

26 August 2025

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

Re: Feedback for the Proposed Changes to On-Farm Connectivity Program Round 3

Dear On-Farm Connectivity Program Team,

On behalf of the Australian Agritech Association (AusAgritech), we welcome the opportunity to provide feedback on the proposed changes to Round 3 of the On-Farm Connectivity Program. We recognise and commend the Department's commitment to improving on-farm connectivity, addressing coverage gaps, and supporting the adoption of digital technologies that enhance productivity, safety, and sustainability across the agriculture sector.

While we support the overall objectives of Round 3, our members have raised several concerns regarding the proposed design changes, which we believe risk undermining the program's effectiveness. We have structured our response into key areas of support, concern, and recommendations.

Key Support

- Focus on Connectivity: The program continues to recognise the importance of extending telecommunications infrastructure (WiFi, LoRa, cellular, satellite, Ethernet, etc.) across farms
- Exclusion of Packaged Equipment: We support removing rebates for equipment bundles where ineligible items are sold with connectivity solutions, as this helps maintain program integrity
- Rebate Approval Prior to Purchase: Providing approval before purchase is a positive step, giving producers confidence before committing to significant expenditure

Key Concerns

1. Removal of the Approved Supplier List

The removal of the approved supplier list is positioned as a simplification, but it risks exposing producers to low-quality or non-compliant providers.

- Approved suppliers gave producers confidence that providers met minimum service, quality, and compliance standards.

- Without this safeguard, producers may be vulnerable to misleading claims or poor-quality installations.

Establish clear, transparent participation standards (e.g., compliance criteria, service guarantees, and quality benchmarks). This ensures producers retain choice without compromising trust or program integrity.

2. Rebate Application & Payment Process

Under the proposed design, producers must:

- Pay 100% of equipment costs upfront;
- Manage their own rebate applications and compliance evidence

This represents a major shift from Rounds 1 and 2, where suppliers managed administration and rebates were applied directly to invoices. That model was highly successful, as it reduced producer burden and improved uptake.

- Many producers are time-poor and lack the administrative resources to manage complex applications.
- Cashflow pressure from upfront payments will exclude smaller producers and limit accessibility.
- The previous supplier-led model was a key factor in the strong demand and rapid uptake seen in Round 2.

Recommendation: Adopt a hybrid model where producers apply directly but suppliers can assist if both parties agree. This maintains accessibility while ensuring accountability. The Department must also increase staffing and support to manage higher application volumes.

3. Exclusion of Integrated Technologies

The proposed eligible equipment list excludes:

- Farm management systems,
- Remote automation and control solutions,
- Environmental monitoring and sensing solutions

This exclusion is deeply concerning:

- The vast majority of modern agritech solutions integrate connectivity into sensors, controllers, or software platforms.
- These tools not only use connectivity but actively extend and enhance it, enabling smarter decision-making and efficiency.

- Excluding them risks making Round 3 disconnected from the real-world tools farmers need most.

Recommendation: Retain eligibility for integrated technologies that include embedded connectivity, as in Rounds 1 and 2. These solutions represent some of the highest ROI applications of connectivity on-farm.

4. Installation & Delivery Cap

A flat 15% cap on installation/delivery costs fails to reflect the reality of remote and regional delivery challenges

- Many producers are in locations where technician travel and logistics can exceed 15%.
- The cap risks excluding those who face the greatest connectivity challenges.

Recommendation: Increase or flexibly apply the cap for remote and regional installations.

5. Compliance Burdens (Geotagging / Statutory Declarations)

Round 3 proposes geotagged photo evidence for items over \$10,000. While workable for suppliers, this adds complexity for producers:

- Many producers may lack knowledge or capability to provide compliant geotagged evidence.
- Suggesting statutory declarations as an alternative is also impractical; farmers are unlikely to seek authorised witnesses for each purchase.

Recommendation: Retain the Round 2 evidence model - shipping photos and delivery confirmation provided by suppliers - as the most efficient and least burdensome approach.

Broader Risks

AusAgritech Members expressed concerns that the program's narrow focus on connectivity hardware risks failure:

- There is already no shortage of connectivity solutions available.
- The real barrier to adoption is lack of capital for integrated, productivity-enhancing technologies.
- Without expanding eligibility to include sensors, analytics, and automation, the \$20m allocation risks underspend or investment into near-obsolete infrastructure.

Recommendations Summary

1. Supplier Standards: Replace the approved supplier list with transparent standards to protect producers.
2. Application Model: Consider hybrid model to reduce producer burden and cashflow risks.
3. Integrated Technologies: Retain eligibility for systems that embed connectivity (sensors, farm management, automation, environmental monitoring).
4. Installation Flexibility: Adjust the 15% cap for remote/regional areas.
5. Evidence Process: Retain Round 2's evidence model instead of shifting compliance burdens to producers.
6. Communication: Provide at least four weeks' notice before opening and a preview of the application form, enabling better planning by producers and suppliers.
7. Departmental Resourcing: Increase support staff to manage applications and queries promptly, avoiding the long delays and lack of communication experienced in Round 2.

Conclusion

The OFCP has already proven to be a game changer for producers, accelerating digital adoption and improving safety, productivity, and sustainability. However, the proposed Round 3 changes risk undoing this progress by narrowing eligibility, shifting burdens onto producers, and excluding integrated agritech solutions.

We urge the Department to refine the program design to:

- Protect producers through supplier standards,
- Support real-world adoption through integrated technologies, and
- Ensure accessibility by reducing unnecessary compliance and cashflow barriers.

AusAgritech remains committed to working with the Department to co-design improvements and ensure Round 3 achieves its intended impact.

Sincerely,

AusAgritech Committee

Australian Agritech Association

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About Australian Agritech Association

Guided by our values - Connect, Promote, Advance - AusAgritech is the peak national body for agritech in Australia, dedicated to elevating the nation's agritech sector both locally and globally. Our mission is to unite innovators, investors, regulators, researchers, and the public to foster collaboration and address sector fragmentation. Our vision is a thriving agritech ecosystem with continuous innovation, investment, and talent influx.