

Amended Horticultural Netting Program – trial

FEDERATION FUNDING AGREEMENT - ENVIRONMENT

Table 1: Formalities and operation of schedule																																																
Parties	Commonwealth Victoria Queensland Western Australia New South Wales Tasmania Northern Territory																																															
Duration	This Schedule is expected to expire on 30 June 2026.																																															
Purpose	This Schedule will support the delivery of funds to primary producers of commercial horticulture crops to purchase and install horticultural netting to increase crop productivity. This Schedule is an amendment of the Schedule signed by the Commonwealth, Victoria, Queensland and Western Australia in the 2020 – 2021 financial year in which the Commonwealth provided a \$9 million financial contribution to those States outlined in Table 1 below. This Schedule was amended for the Commonwealth to provide an additional \$33 million financial contribution to the States in the 2021 – 2022 financial year. The Schedule was amended in 2022 to also include New South Wales, Tasmania and the Northern Territory as Parties. This Schedule was amended in 2025 to extend the duration of the Schedule to 2026.																																															
Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to the States of \$42.0 million in respect of this Schedule. <table><tr><th colspan="4">Table 1</th></tr><tr><th>(\$ million)</th><th>2020-21</th><th>2021-22</th><th>Total</th></tr><tr><td>Estimated total budget</td><td>9.0</td><td>33.0</td><td>42.0</td></tr><tr><td>Less estimated National Partnership</td><td>9.0</td><td>33.0</td><td>42.0</td></tr><tr><td>- VIC</td><td>4.6</td><td>11.2</td><td>15.9</td></tr><tr><td>- QLD</td><td>2.2</td><td>10.9</td><td>13.1</td></tr><tr><td>- WA</td><td>2.2</td><td>2.6</td><td>4.8</td></tr><tr><td>- NSW</td><td>0.0</td><td>5.9</td><td>5.9</td></tr><tr><td>- TAS</td><td>0.0</td><td>1.9</td><td>1.9</td></tr><tr><td>- NT</td><td>0.0</td><td>0.4</td><td>0.4</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>0.0</td><td>0.0</td><td>0.0</td></tr></table>				Table 1				(\$ million)	2020-21	2021-22	Total	Estimated total budget	9.0	33.0	42.0	Less estimated National Partnership	9.0	33.0	42.0	- VIC	4.6	11.2	15.9	- QLD	2.2	10.9	13.1	- WA	2.2	2.6	4.8	- NSW	0.0	5.9	5.9	- TAS	0.0	1.9	1.9	- NT	0.0	0.4	0.4	Balance of non-Commonwealth contributions	0.0	0.0	0.0
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Additional terms	For the purpose of this Schedule: Eligible primary producers for each State can be found at Table 2 Appendix A – Project Eligibility Criteria for the respective State.																																															

Table 2 Appendix A – Project Eligibility Criteria

Guidance to the State of Victoria on eligibility for Commonwealth funding under the Horticultural Netting Program.

Funds provided in the 2020-21 financial year

1. Payments to eligible primary producers will be up to 50 per cent of the costs incurred by primary producers, up to a maximum of \$300,000, for eligible activities undertaken from 16 December 2019.
 - a) The State of Victoria may choose to lower the maximum amount of payments to eligible primary producers.
2. Eligible applicants must:
 - a) Be registered with the Australian Taxation Office as a primary production business and have an Australian Business Number;
 - b) Be property owners, share farmers or lease holders in the horticulture industry;
 - c) Purchase and install protective netting over existing commercial apple and pear orchards;
 - d) Earn more than 50 percent of their total income from primary production.
3. The land on which netting is to be installed must have an established use of apple and pear cropping prior to 16 December 2019.
4. The protective netting must be purchased and installed to increase apple and pear orchard productivity, by reducing the impacts of adverse weather events or animal predation, and to reduce water usage.
5. Protective netting must be purchased and installed after 16 December 2019.
6. Eligibility for the payment applies to the purchase and installation of permanent and throw-over protective netting and associated support structures.
7. Grower co-contributions may include funds provided through loans from the Commonwealth Regional Investment Corporation.
8. To ensure the greatest value for the Program, the following activities are ineligible for funding:
 - a) Projects that have already received assistance from State or Commonwealth grants to achieve the same objectives;
 - b) Projects where the netting and/or associated support structures have been damaged by the bushfires of 2019-20;
 - c) Projects where insurance has been claimed for damaged netting and/or associated support structures;
 - d) Retrospective funding for purchase or works carried out prior to 16 December 2019;
 - e) Feasibility studies, business cases, reports and development plans;
 - f) Costs associated with preparing applications for funding;
 - g) Operational expenditure, including wages, utilities, repairs and maintenance.

