



**Australian Government**

**Department of Infrastructure, Transport,  
Regional Development, Communications and the Arts**

# On Farm Connectivity Program Discussion Paper

Discussion paper for public consultation

December 2022



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## Overview of the On Farm Connectivity Program

The Australian Government is introducing a \$30 million On Farm Connectivity Program (the Program) to enable primary producers in agriculture, forestry and/or fisheries<sup>1</sup> to extend connectivity in their fields so they can take advantage of connected machinery and sensor technology.

The objective is to improve digital connectivity across a farm, including in the forestry and fisheries sector, by contributing towards the cost of a service provider who will provide and install equipment, and provide some initial training on its use.<sup>2</sup>

The Program will enhance local agricultural productivity by supporting the use of connected machinery and sensor technology, and supporting primary producers as they increase productivity, broaden their local and global market reach and/or improve health and safety.

The agriculture industry is a core part of Australia's economic architecture, employing hundreds of thousands of people, feeding millions more, and acting as a supplier of choice for many importers overseas.

The Department of Infrastructure, Transport, Regional Development, Communication and the Arts (the Department) is responsible for designing the Program in consultation with the Department of Industry Science and Resources Business Grants Hub.<sup>3</sup> The Business Grants Hub will administer the Program.

The Program is part of the Government's [Better Connectivity Plan for Regional and Rural Australia](#) (the Better Connectivity Plan) which is providing \$656 million to improve mobile and broadband connectivity and resilience in rural and regional Australia.

The Department also administers the [Regional Connectivity Program \(RCP\)](#) and the [Mobile Black Spot Program \(MBSP\)](#).

## Context

The [2021 Regional Telecommunications Review: A Step Change in Demand](#) (the Review) highlighted that good digital connectivity is essential for the economic growth and sustainability of many industries in Australia, including agribusiness.

The Review outlined connectivity shortfalls needing to be addressed in rural, regional and remote Australia. It noted that disparities exist for regional areas, and that localised connectivity gaps impact the rate of uptake of new and advanced agricultural technologies.

Research has shown that investment in and adoption of farming connectivity solutions have the potential for considerable productivity gains. It has been estimated that upwards of \$20 billion gross value of agricultural production could be achievable through uptake of advanced farming technology.<sup>4</sup>

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<sup>1</sup> In this document 'primary producer', 'farm(s)' or 'farmer(s)', 'producer(s)', or 'farming' are used interchangeably to describe primary producers across the agriculture, forestry and/or fisheries sectors. The Department is considering the ATO definition for primary production activities [www.ato.gov.au/business/primary-producers/primary-production-activities/](http://www.ato.gov.au/business/primary-producers/primary-production-activities/)

<sup>2</sup> Fisheries refers to Commonwealth, state and territory waters in which marine and freshwater animals are commercially caught or farmed, unless otherwise specified.

<sup>3</sup> Further information is available at [www.industry.gov.au/government-government/grant-design-and-delivery-services](http://www.industry.gov.au/government-government/grant-design-and-delivery-services)

<sup>4</sup> Technical Report, Accelerating Precision Agriculture to Decision Agriculture; Enabling digital agriculture in Australia. The Australian Farm Institute. [www.farminstitute.org.au/product/accelerating-precision-agriculture-to-decision-agriculture-analysis-of-the-economic-benefit-and-strategies-for-delivery-of-digital-agriculture-in-australia/](http://www.farminstitute.org.au/product/accelerating-precision-agriculture-to-decision-agriculture-analysis-of-the-economic-benefit-and-strategies-for-delivery-of-digital-agriculture-in-australia/)

## Purpose of the Discussion Paper

The discussion paper is intended to:

- provide the primary production sector with initial information regarding the Program;
- facilitate consultation and encourage feedback;
- gauge the interest of equipment service providers in participating in the Program; and
- establish which connectivity solutions are most needed by primary producers.

The broader aim of the discussion paper is to develop a Program that meets the objectives of Government and suits the needs of as many parties as practical.

The discussion paper assumes some knowledge of agri-tech connectivity products on the market in Australia. If you are unfamiliar with these products, and their applications, we would encourage you to consult the following sources:

- [Connecting Australian Agriculture](#)
- [Accelerating Precision Agriculture to Decision Agriculture](#) - A review of on-farm telecommunications challenges and opportunities in supporting a digital agriculture future for Australia
- [On-Farm Connectivity Guide](#)

The Regional Tech Hub ([www.regionaltechhub.org.au](http://www.regionaltechhub.org.au)) also provides independent and factual information to help people in rural and regional Australia find the best telecommunications options to get and stay connected.

