



3 March 2023

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

Transmitted via email: ofcp@communications.gov.au

Dear Regional Communication Branch,

Subject: NFF Submission - On Farm Connectivity Program Discussion Paper

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' (The Department) *On Farm Connectivity Program: Discussion Paper* (Discussion Paper).

The NFF was established in 1979 as the national peak body representing farmers and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and the length of the supply chain. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

The NFF welcomed the then-Opposition's *Better Connectivity Plan for Regional and Rural Australia*, announced prior to the May 2022 Election, including the announcement of \$30m for the On Farm Connectivity Program (OFCP). Producers subsequently welcomed the October 2022 budget funding this plan into the forward estimates. The NFF has long advocated for bipartisan investments of connectivity programs in regional, rural and remote Australia.

Given the OFCP remains largely in the conceptualisation phase, the NFF's response seeks to provide commentary on some of the key high level considerations outlined in the Discussion Paper, including:

- The importance of connectivity for Australian agriculture;
- Program eligibility considerations;
- Program scope and coverage;
- Program delivery and funding process; and

- Other considerations.

The views put forward by the NFF have principally been developed by the NFF Telecommunications and Social Policy Committee. This Committee has met with various relevant stakeholders, including Departmental representatives and the Regional Tech Hub, to help best inform its views on this Discussion Paper.

The importance of connectivity for Australian agriculture

The NFF is committed to advocating for regional communities to have accessible, reliable, quality and affordable connectivity services. The NFF has a target of reaching \$100 billion in farm gate output by 2030. This target forms part of our ambitious 2030 Roadmap – our plan to grow and advance our sector in the coming decade. A key element to achieving this will be ongoing improvements to connectivity services in regional Australia. Roadmap action 3.3.2, under the Unlocking Innovation Pillar, seeks to *‘build the industry’s capacity to take advantage of connectivity and digital farming practices’*.

This goal is supported by numerous research reports and publications which have highlighted the benefits that increased connectivity, and subsequent digital and agtech adoption, will provide to the Australian agricultural sector. For example, The Australian Farm Institute estimates that the full adoption and implementation of digital agriculture by the sector could add upwards of \$20 billion in additional sector value¹.

Given the above, the NFF supports the principal intent of the OFCP, that being to improve digital connectivity across businesses in the farm, forestry and fisheries sectors. Doing so is a critical element to the next wave of sector productivity and ongoing competitiveness.

Program eligibility considerations

The NFF notes the considerations posed in the Discussion Paper regarding program eligibility. In reviewing the eligibility options posed, NFF members have noted that in their experience with state-based rebate programs, those which place an income floor or income percentage on eligibility can have unintended consequences. Sector participants who in all reasonability should be eligible for the program may become designated ineligible. This may be due to those producers receiving some form of off farm income, seasonal income variability or the result of the utilisation of risk-management income averaging tools.

We would encourage the Department to consider this issue closely, and consult where appropriate with their state-based colleagues whom have delivered similar programs to ensure the widest range of producer recipients are eligible for the OFCP.

The Discussion Paper states that producers already receiving a similar service through a state or territory government program would not be eligible to access the

¹ Australian Farm Institute, 2017, *Accelerating Precision Agriculture to Decision Agriculture – Analysis of the Economic Benefit and Strategies for Delivery of Digital Agriculture in Australia*

OFCP. While recognising the intent of this may be to avoid duplication and to extend the program to as many producers as possible, the NFF believes a more appropriate approach may be to ensure that where similar programs are in operation, the OFCP seeks to complement these, instead of being mutually exclusive. The task of supporting connectivity adoption is not the role of one jurisdiction or stakeholder alone.

Program scope and coverage

The NFF recognises that the program is seeking to support the adoption of connectivity products, rather than supporting agtech products, or more broadly connectivity and digital literacy. Complete digital inclusion and innovation adoption, does however rely on all of these elements. Acknowledging this, the Discussion Paper's does provide some commentary on digital and connectivity literacy, and this is addressed later in this submission.

It is outlined that the product scope for the OFCP is currently those from companies that 'sell an agri-business connectivity service'. The NFF views the types of products that may be sought by producers as being along a 'spectrum' of connectivity solutions. This spectrum ranges from more simplistic and primary connectivity solutions, to more sophisticated and integrated networks. The type of product(s) producers seek to access will depend on a range of factors including enterprise type, size and location, among others.

For example, for some producers the OFCP may be utilised to provide support for fixed coverage repeaters to extend mobile connectivity at the household or other sites such as machinery sheds or livestock yards. For others, the rebate may be utilised to support highly sophisticated production networks and systems supporting advance data capture, telemetry and decision support solutions.

