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Horticultural Netting Infrastructure Program Expansion

GUIDELINES – AUGUST 2022

AGRICULTURE VICTORIA

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1 Purpose

The purpose of the Horticultural Netting Program Expansion (the Program) is to provide funding to eligible horticultural enterprises, excluding wine grapes, for the purchase and installation of new netting over established production areas (a 'project') to increase productivity.

This Program builds on the initial \$4.67 million program that was made available to the apple and pear industry, which is now closed.

Horticulture means plant agriculture, which includes production of flowers, fruits and nuts, vegetables and herbs, as well as ornamental trees.

2 About the Program

The Commonwealth Government has provided an additional \$11.22 million for the expanded Program for a total program budget of \$15.9 million. The Department of Jobs, Precincts and Regions (DJPR) has agreed to implement the Program in Victoria on behalf of the Commonwealth.

The initial program was limited to eligible apple and pear producers operating in Victoria (now closed). The expanded Program will be available to all eligible horticultural enterprises based in Victoria, excluding grapes grown for wine processing (wine grapes).

The expanded Program will provide for up to 50 per cent of eligible costs to commercially install or purchase new horticultural netting (fixed and demountable), to a maximum of \$150,000 (ex GST). The netting must be installed over areas already in production/planted prior to 14 December 2021.

The number and value of individual grants allocated by the Program will depend upon overall demand. If the Program is oversubscribed, funding will be allocated to successful applicants on a pro-rata basis (i.e. a proportion of the grant amount applied for).

For DJPR to consider an application, the applicant should ensure that their application is complete and all required supporting documents are provided. Successful applicants will be invited to enter into a funding agreement with the Victorian Government to receive payment on the terms of the agreement.

Research indicates that netting delivers productivity benefits by protecting crops from extreme weather and predators and increasing water use efficiency. Netting helps producers to maintain fruit quality, ensure continuity of supply and manage production risks.

2.1 Program Dates

Applications for the Program will be open at dates specified on the grants area of the Agriculture Victoria website at <https://agriculture.vic.gov.au/support-and-resources/funds-grants-programs>.

Successful projects must be completed by 1 May 2025; subsequent rounds may be conducted where required.

2.2 Upcoming Victorian Election

The Victorian State election will be held on Saturday 26 November 2022. The Victorian Government will assume a caretaker role from 6:00 pm on 1 November 2022, until such time that either it becomes clear that the incumbent government will be returned, or when a new government is commissioned.

In line with the caretaker conventions, the incoming government will determine whether to proceed with this grant process and award the grants after the caretaker period.

Applicants should be aware that:

- all information about this grant process represents the position of the current government only, and is subject to change; and
- the incoming government may decide to not proceed with this grant process.

3 Eligibility

Applications will be assessed against the eligibility criteria outlined in these Guidelines.

DJPR reserves the right to request further information from an applicant or from any party engaged in connection with making the application, to assist with assessment of the application or to verify any information provided in the application.

NOTE: Submitted applications may be subject to desk or in-person audit or inspection to determine eligibility in accordance with these Guidelines.

3.1 Eligible applicants

Eligible applicants must:

- a) Operate a primary production business (as defined in the *Income Tax Assessment Act 1997*)
- b) Be property owners, share farmers or lease holders for the land parcel proposed for the project
- c) Operate a commercial horticultural enterprise in Victoria, excluding wine grape production
- d) Operate as a sole trader, partnership, trust or private company
- e) Hold an Australian Business Number (ABN) with primary place of business in Victoria
- f) Earn more than 50 per cent of their gross income from their primary production business under normal seasonal circumstances
- g) Have complied with the terms and conditions of any previous Victorian Government funding, grant or concessional loan they have received.

Businesses that have received a grant under the initial horticultural netting program for the apple and pear industry may apply for a grant under this program. However, the application must be for a new project on a different area under production.

Funding is limited to one grant per business with an Australian Business Number (ABN) registered with the Australian Tax Office as a primary production business in Victoria. Netting projects may be installed over mixed crops operated by one business, but only one grant will be available.

3.2 Eligible activities and costs

Funding will be provided for the costs incurred by the business for:

- Self-installing: to purchase new horticultural netting and associated support structures required for installation (note ineligible costs for self-installation at section 3.3 (below) ; or
- Installation by an independent commercial third-party provider whose regular business includes installation of agricultural netting ('Third Party Installation'): to supply and install new horticultural netting and associated support structures required for installation.

Netting must be installed in the State of Victoria for the purpose of increasing productivity, such as by reducing water use, the impact of adverse weather events or animal predation.