9. Unspent funds provided in the 2020-21 financial year can be used alongside funds provided in the 2021-22 financial year.

Funds provided in the 2021-22 financial year

10. Payments to eligible primary producers will be up to 50 per cent of the costs incurred by primary producers, up to a maximum of \$300,000, for eligible activities undertaken from 14 December 2021.
- a) The State of Victoria may choose to lower the maximum amount of payments to eligible primary producers.
11. Eligible applicants must:
- a) Be registered with the Australian Taxation Office as a primary production business and have an Australian Business Number;
 - b) Be property owners, share farmers or lease holders in the horticulture industry;
 - c) Purchase and install protective netting over existing commercial horticultural produce;
 - d) Earn more than 50 percent of their total income from primary production.
12. The land on which netting is to be installed must have an established use of horticultural production prior to 14 December 2021.
13. The protective netting must be purchased and installed to increase horticultural productivity, by reducing the impacts of adverse weather events or animal predation, and to reduce water usage.
14. Protective netting must be purchased and installed after 14 December 2021.
15. Eligibility for the payment applies to the purchase and installation of permanent and throw-over protective netting and associated support structures.
16. Grower co-contributions may include funds provided through loans from the Commonwealth Regional Investment Corporation.
17. To ensure the greatest value for the Program, the following activities are ineligible for funding:
- a) Projects that have already received assistance from State or Commonwealth grants to achieve the same objectives;
 - b) Projects where the netting and/or associated support structures have been damaged by the bushfires of 2019-20;
 - c) Projects where insurance has been claimed for damaged netting and/or associated support structures;
 - d) Retrospective funding for purchase or works carried out prior to 14 December 2021;
 - e) Feasibility studies, business cases, reports and development plans;
 - f) Costs associated with preparing applications for funding;
 - g) Operational expenditure, including wages, utilities, repairs and maintenance.
 - h) Grapes grown for the purposes of winemaking.

18. All funding is to be contracted by the State of Victoria by 30 June 2025 with completion of all works to be finalised by, and payments made to grantees by, 30 June 2026.
19. It is requested that the State of Victoria consult with the horticulture industry in that State in developing program guidelines.
20. The State of Victoria will retain \$448,959 from the State's 2021-22 allocation of \$11,223,983 for its costs of administering the funding, to be spent over the life of the program, until 30 June 2026.

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
28 01 2025
[Day] [Month] [Year]

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



The Honourable Ros Spence MP
Minister for Agriculture
26 2 25
[Day] [Month] [Year]

Table 2: Performance requirements, reporting and payment summary

Outputs	Performance milestones	Report due	Payment
Delivery of funds to eligible primary producers of commercial horticultural products to purchase and install horticultural netting to increase the productivity of those horticultural orchards/crops. Reports to include: Payments to primary producers: - number of grants; - average grant value; - total grant value. Crops: - average hectares covered by total grant value; - hectares covered by commodity; - total hectares covered. Location: - region within the State in which grantee farm is located. Progress with purchase and installation of horticultural netting funding through this Program.	Victoria submits a high level implementation approach for the Program	31/03/2021	Nil
	Report detailing all aspects of delivery from commencement to 31 December 2020	31/05/2021	\$4,000,000
	Execution of funding agreement variation	31/05/2021	\$666,666
	Report detailing all aspects of delivery from 1 January 2021 to 30 June 2021	31/07/2021	Nil
	Report detailing all aspects of delivery from 1 July 2021 to 31 December 2021	31/01/2022	Nil
	Execution of funding agreement variation	30/04/2022	\$11,223,983
	Report detailing all aspects of delivery from 1 January 2022 to 30 June 2022 Report to include an implementation plan for the delivery of the expanded Program	31/07/2022	Nil
	Report detailing all aspects of delivery from 1 July 2022 to 31 December 2022	31/01/2023	Nil
	Report detailing all aspects of delivery from 1 January 2023 to 30 June 2023	31/07/2023	Nil
	Report detailing all aspects of delivery from 1 July 2023 to 31 December 2023	31/01/2024	Nil
	Report detailing all aspects of delivery from 1 January 2024 to 30 June 2024	31/07/2024	Nil
	Report detailing all aspects of delivery from 1 July 2024 to 31 December 2024	31/01/2025	Nil
	Report detailing all aspects of delivery from 1 January 2025 to 30 June 2025.	31/07/2025	Nil

