NSW Farmers submission to

the On Farm Connectivity Program – Round 3

August 2025
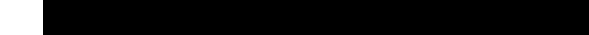
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About NSW Farmers

NSW Farmers is Australia's largest state farming organisation and advocates for issues such as the environment, biosecurity, water, animal welfare, economics, trade, workforce, and rural affairs. Agriculture is crucial, employing more than 75,000 people in NSW and the ACT, and contributing more than $24 billion to the economy.

Our goal is to reach $30 billion in output by 2030 by supporting stronger farming businesses. We ensure genuine farmer voices shape policies, and we provide specialist advice, along with valuable member benefits.

Recommendations

A summary of NSW Farmers recommendations to the On Farm Connectivity Program consultation is provided below and further detail outlined throughout this submission.

NSW Farmers recommends that:

1. The Australian Government continue the successful On Farm Connectivity Program for further rounds to accelerate the uptake of digital technologies on farm to enhance their business, including profitability and on farm safety.
2. The program eligibility takes into account low-margin, high-volume farm enterprises, and businesses that have been impacted by multiple adverse events over the past three years including severe weather, floods, cyclones and drought.
3. The program is not conducted during peak production periods for farm businesses and that sufficient notice and information is provided to farmers to plan applications.
4. Alternative program application pathways including telephone options be provided to ensure equitable access for all producers with the new process via the Business Grants Portal.
5. Flexible payment arrangements be considered to reduce financial barriers for participation due to changes requiring full upfront payment by the applicant.
6. Round 3 of the On Farm Connectivity Program focuses on connectivity devices and that the Federal Government continue investment in telecommunications infrastructure to improve coverage and reliability across regional NSW.
7. The Australian Government consider future rebate programs which support adoption of a broader set of ag tech devices.
8. The program reconsider the exclusion of connection to family home and place of business due to unique nature farm businesses and need for technology decisions to be made on the basis of most appropriate technical solution for the individual circumstance.
9. The program maintain flexibility in purchase pathways so that equipment purchased via third-party installers remains eligible.
10. If geotagged photographic evidence be required for equipment purchases over $10,000, clear information on devices that have this capability must be provided, in addition to a practical alternative to meet compliance requirements.
11. The proposed cap on installation cost of 15% of the total purchase price be increased to reflect the greater distances and higher travel expenses faced by primary producers in regional and remote areas.

Introduction

NSW Farmers welcomes opportunity to provide a submission to the Australian Government's consultation for Round 3 of On-Farm Connectivity Program. NSW Farmers emphasises the importance of this program, which has already delivered significant benefits through the first two rounds by helping farmers digitise and modernise their operations. NSW Farmers supports the intent of the program review to maximise the number of farmers who can benefit from it and were disappointment at the rate at which the previous round was exhausted.

Ag-tech adoption is essential to improving productivity and achieving the sector's national target of becoming a $100 billion sector by 2030 and an NSW state goal of $30 billion by 2030. In the face of mounting environmental and socio-economic challenges, farmers must continually increase production efficiency and business sustainability. Digital agricultural technologies are a key part of this effort, enabling better decision-making, driving innovation and delivering productivity gains. The closure of the 3G network has led to a significant telecommunications downgrade in rural, regional and remote NSW, leaving many farmers without reliable mobile coverage and facing poor service quality. For numerous producers, this has meant the complete loss of on-farm coverage, ongoing business disruptions, and heightened safety risks. The Australian Farm Institute estimates that the adoption of digital technologies could add up to $20 billion to agriculture's bottom line.

To realise this potential, regional, rural and remote areas must have access to fit-for-purpose connectivity and telecommunications services that are comparable to those in urban areas. NSW Farmers 2024 Regional Telecommunications Survey identified major barriers to on-farm technology adoption, including uncertainty about what solutions might help (53%), a lack of time to research options (45%) and uncertainty about return on investment (49%). Programs such as the On Farm Connectivity Program are critical to overcoming these barriers and enabling the large productivity gains that are within reach.

Connectivity is a critical enabler of modern farms, underpinning the adoption and effective use of a wide range of productivity-enhancing tools. Examples of productivity-enhancing ag-tech devices that rely on connectivity include water meters, irrigation and soil moisture sensors, bore and water tank monitors, automatic weather stations and machinery telemetry. Improved connectivity will ensure that primary producers can fully utilise these technologies. For these reasons, NSW Farmers supports the continuation of the On Farm Connectivity Program beyond Round 3 and urges the Federal Government to commit to implementing the full recommendations of the 2024 Regional Telecommunications Review.