## Who is in scope?

### (a) Primary producers

The Program is intended for commercial primary producers whose main source of income is primary production. The Department is considering two options for establishing eligibility.

#### Option 1

To determine when an applicant meets the required threshold to participate in the Program, the Department could use the Australian Bureau of Agricultural and Resources Economics and Sciences (ABARES) Agricultural, Fisheries and Forestry trade classification.<sup>5</sup> ABARES use an Australian Bureau of Statistics (ABS) construct known as the Estimated Value of Agricultural Operations (EVAO) to estimate the relative size of agricultural activity undertaken by a business.

An EVAO of greater than \$40,000 could be used as the threshold to determine if a primary producer can participate in the Program.<sup>6</sup> Further information on the EVAO is available at [www.abs.gov.au/methodologies/agricultural-commodities-australia-methodology/2020-21](http://www.abs.gov.au/methodologies/agricultural-commodities-australia-methodology/2020-21).

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<sup>5</sup> The Australian Bureau of Agricultural and Resource Economics and Sciences is the research arm of the Australian Government Department of Agriculture, Fisheries and Forestry.

<sup>6</sup> Further information is available at [www.agriculture.gov.au/abares/research-topics/agricultural-outlook/definitions](http://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/definitions)

## Option 2

Primary producers could be considered eligible to participate in the Program as long as they are located within an eligible area. Eligible areas are all parts of Australia that do not fall within Urban Centres and Localities (UCLs) geographical units classified by the ABS as 'Major Urban', i.e. with a population of 100,000 or more.<sup>7</sup> Further information on how the ABS classifies UCLs geographical units can be found at: [www.abs.gov.au/statistics/standards/australian-statistical-geography-standard-asgs-edition-3/jul2021-jun2026/significant-urban-areas-urban-centres-and-localities-section-state/section-state](http://www.abs.gov.au/statistics/standards/australian-statistical-geography-standard-asgs-edition-3/jul2021-jun2026/significant-urban-areas-urban-centres-and-localities-section-state/section-state).

It is proposed that commercial farmers, fishery and forestry businesses are all in scope, while "hobby farmers" could be excluded (i.e. through the need to provide an ABN).

Primary producers already receiving a similar service through a state or territory government program, for example the NSW Government Farms of the Future Program<sup>8</sup>, would not be eligible to access the Program.

### Key points

- There are two options being considered to establish the eligibility of primary producers to participate in the Program.
  1. Primary producers such as commercial farmers, fishery and forestry businesses with an EVAO of \$40,000 or more are in scope.
  2. Primary producers located outside UCLs geographical units classified by the ABS as Major Urban with a population of 100,000 people or more.
- Hobby farmers potentially not in scope.

### We want to know

- Which option is most appropriate?
- Other options to establish primary producer eligibility?

## (b) Equipment service providers

Companies who sell an agri-business connectivity product service are in scope for this Program. In effect an eligible company must be able to supply the appropriate equipment and, if required, install the equipment and provide some initial training on its usage. Operation and maintenance costs are out of scope.

Eligible companies must have an ABN and be able to demonstrate a track record of delivering workable solutions to Australian primary producers.

Telecommunications services or internet service providers are not in scope for this Program, unless they have products and installation services tailored to the agricultural sector to improve connectivity for primary producers.

'Last mile' connectivity solutions which connect a customer premises to a communications network are excluded from this Program, which is focused on 'on farm' solutions. The 'last mile' refers to the final leg of the telecommunications network that delivers telecommunications services to customers. It is the part of the telecommunications network chain that physically reaches the customer's premises.<sup>9</sup> Note that 'last mile' solutions may be eligible for funding under the Regional Connectivity Program whereas this

<sup>7</sup> Australian Statistical Geography Standard (ASGS) Edition 3 - Significant Urban Areas, Urban Centres and Localities, Section of State, July 2021.

<sup>8</sup> Further information is available at [www.dpi.nsw.gov.au/dpi/climate/digital-agriculture/farms-of-the-future](http://www.dpi.nsw.gov.au/dpi/climate/digital-agriculture/farms-of-the-future)

<sup>9</sup> The term 'last mile' is figurative as the actual distance can be more than a mile, particularly in rural areas.

Program enables external antennas, repeaters, boosters, sensors and Wi-Fi solutions which extend connectivity and enable agricultural productivity.

