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

On Farm Connectivity Program Round 3

Discussion Paper

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1. Overview of the On Farm Connectivity Program

The Australian Government has allocated \$53 million across three rounds, over 2023-24 to 2025-26 for the On Farm Connectivity Program (the Program) to enable primary producers in agriculture, forestry and fisheries to extend connectivity in their fields and take advantage of connected machinery and sensor technology.

Funded through the [Better Connectivity Plan for Regional and Rural Australia](#), Rounds 1 and 2 sought to assist primary producers to increase connectivity, improve safety and drive more sustainable farming practice.

Round 1 of the Program provided \$13.8 million in rebates allowing over 1,500 primary producers to take advantage of digital agribusiness solutions.

Round 2 of the Program provided up to \$18 million in funding, opening in November 2024 to an unprecedented response. Under this round, in excess of 2,200 applications were received from more than 150 approved suppliers within 5 business days of opening, to a value well above the available funding. Round 2 was subsequently closed to new applications within one week of opening.

In light of the significant demand for Round 2 of the Program, grant guidelines and processes for Round 3 are being reviewed to maximise opportunities for primary producers across Australia to take advantage of connectivity solutions. This approach will focus on addressing localised connectivity gaps acting as a key barrier to uptake of technology. This discussion paper forms part of the Government's consultation with interested stakeholders, and aims to obtain views on a proposed model for Round 3 of the Program.

2. Context

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

The Review outlined connectivity shortfalls in regional, rural, and remote Australia noting disparities exist for regional areas, with localised connectivity gaps impacting the rate of uptake of new and advanced agricultural technologies. To address this shortfall, the Government allocated \$30 million towards the Program, over two rounds of \$15 million each. Due to the success of Round 1, the \$15 million allocated to Round 2 was increased to \$18 million. These earlier rounds have now been finalised.

In December 2024, the updated [2024 Regional Telecommunications Review: Connecting communities, reaching every region](#) was released. It highlighted the continuing connectivity issues faced by regional and rural Australians. Following this, on 14 January 2025, the Hon Michelle Rowland MP, the then Minister for Communications, announced a third round of the Program, allocating \$20 million. Round 3 will open for applications later in 2025, with funding to be delivered across 2025-26.

3. Purpose of the Discussion Paper

Feedback from industry and stakeholders on Rounds 1 and 2 have pointed to a need to prioritise addressing connectivity gaps in order to support greater uptake of new and advanced connectivity solutions.

This discussion paper is intended to inform proposed changes to the design of the program for Round 3 in line with this goal. It specifically aims to:

- Provide interested stakeholders with an outline of the proposed approach for Round 3 of the Program and seek their views
- Establish which connectivity solutions are most needed by primary producers.

This discussion paper assumes some knowledge of connectivity across farms which links into agricultural technology connectivity products on the market in Australia.

3.1 Who is in scope?

We are seeking input from stakeholders regarding the design and approach for Round 3 of the Program, and are particularly interested in hearing from:

- **Primary producers:** the Program is designed to benefit primary producers whose main source of income is primary production.
- **Suppliers:** companies who sell and install connectivity products.
- **Industry bodies:** including not for profit organisations that may offer primary producers support, assistance and training, often coordinated through shared industry interest and industry type.
- **National and state representative bodies:** representative bodies that closely work with and on behalf of industry stakeholders.

3.2 Who is an eligible applicant for the rebate?

Primary producers are the target group for rebates under this grant program. An eligible primary producer must:

- Be a registered business and have an Australian Business Number (ABN)
- Have an annual average pre-tax income from primary production between \$40,000 and \$4 million (annual average income is calculated as the average of the three previous full financial years' income for each ABN)
- Not be a hobby farmer
- Operate an eligible primary production activity¹.

What we want to know

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.

¹ Eligible primary production activities are defined as those listed in the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 (revision 2.0) codes under Division A, Agricultural Forestry and Fishing, Subdivisions 01, 02 and 03.

4. Proposed design changes

4.1 Communicating with you

Feedback from stakeholders about Rounds 1 and 2 has suggested some unintended impacts occurred, in relation to communication strategies.

A number of items raised include:

- The timing of the round opening may be able to be better coordinated with the timing of the primary production calendar and work week.
- Consumer behaviour changes – there were a number of reports of consumers changing their purchasing behaviour in anticipation of the opening of a round.
- The unprecedented demand under Round 2 resulted in early closing of the round, and extended assessment times for applications.

We propose these factors will be considered in the Program design for Round 3 making it as simple as possible for primary producers to participate.

Key Points

Feedback from earlier rounds highlighted the need for improved communication and reported some unintended impacts resulting from the timing of announcements and applications opening.

What we want to know

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?

4.2 Primary producer rather than supplier applications

The initial stages in Round 1 and 2 required a response to an Expression of Interest (EOI) from parties interested in participating in the Program as an approved supplier. Following an assessment of EOIs, a list of approved suppliers, eligible equipment and associated pricing were then identified for each round.

Applications for a rebate under Rounds 1 and 2 then included a two-stage process whereby an approved supplier submitted an application via the government's Business Grants Hub (the Hub) portal, alongside a declaration from the primary producer. Following eligibility checks and confirmation of funding available, approved suppliers were then notified of an approved application, enabling the completion of the sale.