> **Recommendation:** The Australian Government continue the successful On Farm Connectivity Program for further rounds to accelerate the uptake of digital technologies on farm to enhance their business, including profitability and on farm safety.

NSW Farmers provides the following feedback in response to the questions outlined in the consultation discussion paper.

Eligibility Requirements

1. Although there is no proposed change to pre-tax income of between $40,000 and $4 million as an eligibility threshold, we seek your views on whether it should be modified.

NSW Farmers is generally supportive of retaining the current eligibility threshold; however, we have received feedback that using pre-tax income as the measure may exclude some farmers operating

under lower-margin business models. In business terms, turnover (income) represents the total value of sales before expenses are deducted, while profit reflects the remaining income after operating costs and expenses are taken into account. For many agricultural enterprises, particularly those with high input costs such as grain producers, turnover can be substantial but net profit can be relatively modest. Using turnover rather than profit as the basis for eligibility risks excluding these producers, despite their requirements for devices being similar than that of smaller-scale, higher-margin enterprises.

Eligibility is calculated based on the average income over the previous three years. This approach can disadvantage some agricultural businesses that have been severely impacted by consecutive disasters in recent years, such as drought, floods, and cyclones. In these cases, income may have been significantly reduced for multiple years, and the $40,000 minimum income threshold could unfairly exclude otherwise viable businesses from accessing support.

> **Recommendation**: The program eligibility takes into account low-margin, high-volume farm enterprises, and businesses that have been impacted by multiple adverse events over the past three years including severe weather, floods, cyclones and drought.

Program Timing

> *1. How does the time taken between the announcement of a round and it opening for applications impact you?*
>
> *2. How far in advance would you like to be advised of the Program opening?*
>
> *3. What is your preferred method of contact to be notified about key dates and announcements?*

The timing between the announcement of a funding round and the opening of applications is critical for primary producers, who need adequate time to plan and prepare the necessary documentation. Like any other business, farmers must make informed financial decisions, and early certainty around program dates is essential to this process.

Advance notification of a program such as On Farm Connectivity allows producers to assess their needs, plan investments and prepare strong applications. If the window between announcement and application opening is too short, farmers may miss out because they have already made purchasing decisions or cannot compile the required documentation in time. This is especially challenging for primary producers, who are often time poor due to the demands of running their operations. Allowing two to three months between announcement of the program details and application opening would better enable this.

Agricultural businesses become especially busy during spring and summer. For example, harvest and peak bushfire season for many occurs from around the end of September to January. In Round 2, many producers faced this problem when the program opened and closed within just a few days in early November, exacerbating frustration at missing out. Clear advance notice of future rounds, along with a reasonable application window, is essential to ensure fair participation.

Providing clear program requirements well ahead of the opening date enables farmers to prepare, budget, and align applications with their business planning cycles. Adequate lead time is also important because farm businesses can be cash poor at certain times of the year, particularly following natural disaster events. Early notice gives producers the opportunity to plan purchases and participate when the timing is financially viable. Similarly ensuring that organisations such as industry

bodies and the Regional Tech Hub receive timely notification and program information will aid farmer communications, as they are a key point of call for members.

> **Recommendation:** The program is not conducted during peak production periods for farm businesses such as harvest and that sufficient notice and information is provided to farmers to plan applications.

Application Process

> *1. Are there any barriers to you completing an online application via the Hub's portal?*
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> *2. Do you consider that removing approved equipment suppliers in Round 3 will increase the range of choice for primary producers, in making purchases of connectivity equipment?*
>
> *3. For applications that are approved, what are the possible impacts on your business making full payment of purchased equipment up front prior to receiving a rebate?*
>
> *4. Do you agree the minimum purchase amount for the rebate of $2,000 and maximum threshold of $60,000 are appropriate?*

NSW Farmers is supportive of the proposed change to move the application process online and have rebates paid directly to the primary producer rather than via approved suppliers. This shift will give farmers greater autonomy in selecting the most suitable equipment and suppliers for their needs. Feedback from previous rounds indicates that the approved supplier model created issues for members accessing the program. Anecdotally, we heard some suppliers offering suitable equipment were not on the approved list, while other approved suppliers were slow to process applications or, in rare cases, misused program funds. The supplier list also constrained regional producers by limiting their ability to obtain reasonably priced quotes for both equipment and installation – with farmers reporting that the costs associated with getting the initial quote were prohibitive in some cases. This was further compounded by high travel costs, as many approved suppliers were not locally based, reducing options for remote customers. Placing responsibility for both the application and expenditure with the primary producer is therefore a positive step that will increase choice, ensure fairer access, and improve accountability.