	Report detailing all aspects of delivery from 1 July 2025 to 31 December 2025	31/01/2026	Nil
	Report detailing all aspects of delivery from 1 January 2026 to 30 June 2026	31/07/2026	Nil



Julie Collins MP

Minister for Agriculture, Fisheries and Forestry

Ref: MS26-000233

The Hon Michaela Settle MP
Minister for Regional Development
Minister for Agriculture
Level 22, 50 Lonsdale Street
MELBOURNE VIC 3000

minister.agriculture@deeca.vic.gov.au

Michaela
Dear Minister

Thank you for your letter of 18 June 2026 regarding the redirection of remaining Horticultural Netting Program funding to the grape and wine sector, and pest management.

Section 36 of the Federation Funding Agreement – Environment enables the Commonwealth and State ministers to alter Schedules by written agreement.

I agree to the request to redirect remaining Horticultural Netting Program funds to the Victorian Wine Strategy and the management of pests impacting the horticultural industry. This variation will permit the Victorian Government to fund activities for wine industry diversification and resilience, sustainability and innovation initiatives for grape growers, biosecurity uplift, and industry and community-led pest management in the horticulture industry.

Should you or your officials have any queries, please contact Mr Matthew Worrell, Assistant Secretary, Crops, Wine and Horticulture Branch on 0466 345 984 or at matthew.worrell@aff.gov.au.

Yours sincerely

Julie Collins MP

23/6/2026



Hon Michaela Settle MP

Minister for Regional Development
Minister for Agriculture

PO Box 500, East Melbourne
Victoria, 8002 Australia

MBR-260600948

The Hon Julie Collins MP
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear ~~Minister~~ Julie,

Redirection of Commonwealth Horticultural Netting Program funding

I write to seek your approval to use residual funding (approximately \$1.45 million subject to final payments being confirmed) from the Horticulture Netting Program. The residual funding is the result of changes in applicant circumstances and project costs being lower than originally contracted.

Proposed initiatives for use of the funding include:

1. Supporting implementation of the Victorian Wine Strategy through partnership with Wine Victoria, including promotion of wine and other related products to key markets, including:

- industry diversification and regional resilience, including strengthening connections between grower associations, regional tourism boards, and visitor economy partnerships. This is particularly important to support the sector in responding to oversupply challenges and broader structural transition.
- sustainability and innovation initiatives for grape growers, including uptake of best practice and participation in certification schemes such as Sustainable Winegrowing Australia.
- biosecurity capability uplift, including grower skills development, and enhanced surveillance, monitoring and containment strategies to protect vineyard assets

2. Activities to support management of pests impacting the horticultural industry, including fruit fly, to enable transition to industry and community-led management including:

- funding to support regional management coordination and targeted support for surveillance, data management and communications, complementing existing market access and early detection programs.

The Wine Strategy is a partnership between government and industry. Implementation of the Strategy aligns strongly with the objectives of the netting program in supporting resilient and productive horticultural industries.

Fruit fly management in Victoria is transitioning to industry and community-led approaches in line with national strategies and further investment would improve on-ground capability for locally-led, place-based approaches of benefit to Victoria's horticulture regions.

I understand that our offices have discussed potential repurpose of the funds and that other states and territories have also sought to redirect residual funding to support related sectoral priorities. I appreciate the collaborative approach that the Department of Agriculture, Fisheries and Forestry (DAFF) has taken to work with my department in considering this request. My department will continue to work with DAFF to provide regular milestone reports including expenditure and activities.

Thank you for your consideration of this request. I look forward to continuing our constructive collaboration to support Australia's agricultural sector.

Yours sincerely



Hon Michaela Settle MP
Minister for Regional Development
Minister for Agriculture

18/06/2026