Netting must have a mesh size no larger than 30 mm and be purchased and installed after 14 December 2021 and before 31 May 2025. Mesh netting with integrated rain covers, such as the 'Voen' netting system are also eligible.

The land on which the netting infrastructure has been/will be installed must have been utilised for commercial production prior to 14 December 2021.

Projects are to commence within a reasonable period, with funds fully acquitted by 31 May 2025.

Applications for Third-Party Installation must include written quotes or cost estimates from the preferred third-party supplier.

To be eligible, applicants must attest that the installed or proposed netting and associated support structures comply with all relevant planning and building regulations, occupational health and safety and other regulations within their area.

Projects should demonstrate a commitment to Victorian or regional employment and purchasing wherever possible.

3.3 Ineligible activities and costs

Activities, projects and costs that are not eligible for funding include:

- Projects that have already received assistance from other relevant federal, state or local government grant funds to achieve the same outcomes, including the initial program for the apple and pear industry (**however, funding obtained through Commonwealth Regional Investment Corporation loans are eligible contributions**)
- Projects where the netting and/or associated support structures have been damaged by the bushfires of 2019-20
- Plastic rain covers, such as igloo type or screening over netting, however the mesh netting component is eligible
- Nursery industry projects where the netting is being used to expand the production area, rather than protect existing stock).
- Projects for which insurance has been claimed for damaged netting and/or associated support structures
- Feasibility studies, business cases, reports and development plans
- Costs associated with the preparation of the application for this Program
- Costs for spare netting or infrastructure to cover any wear and tear or accidental damage once installation is complete
- Costs for purchasing equipment and machinery associated with the installation and maintenance of netting infrastructure (drape net rollers are eligible costs)
- Operational expenditure, including wages, utilities, repairs and maintenance
- Operational expenditure for self-installation (including staff and related party contract labour. A related party includes without limitation, subsidiaries, holding companies, affiliates with common directors or partners, relatives and neighbours)
- Any activities, projects and costs that DJPR determines to be outside the scope of the Program.

3.4 Grant Amount and Co-contributions

Applicants can apply for a rebate for 50% of the eligible costs of their project, capped at \$150,000.

Financial co-contributions can include cash contributions from the applicant and other parties, including individuals, financial institutions, businesses, but cannot include contributions from Australian Government programs (**however, funding obtained through Commonwealth Regional Investment Corporation loans is an eligible contribution**).

3.5 Financial, probity and reputational checks

If the applicant is a company, DJPR will undertake checks to confirm any recordings of actions, claims, disputes with any of the directors, or that none of the directors have been disqualified from acting as a director, or that there are any adverse findings against the applicant by a regulator.

Private sector and not-for-profit applicants requesting funding of over \$50,000 will be required to provide financial information to enable a risk assessment to be completed:

1. Audited financial reports for the last three financial years, or if not available, reports from an accountant. This should be the 'final accounts' with Director's Report and Declaration and should include:
 - profit and loss statement
 - balance sheet
 - cash flows
 - notes to the accounts.

2. If the latest financial report is more than six months old:
 - Up-to-date management or interim accounts for the current year including: profit and loss statement and balance sheet.
 - In case of public listed corporations, half yearly financial report.

4 How to apply

Step 1: Read the guidelines

Applicants are advised to read these guidelines prior to completing an application.

Step 2: Submit an application and attach supporting documents

Applicants must attest to their eligibility through completing the application form (available at: <https://agriculture.vic.gov.au/support-and-resources/funds-grants-programs>) and attaching supporting documents, including those listed below:

- Letter from an accountant stating that:
 - more than 50 per cent of gross income for the business is earned from primary production under normal seasonal circumstances
 - that the owner operates a primary production business (as defined in the *Income Tax Assessment Act 1997*)
- Evidence of ownership arrangement (owners, share farmers or lease holders) for the land parcel proposed for this project, e.g., Council rate notice, lease contract, share farming agreement (copies)
- Property plan or map showing netting installation location on property and crop type/s being covered
- For self-installation, written quotes or paid receipts/invoices for eligible costs
- For Third Party Installation, receipted invoices or written quote / estimate from your preferred commercial netting company/service provider (including ABN) confirming total project cost
- Evidence of sufficient funding to fund your co-contribution e.g. bank statements or letter from your financier (not required for those who have already purchased and installed netting)
- Relevant financial information from private sector and not-for-profit applicants requesting funding of over \$50,000 (see section 3.5)

Applications will be assessed to ensure they meet all essential Program criteria. The assessment will also consider whether a project, or elements of a project, could be more appropriately funded by other federal, state, and/or local government or industry programs.