In addition, further clarity on how the purchase amount limit will be applied is needed. Specifically, confirmation on whether the $2,000 minimum purchase amount applies to individual products or if primary producers will be permitted to bundle multiple items together through a single application to reach the threshold. This is an important distinction, as many useful connectivity devices are valued under $2,000 and may be necessary to build out a connectivity system on a property. Similarly clear information is needed regarding whether you must submit all equipment purchases in one application once over the program lifetime or option to apply for rebates separately to manage investment decisions.

At this stage, we see no major barriers to most producers using the Business Grants Hub portal to complete an application. However, it is important to acknowledge that some primary producers have limited digital literacy or unreliable internet access. For this reason, alternative options should be available for example, telephone support which provides one on one support to guide producers through the process and respond to questions. The application should also produce a positive user experience by ensuring the portal is designed for a range of devices, including mobile devices. Ensuring equitable access to the program, regardless of connectivity or technical proficiency, is essential.

It is also important to recognise that the requirement for primary producers to pay the full purchase cost up front before receiving a rebate may present financial challenges. Agricultural businesses are highly seasonal, and income can fluctuate significantly throughout the year. Natural disasters such as floods, droughts and bushfires can also leave producers cash poor at critical times. Without adequate notice or flexibility, some producers may miss the opportunity to participate simply because they cannot make the initial payment.

> **Recommendation:** Alternative program application pathways including telephone options be provided to ensure equitable access for all producers with the new process via the Business Grants Portal.
>
> **Recommendation**: Flexible payment arrangements be considered to reduce financial barriers for participation due to changes requiring full upfront payment by the applicant.

Equipment

> *1. Are there any connectivity solutions or equipment not in the attached proposed list of eligible equipment, that you think should be included?*
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> *2. What do you see as the most significant barriers to connectivity on your farm?*
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> *3. Would you expect you may require assistance from someone other than your local supplier to assess your current connectivity equipment needs?*
>
> *4. Do you know who to talk to about your connectivity equipment needs?*
>
> *1. What impact would the above approach have on primary producers' purchasing behaviour?*
>
> *2. Is there an instance where equipment sold as a package cannot be broken down into individual eligible components to support the application process?*

Connectivity Equipment

The proposed changes to focus on only connectivity equipment for this round align with NSW Farmers concerns regarding regional connectivity access. This is an important initiative, particularly as many primary producers have experienced a significant telecommunications downgrade following the closure of the 3G network. Where farmers had once enjoyed reliable reception across their properties, many now face intermittent or non-existent connections. This has direct implications not only for productivity but also for safety, as reliable communications are essential for emergency response and coordination of farm operations. Federal Government support for devices that boost signal on-property is therefore a welcome step. However, this should not be the sole Government response to poor connectivity post-3G shutdown. While on-farm signal boosters and other devices can help individual businesses, they do not address the underlying coverage gaps or capacity constraints in regional networks.

In previous rounds, high demand and the wide range of eligible Agtech devices resulted in funds being exhausted quickly, leaving many producers disappointed. Limiting this round to connectivity devices gives those who missed out a renewed opportunity to address on-property connectivity gaps. Nonetheless, there remains significant interest in other Agtech solutions such as water and soil monitoring systems, surveillance security and on farm weather stations.

Feedback from producers have shown that many were unable to prepare applications in time in earlier rounds and continue to see value in such technologies. Equally, previous Rounds of the program have been hugely beneficial in the adoption of ag-tech and digital technologies on farm, that enable productivity gains, sustainability enhancements and improved safety. While the current focus on connectivity is appropriate for the OFCP, programs that focus on driving the uptake of technology on farm should remain a broader focus for the Australian Government.

Uncertainty about the technical solutions needed to improve connectivity on their properties continues to be a major challenge for many farmers. A NSW Farmers survey from 2024 indicated that not knowing what solutions might help, not having the time to research available solutions and being unsure of the return on investment continue to be major barriers for technology adoption on farm. These barriers were identified for approximately 50% who responded. With this removal of the supplier interface to guide possible equipment options tailored to their specific requirements, there will be additional barriers for potential applicants and utilisation of the program. More guidance from the program should be provided on what connectivity equipment can be valuable for farm operation, including options for tailored technical advice. Leveraging existing support organisations such as the Regional Tech Hub may also assist farmers needing independent advice.

Recommendation: That Round 3 of the On Farm Connectivity Program focuses on connectivity devices and that the Federal Government continue investment in telecommunications infrastructure to improve coverage and reliability across regional NSW.

Recommendation: The Australian Government consider future rebate programs which support adoption of a broader set of ag tech devices.