Moreover, producers themselves will have varying levels of connectivity literacy informing their capacity and willingness to utilise the program.

The Paper does note the stated exclusion of telecommunications services or internet services provides, *'unless they have products and installation services tailored to the agricultural sector to improve connectivity for primary producers'*. While acknowledging the intent here to ensure benefit to primary producers, it is important that does not exclude some products that may play an important role in on farm connectivity. For example, some products such as coverage enhancers may not specifically be tailored towards the agricultural sector or primary producers, but nonetheless be utilised by producers for on farm connectivity.

The NFF notes that the programs will cover the funding of some 'initial training of usage' for products supported by the program. A theme arising from NFF member consultations was that while such support may likely be useful for simpler connectivity products, considerations should be given to how producers will access appropriate advice for more advance systems and solutions. Such consideration pertains not just to product selection, but to ensure the solutions producers select are appropriate for their enterprises both currently and into the future and best

integrate into existing mobile, broadband, satellite and IoT networks among other considerations.

Program delivery and funding process

The NFF notes the Discussion Paper outlines that equipment service providers will act as the conduit with the OFCP and will apply for, and receive, the rebated amounts. The NFF recognises that the selected method is in part influenced by broader Commonwealth program delivery constraints and guidelines.

The NFF encourages strong consideration be given to ensuring that the selected delivery method does not result in any corresponding price inflation. Consultation with the Department provided some assurances that pricing information models utilised in similar programs can assist in this regard. Beyond this, the NFF would encourage the Department to consult as widely as possible with relevant departments - both at the Commonwealth and state level - who have delivered projects of this nature; a relatively small individual rebate size and with a large number of suppliers/intermediaries.

Additionally, it is likely many producers have a level of familiarity with similar state and territory-based rebate schemes, but which see the producer apply for and receive the rebate directly themselves. Given this, it is important that consideration is afforded to how to best inform producers about how the scheme will be delivered, and their pathways to receiving the rebate. The NFF and its members can play a role in this regard.

The NFF notes the proposed funding range being a 50% contribution from a minimum of \$1,000 to a maximum rebate amount of \$20,000. At a 50% contribution level this would see producers purchasing connectivity solutions ranging from \$2,000 to \$40,000. The NFF does not have a specific view on the range set, but accepts that this would appear to provide reasonable rebate amount for producers along the aforementioned spectrum of connectivity solutions. Nonetheless, we would encourage the Department to maintain flexibility in the range, to allow for any reasonable adjustments that may be required once the program commences.

Additionally, the Discussion Paper outlines that it intends to ensure that eligible producers only receive 'one benefit under the program'. Recognising that this likely refers to issues of program delivery probity regarding claims in excess of the maximum eligible rebate amount, we would seek to clarify that this should not exclude participants who may be utilising the program to support the purchase of multiple products, but which still in totality remain under the maximum rebate level.

Other considerations

Providing financial support for connectivity product purchase is an important element of improved connectivity and digital outcomes on farms. However it is only one element of the mix of areas need to be addressed in this regard, with other important areas including connectivity and digital literacy. The Accelerating Precision Agriculture to Decision Agriculture research project found that beyond accessing

products, constraints on [digital agriculture] adoption also included lack of digital and connectivity literacy.

Concerning connectivity literacy, the NFF and its members strongly support the work of the Regional Tech Hub (RTH) and welcomed the additional funding for the RTH in the October 2022 budget. Beyond this, consideration needs to be given to the current capacity and resourcing of the RTH to deliver services beyond this, such as digital literacy and advisory functions.

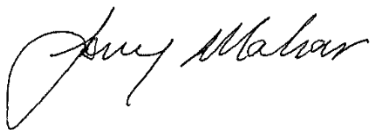
Lastly, the NFF would encourage the Department to continue to consult as widely as possible with a range of relevant stakeholders to ensure that the program design and delivery works effectively as possible and unintended consequences are avoided.

This may include:

- State-based departments who have designed and delivered similar programs;
- Telecommunications and broadband companies and service providers, and their peak industry associations;
- On farm connectivity and ag tech providers, and associated peak industry associations such as the Australian Agtech Association; and
- Relevant research institutions and organisations including universities with agricultural specialties and Rural Research and Development Corporations.

Again, the NFF thanks the Department for their proactive approach to consultation with the OFCP, and we look forward to its progression. Should you seek any further information please do not hesitate to Mr. Christopher Young, NFF General Manager – Rural Affairs on (02) 6269 5666 or at cyoung@nff.org.au.

Regards,



TONY MAHAR
Chief Executive Officer