33. For the purposes of this Agreement:

Horticultural Netting Program

- a. Eligible primary producers are applicants who operate as a farm business that produces horticultural crops (including grape vines cultivated for wine making). Further guidance is at Schedule A.

- b. Payments to eligible primary producers will be 50 per cent of the costs incurred by primary producers, up to a maximum payment of \$300,000, for eligible activities undertaken from 16 December 2019.

South Australia Wine Recovery Program

Guidance is provided at Schedule A.

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

Signed for and on behalf of the Commonwealth of Australia by



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

28.01.2025

[Day] [Month] [Year]

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



The Honourable Clare Scriven MLC
Minister for Primary Industries and Regional Development

3.2.2025

[Day] [Month] [Year]

Project Eligibility

PROJECT AGREEMENT FOR THE HORTICULTURAL NETTING PROGRAM AND THE SOUTH AUSTRALIA WINE RECOVERY PROGRAM

Project eligibility criteria

A1 Guidance to the State of South Australia on eligibility for Commonwealth funding under the Horticultural Netting Program.

1. Eligible applicants must:
 - a. Be operating a primary production business (as defined by the *Income Tax Assessment Act 1997*); and
 - b. Be property owners, share farmers or lease holders in the horticulture industry; and
 - c. Purchase and install protective netting over existing horticultural crops.
2. The land to be covered must have an established use of horticulture cropping prior to 16 December 2019.
3. The protective netting must be purchased and installed to reduce the impact of adverse weather events and animal predation, and to reduce water consumption.
4. Protective netting must be purchased and installed after 16 December 2019.
5. Eligibility for the payment applies to the purchase and installation of permanent and throw-over protective netting and associated support structures.
6. The replacement of netting damaged by the bushfires of 2019-20 is not eligible for the payment.
7. Residual funds not allocated under the Horticultural Netting Program will be available for distribution across the three streams of the South Australia Wine Recovery Program.

A2 Guidance to the State of South Australia on eligibility for Commonwealth funding under the South Australia Wine Recovery Program.

Vineyard Waste Management Program stream

1. Eligible funding recipients are:
 - a. Not for profit, associations incorporated under the Associations Incorporation Act 1985 (South Australia), each representing the interests of a particular sector of the grape or wine industry in South Australia;
 - b. South Australian waste management providers;
 - c. Green Industries SA;

- d. Organisations identified by the State of South Australia as providing services to the wine industry (e.g. Wine Australia);
 - e. Other organisations identified by the State of South Australia as supporting the recycling or circulatory of vineyard waste streams.
2. Eligible projects are those which support vineyard operators to adhere to best practice for the management of vineyard CCA posts and other vineyard waste. This may include:
 - a. Completion of risk assessments; storage and management of CCA posts, and infrastructure associated with irrigation and trellis wire;
 - b. Projects must commence after 1 December 2024 and be completed by 30 June 2026.
 3. To ensure the greatest value for this program stream, the following activities are ineligible for funding:
 - a. Retrospective funding for projects or works carried out prior to 1 December 2024;
 - b. Costs associated with preparing applications for funding;
 - c. Costs associated with the sale of land.

Building Domestic Demand Program stream

1. Eligible funding recipients are:
 - a. Not for profit, associations incorporated under the Associations Incorporation Act 1985 (South Australia), each representing the interests of a particular sector of the grape or wine industry in South Australia;
 - b. Australian universities and other higher or further education providers;
 - c. Brand South Australia (an entity of the Department of State Development).
2. Eligible projects are those which support a domestic uptake in consumption of South Australian wines:
 - a. Supporting the delivery of consumer focused campaigns;
 - b. Facilitating and supporting inbound trade and media famils to South Australian wine regions;
 - c. Projects must commence after 1 December 2024 and be completed by 30 June 2026.
3. To ensure the greatest value for this program stream, the following activities are ineligible for funding:
 - a. Retrospective funding for projects carried out prior to 1 December 2024;

- b. Costs associated with preparing applications for funding.

Regional Grape and Wine Capability Program stream

1. Eligible funding recipients are for profit, associations incorporated under the Associations Incorporation Act 1985 (South Australia), each representing the interests of a particular sector of the grape or wine industry in South Australia
2. Eligible projects are those which support an increase in capability of regional grape and wine associations or their members:
 - a. Supporting the delivery of governance training or capability development program to eligible grantees;
 - b. Supporting the delivery of Sustainable Winegrowing Australia training to eligible grantees;
 - c. Supporting the delivery of the Great Wine Capitals Executive Excellence Program to eligible grantees;
 - d. Projects must commence after 1 December 2024 and be completed by 30 June 2026.
3. To ensure the greatest value for this program stream, the following activities are ineligible for funding:
 - a. Retrospective funding for projects carried out prior to 1 December 2024;
 - b. Costs associated with preparing applications for funding.