LEOSat Devices

One of the most transformative advances in regional telecommunications has been the advent of Starlink, which uses Low Earth Orbit satellites (LEOSat) to deliver broadband to areas where signals are weak and fibre connections are not viable. The Consultation Paper notes that a *"connection to your family home or place of business"* is out of scope, but lists "satellite" as eligible equipment, defined as *"Technology that utilises a direct connection to the satellite network to provide connectivity.'* Clarity on eligibility of Starlink equipment or any other LEOSat devices, for example for vehicles or other premises on the farm, will ensure producers can confidently plan purchases. NSW Farmers notes that for many farming families, the family home is a critical pillar of the business operations. For some businesses, their most appropriate technology solutions such as a remote camera system will be linked to satellite connection to the farm office premise. This is especially the case for those in more remote areas where the connectivity solution needs to fit in the remote environment, and the homestead may be on the only option for infrastructure. Refocusing the program exclusions around the agreed eligible equipment only, rather than exclusions on the family or place of businesses, would enable producers to use the program to make holistic investments around the connectivity needs of their farms.

Recommendation: The program reconsider the exclusion of connection to family home and place of business due to unique nature farm businesses and need for technology decisions to be made on the basis of most appropriate technical solution for the individual circumstance.

Purchase Pathways

Producers often receive advice on connectivity solutions from a range of sources beyond local suppliers, including installers and technical specialists. These providers may recommend, purchase,

install, and invoice the producer for both the device and installation. We note the proposed cap on installation costs, and will comment on that later in the document, but seek clarification on whether a device purchased via a third-party installer can be itemised for eligibility purposes. Such flexibility would better reflect how producers make purchasing decisions in practice.

> **Recommendation:** The program maintain flexibility in purchase pathways so that equipment purchased via third-party installers remains eligible.

Pricing

> *1. What impact do you expect the proposed pricing arrangements may have for you?*

The new proposed price caps on equipment should not become a prohibitive barrier to farmers seeking to use the program legitimately for connectivity needs. NSW Farmers recognises there will be considerable market research required to determine the price cap for eligible equipment types. This research must account for the complexities that result from the broad range of different products, suppliers and associated pricing within each equipment category e.g. WIFi mesh system which can range between $300 - $4000.

Geotagging Equipment

> *1. Do you know how to supply geotagged photographic evidence?*
>
> *2. Do you see any barriers to providing geotagged evidence of equipment over $10,000?*
>
> *3. Would you prefer having an option to submit a statutory declaration rather than a geotagged photo?*

NSW Farmers acknowledges the need for robust compliance measures to ensure the integrity of the program and prevent misuse. Requiring geotagged photographic evidence for equipment purchases over $10,000 is a reasonable safeguard in principle. However, some members may face barriers in meeting this requirement, particularly those who are not confident with the technology or whose devices do not easily allow for geotagging. In previous rounds, this step was managed by equipment suppliers, who were more familiar with the process.

If this responsibility is shifted to the primary producer, it will be essential to provide clear, step-by-step instructions, including guidance on how to check that location data has been correctly embedded in the image. Clarity will be needed on what the process is and whether it is just taking a photo on your phone that stores the metadata, such as guidance on which phone models can do this. The proposal for a statutory declaration will be difficult for primary producers who live in rural and remote areas as they will find it hard to find a Justice of the Peace to witness and sign the document. Consideration should be given to offering an alternative verification such as a self-declaration or other documentary evidence to ensure the requirement does not unintentionally disadvantage less technologically confident participants.

> **Recommendation:** If geotagged photographic evidence be required for equipment purchases over $10,000, clear information on devices that have this capability must be provided, in addition to a practical alternative to meet compliance requirements.

Installation Costs

1. What effect would the introduction of this proposed cap on installation cost have on your ability to purchase a connectivity solution?

2. If you believe delivery and installation costs should be more than 15% of the total purchase price of a connectivity solution, why?

NSW Farmers holds reservations about this proposed new requirement. We acknowledged the aim of focusing the support on the purchase of the equipment rather than installation and delivery. For many primary producers, geographic remoteness means that delivery and installation costs for connectivity equipment are significantly higher than in urban or peri-urban areas. In some cases, specialist technicians must travel great distances to reach farms, and this travel time is reflected in the service charges. The low cap on installation and delivery costs can therefore create a barrier for producers in more isolated regions, as the capped amount may not cover a realistic share of these unavoidable expenses.

Given that the aim of the program is to improve connectivity in regional, rural and remote areas, it is important that funding arrangements recognise the naturally higher cost structures faced by the most geographically isolated producers. The cap on installation costs must be increased to ensure remote primary producers are not disadvantaged.

Recommendation: The proposed cap on installation cost of 15% of the total purchase price be increased to reflect the greater distances and higher travel expenses faced by primary producers in regional and remote areas.