

NATIONAL PARTNERSHIP ON GRANTS ASSISTANCE TO PRIMARY PRODUCERS IMPACTED BY THE NORTH QUEENSLAND FLOODS

An agreement between

- the Commonwealth of Australia and
- Queensland

This Agreement will contribute to assist primary producers impacted by the floods and associated weather events of the North and Far North Monsoon Trough 25 January- 14 February 2019 to rebuild their farm enterprises through grants to purchase on-farm infrastructure and to restock and/or replant.

National Partnership on grants assistance to primary producers impacted by the north Queensland floods

OVERVIEW

1. This National Partnership 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 and administration of a \$150 million on-farm restocking and replanting grant program and a \$150 million on-farm infrastructure grant program by Queensland to assist primary producers impacted by the North and Far North Queensland Monsoon Trough (25 January to 14 February 2019).

Reporting Arrangements

3. Queensland will receive the full funding amount on agreement of associated delivery, administrative and reporting arrangements.
4. Queensland will provide monthly updates on uptake of the grants programs from such time as the grant programs commence.
5. Queensland will provide five progress reports on acquittal of grant funding, with the first report due by 30 June 2019 and subsequent reports due every 6 months thereafter, with the final report due two months after completion of the program on 30 June 2021.

Financial Arrangements

6. The Commonwealth will provide a total financial contribution to Queensland of \$300 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

PART 1 – FORMALITIES

Parties to this Agreement

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

Term of the Agreement

8. This Agreement will commence as soon as the Parties both sign the Agreement and will expire on completion of the project on 30 August 2021, including final reporting, unless terminated earlier or extended as agreed in writing by the Parties.

PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

Objectives

9. The objective of this Agreement is to assist primary producers impacted by the floods and associated weather events of the North and Far North Monsoon Trough 25 January- 14 February 2019 to rebuild their farm enterprise(s).

Outcomes

10. This Agreement will facilitate achievement of the following outcomes:
 - (a) primary producers rebuild their farm enterprise(s) following the floods and associated weather events of the North and Far North Monsoon Trough 25 January- 14 February 2019; and
 - (b) reduce risk of economic decline in the region following the floods and associated weather events of the North and Far North Monsoon Trough 25 January- 14 February 2019.

Outputs

11. The output of this Agreement will be for Queensland to develop and administer a \$150 million on-farm restocking and replanting grant program and a \$150 million on-farm infrastructure grant program to assist primary producers impacted by the floods and associated weather events of the North and Far North Monsoon Trough 25 January- 14 February 2019.

PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

Role of the Commonwealth

12. The Commonwealth will be responsible for:
 - (a) funding the delivery and administration of the grants programs under this Agreement to ensure that outputs are delivered within the agreed timeframe;
 - (b) working with Queensland to determine grant program details as per Schedule 1; and
 - (c) overseeing delivery and administration of the grant programs by Queensland over their life, including consideration of any associated changes required to grant program arrangements that may require subsequent agreement.

Role of Queensland

13. Queensland will be responsible for:
- a) all aspects of delivering on the outputs set out in this Agreement, including Schedule 1 to this Agreement; and
 - b) inviting the Commonwealth to participate in any governance committees that may be set up and other meetings in relation to this project, to enable it to fulfil its oversight role.

Shared roles and responsibilities

14. The Parties agree to be jointly responsible for:
- (a) participating in consultations as appropriate regarding the implementation of this Agreement; and
 - (b) negotiating in good faith any new or revised Schedules, including Implementation Plans, to this Agreement as appropriate.
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 an Implementation Plan, and that the roles of both Parties will be acknowledged and recognised appropriately.

PART 4 – PERFORMANCE MONITORING AND REPORTING

16. Table 1 summarises the milestone for the project and its relationship to the outputs, expected completion dates and relevant reporting dates. The Commonwealth will make a one-off payment on agreement.

Table 1: Performance requirements, reporting and payment summary

Outputs	Performance milestone or benchmark	Payment
Agreement to administer the programs as described.	Signature of both parties to the Agreement	\$300 million

Reporting arrangements

17. Queensland will provide the Commonwealth with five progress reports on acquittal of grant funding, with the first report due by 30 June 2019 and subsequent reports due every 6 months thereafter, with the final report due by 30 August 2021.
18. Queensland will provide monthly updates on uptake of grants program from such time as the grant programs commence.

PART 5 – FINANCIAL ARRANGEMENTS

19. The Commonwealth will provide a total financial contribution to Queensland of \$300 million in respect of this Agreement. The payment is GST exclusive.
20. Queensland may use 3.5 per cent of the total amount of grant funds dispersed for the purpose of administering the two grants programs.
 - a. In addition to the 3.5 per cent administration fee, the steering committee will agree a suitable amount (nominally \$250,000) to conduct an independent review of the Agreement to be completed approximately six months prior to its expiry (refer clause 26).
21. The estimated financial contributions of each Party to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

Table 2: financial contributions

(\$ million)	2018-19	Total
Estimated total budget	300.0	300.0
Less estimated National Partnership Payments	300.0	300.0
Balance of non-Commonwealth contributions	0.0	0.0

22. The Commonwealth is providing funding of \$150 million for the on-farm infrastructure program and \$150 million for the restocking and replanting grants program.
23. Having regard to the agreed costs of the grant programs specified in this Agreement, in the event that either of these programs proves to be undersubscribed or oversubscribed during delivery, Queensland may seek the written agreement of the Commonwealth to use funds from the undersubscribed program to increase the funding amount of the oversubscribed program, to the extent of the total \$300 million combined funding limit.
24. The Commonwealth will invoice Queensland for any grant funds not spent as per the final acquittal report by the end of the 2020-21 financial year.