**Key points**

- Eligible companies must be able to supply the appropriate equipment and, if required, install the equipment and provide some initial training on its usage.

**We want to know**

- What equipment and services are most useful under this Program?

## What products are in scope?

The following types of equipment are proposed for funding under the Program:

- external antennas;
- repeaters;
- boosters;
- sensors; and
- Wi-Fi solutions.

This list is not exhaustive. Input received from this consultation process will help refine the list of eligible equipment.

Devices such as external antennas, repeaters and boosters can amplify poor coverage and extend it to the areas of farming properties where it can link sensors, transfer data and support communications and connectivity and in so doing, enhance on farm safety and/or productivity improvements through digital farming products. Boosters and other amplifying equipment must be legally purchased and installed in accordance with the [Telecommunications \(Prohibition of Mobile Phone Boosters\) Declaration 2021](#) (or as updated from time to time).

At this stage the Program is not intended to fund the following:

- drones or autonomous vehicles; and
- robotic technology or equipment.

**Key points**

- The Program will establish a list of eligible equipment.

**We want to know**

- Is there equipment which should be added to this list?

## Digital literacy training is not in scope for the Program

As mentioned above, the objective of the Program is to improve digital connectivity across a farm, including in the forestry and fisheries sector, by contributing towards the cost of a service provider who will provide and install equipment, and provide some initial training on its use.<sup>10</sup>

Digital literacy training is not in scope for this Program. However, digital literacy is an important capability for primary producers.

<sup>10</sup> Fisheries refers to Commonwealth, state and territory waters in which marine and freshwater animals are commercially caught or farmed, unless otherwise specified.

Through the Better Connectivity Plan, the Government has committed an additional \$6 million in funding over three years to ensure the ongoing operation of the Regional Tech Hub (2023-2024 to 2025-26). There may be a role for this next iteration of the Regional Tech Hub to provide advice to primary producers on the digital options currently available to increase their productivity.

The Regional Tech Hub can be contacted at [www.regionaltechhub.org.au](http://www.regionaltechhub.org.au) or by calling the hotline on 1300 081 029.

There are also a number of digital training courses available for primary producers.





# Proposed funding process

The funding will be delivered via a grant process. It is proposed that 50% of the cost of an equipment service (that is, an eligible product, including installation and initial training if required) will be funded through the Program.

The intention is for the Department to partner with the Business Grants Hub to deliver the Program. The Business Grants Hub would provide a one-stop-shop for the administration of the Program including assessing eligibility for rebates. The final arrangements for the administration of the Program will be shaped by input received through this consultation process.

The Program will be reviewed after the first year of operation to determine whether any fine tuning of the delivery model is required.

The anticipated value of the rebate will be<sup>11</sup>:

1. Minimum rebate amount: \$1,000
2. Maximum rebate amount: \$20,000
3. Co-funding contribution: up to 50% of the cost of an equipment service (that is, an eligible product, including installation and initial training if required).

A co-funding arrangement is proposed where a primary producer can purchase an eligible product from an eligible equipment service provider. The primary producer would contribute up to 50% of the total cost. On application to the Business Grants Hub, a rebate will be provided to the equipment service provider for the remaining 50% of costs.

For example, a primary producer could seek to purchase a cellular repeater from an equipment service provider to connect remote sensors and monitors. The primary producer would contact a number of eligible equipment service providers under the Program to seek quotes for the purchase of the cellular repeater, its installation and an initial training session. By way of an illustrative example, if the quote that most suited the primary producer's needs was \$16,000, the primary producer would contribute half the cost, i.e. \$8,000, and the equipment service provider would seek reimbursement for the remaining \$8,000 through the Business Grants Hub.

There will be some restrictions, such as each eligible primary producer only being able to receive one benefit under the Program, and co-contributions not being able to be sourced from other government sources, such as through state or territory government initiatives.

## Key points

- It is proposed that an eligible equipment service provider receive a 50% rebate of the costs quoted.
- The primary producer will only pay 50% to the equipment service provider.
- The equipment service provider will be provided a rebate for the other 50% of the cost.

## We want to know

- Is 50% an appropriate rebate level?
- Is there a better way for the Program to be implemented?

<sup>11</sup> These amounts are not set and subject to change in the final design.

# Consultation questions

The Department is seeking a wide range of views, primarily from primary producers and equipment service providers – specific questions for these stakeholders are below.

