

Friday March 3, 2023

Regional Communications Branch
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
Canberra ACT 2601

To Whom it May Concern,

Re: On Farm Connectivity Program – Discussion Paper

On behalf of the Greater Whitsunday region, we thank the Department for the opportunity to provide comment on the On Farm Connectivity Program – Discussion Paper. Agriculture is a key priority sector for the region and we are focussed on driving further opportunities for primary producers through enhanced digital connectivity, adoption of technology and agribusiness development.

Greater Whitsunday Alliance (GW3) is the peak independent, economic development organisation for the Mackay, Isaac, Whitsunday region, creating opportunities for the Greater Whitsunday region to realise its full potential. GW3 delivers a range of economic development focused projects to help support and promote prosperity across the region, in partnership with regional agencies, industry and the Mackay, Isaac and Whitsunday Regional Councils.

The Greater Whitsunday region is home to 180,894 people, covers a footprint of some 90,000sq km and has a total annual economic output of more than \$51 billion. Located in the strategic heart of Northern Australia, Greater Whitsunday is one of Australia's economic powerhouses, with substantial contribution to Queensland's employment, output and exports underpinned by the strength and depth of its knowledge-intensive mining, advanced manufacturing, agriculture, transport, tourism, and construction industries. Agriculture and aligned supply chains in our region generated \$2.56B in gross revenue in 2021 and employed almost 7,000 people.

The On Farm Connectivity Program is a welcome and important initiative for the connectivity and agribusiness development plans in Greater Whitsunday. In 2022, GW3 developed the Greater Whitsunday Digital Roadmap to guide the next phase of digital investment and activity within the region, with a focus on key industries and sectors including agriculture and aquaculture. Relevant strategies and actions will be delivered through the Greater Whitsunday Agribusiness Futures Alliance and Greater Whitsunday AgTech Hub with a specific focus on supporting digital connectivity, digital literacy and technology adoption for improving the agribusiness sector's viability and prosperity. GW3 auspice both initiatives on behalf of the Greater Whitsunday region.

This submission provides comment following consultation with regional stakeholders, including the Greater Whitsunday Agribusiness Futures Alliance and Greater Whitsunday Agtech Hub, on elements of the On Farm Connectivity Program Discussion Paper, to articulate key considerations and the impact for those wishing to make grant submissions from the Greater Whitsunday region.

Should you have any questions at all, please don't hesitate to contact me.

Yours faithfully,
GREATER WHITSUNDAY ALLIANCE



Kylie M. Porter
Chief Executive Officer

Re: On Farm Connectivity Program – Discussion Paper

The On Farm Connectivity Program (the Program) is welcomed by the region and aligns with identified priorities to enable primary producers in agriculture, forestry and/or fisheries to extend connectivity in their fields and take advantage of connected machinery and sensor technology.

Thorough review and consideration of the discussion paper identified several limitations to the Program design, and we present for your consideration the following feedback based on real place-based experience in regional Queensland.

To ensure the Program meets the objectives and aligns with the needs of the agriculture sector there is a strong desire for alternative and additional considerations in the development of the final guidelines and criteria.

Greater Whitsunday Alliance offers the following comments for further considerations:

- 1. The Program proposes to fund successful applications through a ‘three-party’ arrangement – 50% paid by a primary producer for an eligible product from an eligible (and approved) equipment service provider, with administration of the Program delivered by the Business Grants Hub, who will manage the remaining 50% rebate to the equipment provider. This presents potential risks and limitations, namely:**
 - Pre-selected/approved equipment service providers limits the choice of products and services and potentially limits the ability to support local providers (if they are not an approved provider).
 - Risk that the ‘best’ technology connectivity solutions are not implemented and rather a sub-standard product is funded that was simply available or on the rebated list is ‘sold’ to the primary producer.
 - Some providers may have tendency to promote metropolitan based/national products at the detriment of ‘better fit’ local solutions.
 - The complexity of the three-party contract/transactional agreements presents risks to both primary producers and equipment providers if the terms and 50% funding agreement isn’t fully understood.
 - Risk that some product providers may escalate/inflate prices of rebated products.