5 Application assessment and funding

5.1 Assessment

Applications will be assessed by DJPR against the eligibility criteria, as well as financial, probity and reputational checks. All applicants will be advised of the outcome of their application. Successful applicants will be invited to enter into a grant agreement with the Victorian Government.

Successful applicants will be required to enter into a grant agreement with the Victorian Government in order to receive funding assistance. Further documentation may be required prior to a grant agreement being finalised.

5.2 Funding agreement

The value of individual grants allocated by the Program will depend upon overall demand. If the Program is oversubscribed, funding will be allocated to successful applicants on a pro-rata basis (i.e. a proportion of the amount applied for). Whereas, if the Program is undersubscribed, any unallocated funds may be offered in subsequent rounds.

Example: If the Program is oversubscribed by 10 per cent, each applicant will be offered 10 per cent less than their requested amount e.g. under this scenario an applicant requesting \$150,000 will be offered \$135,000.

The Victorian Minister for Agriculture will consider the recommendations for funding from DJPR and determine whether to approve an application.

Any letters or invitations to successful applicants to enter into a grant agreement will not constitute a formal contract and are not legally binding on the State unless and until a formal written grant agreement is executed by both parties.

DJPR may negotiate with applicants on details of a project under the grant agreement to meet any requirements the Minister may impose as a condition of funding and specific milestones the applicant will be required to meet.

The grant agreement will outline all conditions for the provision of funding. Successful applicants will be expected to meet all terms and conditions of the grant agreement, including governance and reporting requirements. Applicants must comply with all federal and state legislation, regulations and codes in the delivery of the Program, for example, relevant planning and building guidelines and Occupational Health and Safety Standards.

Funding recipients will be required to cooperate with the Department in any promotional or marketing activities relating to the Program and any support provided. All funded projects may be publicly listed on Agriculture Victoria's website and have their business name associated with the Program.

5.3 Grant Payment

Grant payments will be made on a reimbursement basis on milestones agreed in the grant agreement and upon presentation of paid invoices for approved project expenditure, including evidence of eligible applicant contributions. Verification of milestone completion may be undertaken via physical inspections by DJPR Officers or their nominees. Payments will be made after a milestone is accepted as completed by DJPR.

Final payments are made upon project completion and receipt of a final evaluation report, completed to the satisfaction of DJPR. By entering into a grant agreement, you agree to allow the Department or its nominee to conduct on-site audits to confirm compliance with the grant agreement.

The following conditions will be expected of financial assistance recipients:

- Complete the project as stated in the application
- Meet all key milestones and obligations as defined in the grant agreement
- Acknowledge the contribution of the Commonwealth and the Victorian Government on any promotional material
- Agree to provide reports to enable DJPR to meet its reporting obligations to the Commonwealth
- Provide opportunities for the Commonwealth Minister for Agriculture, together with the Victorian Minister for Agriculture or a representative to take part in any formal project milestones and launches.

Note: Grants may be subject to GST and income tax. Applicants should consider seeking advice on these and other tax implications from their tax advisers or the Australian Taxation Office before applying.

6 Other conditions of applying

The Department reserves the right to amend these Guidelines and application terms and assessment processes in its sole discretion.

These Guidelines and any discussions you may have with any DJPR representative are for information only, and do not constitute advice. Applicants should seek independent professional advice before making an application or entering into an Agreement with the State.

Applications are made at the cost of the applicant.

The Department makes no representation that a grant of funds will be made to any applicant and reserves the right not to fully allocate the funds or make funds available under the Program.

All funding recipients must agree to comply with the Department's performance monitoring and evaluation regime.

It is the responsibility of the funding recipient to obtain advice on any tax implications resulting from receiving funding under this Program.

Confidentiality/Privacy Statement

Any personal information provided by the applicant or a third party in an application will be collected by DJPR for the purpose of Program administration, assessment and reporting. This information may be provided or disclosed to other Victorian and Commonwealth government bodies for the purposes of administering the Program and assessment and reporting. If confidential personal information about third parties is included in an application, applicants are required to ensure that the third party is aware of the contents of this Privacy Statement.

Any personal information collected, held, managed, used, disclosed or transferred will be held in accordance with the provisions of the *Privacy and Data Protection Act (Vic) (Cth)* and other applicable laws.

DJPR is committed to protecting the privacy of personal information. The Department's Privacy Policy can be found online at <https://djpr.vic.gov.au/privacy>. Enquiries about access to information should be directed to the Department's Privacy Unit by email privacy@ecodev.vic.gov.au.

7 Further information

All enquiries on the Program should be directed to the Program team at email: hort.netting@agriculture.vic.gov.au.

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