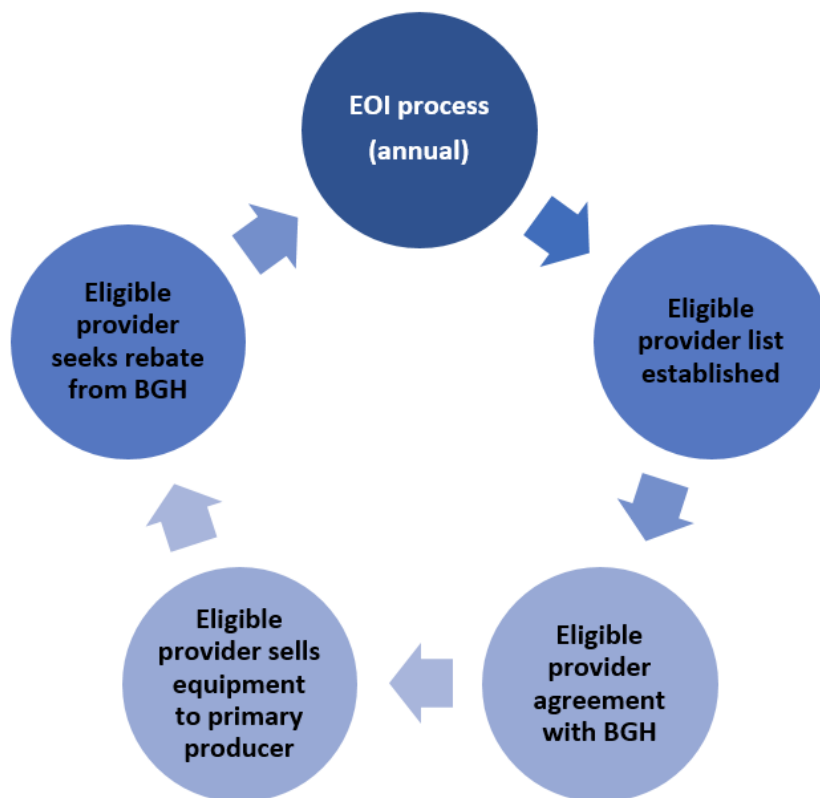
Views are also welcome from other stakeholders, particularly representative bodies.

## Part A – Questions for equipment service providers

To participate in the Program, equipment service providers must be approved as an ‘eligible provider’ and enter into an agreement with the Government.

The Department is aiming to run an Expression of Interest (EOI) process in the first quarter of 2023 for the opportunity to participate in the Program and be included as an eligible equipment service provider.

It is envisioned that once the EOI process is completed, a list of eligible equipment service providers will be published on the Department’s website. The EOI process will be undertaken annually to ensure the list of providers remains current and to provide opportunities for new providers to be considered for eligibility under the Program.



Contractual provisions will enable equipment service providers to be removed from the Program for persistent under-performance.

It is of critical importance that equitable transactions between all parties be at the heart of the Program.

Eligible equipment service providers will be required to meet a series of criteria that will ensure primary producers can have confidence in purchasing connectivity solutions that meet their needs as primary producers and improve digital connectivity on their farms.

Eligible equipment service providers will also be required to demonstrate their qualifications and track record as a mature commercial operator in the market, and agree to a fixed price model (i.e. 6-month fixed price<sup>12</sup>).

**Question 1**

Would you be interested in applying to be an eligible equipment service provider?

Balonne Shire Council is a local government serving a remote agricultural economy of about 700 large landholdings. Recently Council partnered with a Telco to roll out of fast internet to farms and businesses means they are ideally placed to go to the next step of intra-farm connectivity.

Council would be interested in dispensing such grants or promoting the grant.

**Question 2**

Do you have any comments or questions about proposed eligibility requirements for equipment service providers?

No. There may be restrictions on which providers best connect with existing internet services.

**Question 3**

What would hinder you from participating as an eligible equipment service provider?

N/A

**Question 4**

What is the most popular and relevant connectivity product your business provides to farming, fisheries or forestry businesses?

N/A except Council has rolled out grant-funded fast internet using fixed wireless technology.

**Question 5**

Do you have any concerns regarding sourcing connectivity products? Are there any supply chain issues currently affecting your business?

Not known. The towers recently constructed in Balonne were manufactured in Vietnam.

**Question 6**

Do you have any suggestions on how the Program can be improved?

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<sup>12</sup> This time period is not set and subject to change in the final design.