PART 6 – GOVERNANCE ARRANGEMENTS

Enforceability of the Agreement

25. 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.

Review of the Agreement

26. In accordance with clause E23 of the IGA FFR, this Agreement is time limited. To assess the degree to which the agreed objectives and outcomes and/or outputs have been achieved, and inform decisions regarding the appropriate treatment following its expiry, an independent review of the Agreement will be scheduled to be completed approximately six months prior to its expiry.
 - a. Funding for this review will be derived from the total funding envelope of the two grant programs.

Variation of the Agreement

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

Delegations

29. The relevant Commonwealth Minister with portfolio responsibility may delegate the assessment of performance against the milestone and the authorisation of the related project payment to senior Commonwealth officials, having regard to the financial and policy risks associated with this payment.

Dispute resolution

30. Either Party may give notice to the other Party of a dispute under this Agreement.
31. Officials of both 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.

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

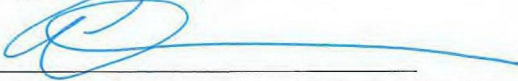
Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Scott Morrison MP
Prime Minister of the Commonwealth of Australia

[Day] [Month] [Year]

Signed for and on behalf of the
State of Queensland by



The Honourable Annastacia Palaszczuk MP
Premier of the State of Queensland

[Day] [Month] [Year]

4/4/19

Schedule 1

ADMINISTRATIVE AND PROGRAM ARRANGEMENTS FOR GRANT ASSISTANCE TO PRIMARY PRODUCERS IMPACTED BY THE NORTH QUEENSLAND FLOODS

1. The grant programs set out in this agreement will be administered by Queensland.
 - a. Up to 3.5 per cent of the total amount of grant funds dispersed may be used by Queensland for program administration purposes;
 - b. The steering committee will also agree a suitable amount (nominally \$250,000) to conduct an independent review of the Agreement to be completed approximately six months prior to its expiry; and
 - c. Queensland will consult regularly on the development and delivery of these programs with the Commonwealth, including through a steering committee.
2. The restocking and replanting grant program will entail grants of up to 50 per cent of the cost of restocking and replanting and associated transport costs.
3. The on-farm infrastructure grant program will entail grants of up to 50 per cent of the cost of the purchase on-farm infrastructure.
4. There will be an initial cap of up to \$400,000 per eligible farm business combined across the two grant programs.
5. Queensland and Commonwealth officials will form a jointly chaired steering committee to develop and agree the grant program guidelines and ensure the ongoing features of the grant programs remain fit for purpose as the scope and scale of the disaster continues to be better understood. The following matters will be considered, but will not be limited to:
 - a. eligibility criteria to access the grant programs, including farm viability;
 - b. settling detail of monthly reporting requirements
 - c. information to be provided by applicants to determine eligibility and grant funding amount under each grant program;
 - d. a compliance plan for each grant program;
 - e. the adequacy of the initial cap of \$400,000 across both grant programs in meeting the needs of affected farm businesses;
 - f. the mechanism for payments of grant monies to successful applicants; and
 - g. agreeing as necessary any changes to the administration fee commensurate with scheme changes.
6. Queensland and Commonwealth officials will agree to the final specifications for the grant programs and will consider any advice from the steering committee on the suitability of the initial cap. The Chief Executive Officer of the North Queensland Livestock Industry Recovery Agency

has the authority to agree the final specifications (or subsequent changes) for the grant programs.

7. Grant applicants must demonstrate that they will continue to operate a viable farm business in the same location(s) as prior to the North and Far North Monsoon Trough 25 January- 14 February 2019.
 - a. Queensland will determine the farm viability test (consistent with its existing viability test) in consultation with the Commonwealth.
8. The grant programs are a cooperative approach to rebuilding businesses and are not intended to interfere with normal farm business decisions. Farm businesses will be provided with a grant on a 50:50 co-contribution basis with the total grant contribution per eligible farm business not to exceed the \$4,00,000 cap.
9. Queensland will provide the Commonwealth with five progress reports on the acquittal of grant funding, with the first report due by 30 June 2019 and subsequent reports due every six months thereafter, with the final report due by 30 June 2021.
 - a. The content of progress reports is to be settled in writing between Queensland and Commonwealth officials by 30 June 2019.
10. From such time as the grant programs commence, Queensland is required to provide monthly updates to the Commonwealth on the:
 - a. number of applications received for each program;
 - b. high level details of what the grant funding has been spent on including, but not limited to, the quantity of cattle, sheep and other livestock, fencing, watering points, watering infrastructure, on-farm roads, and other farm infrastructure;
 - c. number of applications approved and rejected for each program (including the reason for rejection); and
 - d. total funds granted for each program.