- 2. The proposed funding program design and maximum rebate of \$20,000 limits the opportunity for multiple farms to leverage collective agtech solutions, particularly where shared farming practices may provide value for money. For example:**
 - Only offering individual producer applications limits the opportunity for farmers to collaborate on place based agtech solutions.
 - There may be limitations to the adoption of on farm agtech solutions for improved farming practices.
 - Individual applications may present lower value for money, ROI opportunities, risk of cost inflation, and limits ability to build capacity in region through peer to peer learning with producers.
 - Limits opportunity for learning across industries, e.g. connectivity solutions adopted by aquaculture shared with horticulture industry and vice versa.

Proposed criteria solutions for consideration:

1. An option for primary producers to apply for connectivity and agtech solutions by seeking quotes that include 50% contribution toward products, installation and training with a provider of their choice rather than pre-selected products and providers (similar to Business Queensland: Business Basics Grants - [Business Basics Grants Program](#) | [Business Queensland](#))
2. An option for collective partnership approach/applications with increased funding limits. This could be supported and facilitated by local expertise from peak bodies e.g. Greater Whitsunday AgriFutures Alliance, Greater Whitsunday AgTech Hub, Bowen Gumlu Growers Association, Sugar Research Australia, Canegrowers Queensland and Regional Productivity Boards (and others) with strategic place-based solutions for greater return on investment, agtech adoption and regional capacity building.
3. Support peak bodies or grower organisations to bring agtech solutions to the regions, e.g. Bowen Gumlu Growers Association Innovation Day (Nov 2022) involved regional demonstrations of agtech and connectivity solutions, resulting in significant increased adoption and investment.

Part A – Questions for equipment service providers

GW3 cannot respond to Part A as we are not an equipment service provider, nor do we have relevant providers within our stakeholder network for consultation.

Part B – Response to Discussion Paper questions relevant to Primary Producers

GW3 provides the below responses to questions within the Discussion Paper after thorough review of the draft and consultation with primary producer stakeholders.

1. 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.

Q. Which option is most appropriate?

- A.** Option 2 with threshold /cut off for SA1 or SA2 scale definition for population density. The program would need to provide links to regional SA2 ASGS assessment.

If the desire of the Program and its policy is to support more regional and remote agriculture enterprise connectivity then the suggestion is to utilise the ASGS Remote Areas classification scheme whereby grant proponents can be selected at SA2 scale from solely those locations listed as either Inner Regional, Outer Regional, Remote or Very Remote as per ASGS RA classifications.

Q. Other options to establish primary producer eligibility?

- A.** If the focus of the On Farm Connectivity Program is solely to support rural connectivity for full time rural business, then utilise a derived value of operations based on turnover reported in the Businesses Activity Statement (BAS) and where the grants set a minimum threshold turnover figure.

(b) Equipment service providers

Companies who sell an agri-business connectivity product service are in scope for this Program.

Q. What equipment and services are most useful under this Program?

- A.** Digital connectivity requires a variety of solutions based on location and what works best in different locations and may be dependent upon future farming technology requirements. It is not recommended to have separate funding to equipment service providers at a national level, rather seek a primary producer or consortia of producers putting forward an application with quotes for a strategic place-based solution utilising product/service providers of choice.

2. 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.

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

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

Q. Is there equipment which should be added to this list?

- A.** It will be important to provide clear and concise details and explanations of various Wi-Fi solutions and how and where to identify what is available to each area in the guidelines

3. Proposed funding process

The anticipated value of the rebate will be :

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).*

Q. Is 50% an appropriate rebate level?

- A.** Up to 50% government funding assistance is suitable.

Q. Is there a better way for the Program to be implemented?

- A.** 50% government assistance is suitable provided it is not as a rebate scheme, but rather part of the funding application and direct to farmer who has supplied provider quotes as part of their submission. E.g. Funded for at least 50% of costs.

Consideration is given to collaborative submissions involving multiple farmers where a solution could potentially be shared.