**Question 7**

Please provide any other information that you think would assist the Department in designing this Program.

## Part B – Questions for primary producers

As outlined in Part A, it is envisioned that primary producers will be able to purchase connectivity solutions from eligible equipment service providers at a rebated price. However, it is anticipated that primary producers will need to demonstrate their eligibility to participate in the Program before purchasing. This verification process seeks to ensure that only genuine agricultural, forestry or fishery businesses participate in the Program, and only receive one benefit under the Program.

As discussed above under ‘Who is in scope?’, the Program is intended for commercial producers whose main source of income is primary production. The Department will determine the eligibility of an agricultural business by using either the ABS’s EVAO or UCLs geographical units. The Department is proposing to use an EVAO of greater than \$40,000 as the threshold to determine if a primary producer can participate in the Program. Alternatively, primary producers located in eligible areas (all parts of Australia that do not fall within UCLs geographical units classified by the ABS as Major Urban, with a population of 100,000 or more) may be in scope.

Primary producers must use eligible equipment service providers. Not every supplier of connectivity products will meet the criteria necessary to participate in this Program. It is expected that details regarding eligible equipment service providers will be available on the Department’s website once the Program design process has been finalised.

Further information regarding eligibility requirements will be detailed in the Grant Opportunity Guidelines and in application documentation.

### Question 8

What connectivity solutions do you believe are most needed on farms or in forestry or fishery businesses, and why?

### Question 9

Do you have any comments or questions regarding the eligibility requirement options for primary producers?

1. Preference is for the program to focus on regional Australia, rather than focus on farms with a minimum expenditure. Better-resourced farms may be able to fund their own connectivity.
2. Where an on-farm mast/repeater is necessary to disperse an internet and/or mobile signal within a farm, and secondarily connects the farm to an external internet or mobile source, that mast/repeater will be eligible (as an exception to ‘last mile’ external connectivity being out of scope). This would significantly add to the number of farms that could benefit.

### Question 10

Please provide any other information that you think would assist the Department design this Program.



## Make your views known

All interested stakeholders wishing to have their views considered on the design and implementation of the Program are invited to provide a submission to the Department. All submissions must include the name and contact details of the person making the submission and the organisation they represent (if applicable). Submissions should address the questions, detailed throughout this discussion paper.

### Lodging submissions

Submissions can be sent to the following email address: [OFCP@communications.gov.au](mailto:OFCP@communications.gov.au).

The closing date for lodging submissions is 5:00pm (AEST) Friday 3 March 2023.

All submissions lodged will be acknowledged by the Department by email. Respondents lodging a submission who do not receive acknowledgement of their submission should contact the Department. Submissions which are not acknowledged by the Department as being received may not be considered.

Respondents should be aware that emails greater than 10MB may not be successfully delivered.

### Australian Privacy Principle 5 Notice

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) is collecting information for the purposes of designing and implementing the On Farm Connectivity Program (the Program), in accordance with the *Privacy Act 1988*.

The Department will use this information for designing and implementing the Program and will store this information securely. The Department may also use this information for demonstrating the Department's consultation process during the Program development. The Department may use this information to make contact with you about the consultation.

Submissions, in part or in full, including the name of the author may be published on the Department's website unless the submission is confidential. Confidential submissions (including the author's name) will not be published. Private addresses and contact details will not be published or disclosed to any third parties unless required by law.

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- In response to a request by a Commonwealth Minister
- Where required by a House or a Committee of the Parliament of the Commonwealth of Australia
- Where required by law.

The Department may also disclose confidential submission within the Commonwealth of Australia, including with other Commonwealth agencies, where necessary in the public interest.

The Department reserves the right not to publish any submission, or part of a submission, which in its view contains potentially offensive or defamatory material, or for confidentiality reasons.

The Department's [privacy policy](#) contains information regarding complaint handling processes and how to access and/or seek correction of personal information held by the Department. The [Privacy Officer](#) can be contacted on (02) 6274 6495 or by email: [privacy@infrastructure.gov.au](mailto:privacy@infrastructure.gov.au).

## **Next steps**

Stakeholder submissions will be collected, analysed and used to inform the development of the Grant Opportunity Guidelines and the administration of the Program. The Department may undertake additional targeted consultation with select stakeholders to further inform the development of the Program. The Department expects to release draft Grant Opportunity Guidelines for consultation in early to mid-2023.

## **Contact us**

For further information about the Program or to discuss any elements of this Discussion Paper, please contact the Department via the above email address.