The rebate claims were then submitted by the approved supplier following completion of the sale and installation, with rebate payments then made to the supplier once confirmation of the evidence was accepted by the Hub. The primary producer benefitted via a reduced payment to the approved supplier, as opposed to a direct rebate payment.

In Round 3 it is proposed the establishment of a list of approved suppliers be removed from the Program design. One impact of this proposed change is that primary producers would become responsible for submitting their own applications and rebate claims through the Hub's portal.

The removal of approved suppliers will also enable the use of any business registered on the Australian Business Register for eligible equipment under the Program, expanding opportunity for primary producers to leverage a variety of purchasing options to meet their connectivity requirements.

The benefits of this approach include:

- Suppliers do not have to go through the Expression of Interest process
- It provides opportunity for a greater range of businesses to participate
- Primary producers have increased opportunity to identify the best connectivity solution, price, and availability to meet their requirements.

4.2.1 How will it work?

The third round of the Program will remain as a demand driven, rebate program, with applications assessed in order of receipt to the value of funding available.

It is proposed a two-stage applications and rebate process will also be retained for Round 3, broadly as follows:

- Applications will be submitted by primary producers on the Hub's portal before they purchase a connectivity product or solution, prior to completion of the purchase (stage 1)
- Once an approved connectivity solution is installed, a rebate claim will be submitted to the Hub (stage 2).

Round 3 is proposed to retain the rebate amount of up to 50% of the total cost as included in Round 2, as well as:

- The minimum total purchase amount of \$2,000 (GST exclusive)
- The maximum total purchase amount of \$60,000 (GST exclusive)

The rebates will be up to 50% of the price cap as outlined in Section 4.5. If the purchased equipment is higher than the price cap, primary producers will be required to pay the difference.

The proposed process for primary producers to apply for a rebate is:

1. Identify the appropriate connectivity solution for your requirements. You can do this by talking to suppliers and/or undertaking additional research in relation to regional and rural connectivity solutions.
2. Once you know what connectivity solution is right for you, review the department's list of eligible equipment and obtain a detailed quote from your supplier².
3. Lodge your application to the Hub for their assessment.
4. If your application is approved, order the connectivity solution and/or equipment from your chosen supplier.
5. When the connectivity solution and/or equipment is installed and you have a receipt, submit your rebate claim to the Hub with evidence for payment of your rebate claim.

This proposed change would require primary producers to pay the supplier for equipment in full once they have received pre-approval from the Hub.

Similar to Round 1 and 2, purchases made prior to receiving approval of rebate application are *not* proposed to be accepted under the program guidelines. This will ensure there is an equitable opportunity for all eligible applicants to access rebates under the Program.

Note: It is also proposed that primary producers will be required to provide geotagged evidence of a single piece of equipment or connectivity solution where the cost is \$10,000 or greater. Further information on this is provided below at Section 4.6.

² It is preferred that a formal quote be obtained, but you may also submit a URL or screenshot of the available and eligible solution.

Key Points

It is proposed that Round 3 does not include a list of approved suppliers.

This would allow primary producers a greater choice of suppliers, and make it easier for them to purchase from a local or preferred supplier.

As this program will remain a demand driven grant program with a capped amount of funding, with applications assessed in order of receipt to the value of funding available.

Primary producers would apply directly to the Hub for a rebate.

Once pre-approval is provided, primary producers would need to pay in full for the equipment prior to receiving the 50% rebate.

Primary producers would then be able to claim the rebate once the approved equipment has been delivered and installed.

Items purchased prior to the opening of the Round will be ineligible for consideration under the Program, consistent with earlier rounds.

What we want to know

1. Are there any barriers to you completing an online application via the Hub's portal?
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?

4.3 Eligible equipment

The objective of the Program is to enable primary producers to extend connectivity in their fields to enable the uptake of connected machinery and sensor technology. In designing Round 3 of the Program, particularly in light of the significant interest in Round 2, we are proposing to focus on removing barriers to connectivity to support greater uptake of new technology.

The proposed change would restrict eligible equipment to only those that directly support or enhance connectivity. Equipment that meets this criterion will be eligible for rebates under the Program.

The categories of environmental monitoring, farm management, remote automation and control would **not** be eligible for the rebate.

4.3.1 What is in scope?

The below tables outline the list of proposed eligible equipment for Round 3 of the Program:

Table 1 – Proposed Eligible Telecommunications Technologies

Technology Categories	Description
WiFi/LoRa/LoRaWAN	Technology that utilises WiFi, LoRa, or LoRaWAN radio protocols to establish a LAN or WAN network. (e.g. IEEE 802.11, IEEE 802.15.1).
Cellular	Technology that utilises the cellular network typically provided by the Mobile Network Operators (MNOs) (e.g. 4G, 5G, CDMA and LTE technologies aligned with the 3GPP technical standards), generally require existing coverage from a telecommunication service provider.
Satellite	Technology that utilises a direct connection to the satellite network to provide connectivity. These often require a pre-subscription be in place.
Ethernet	Technology and standards for wired connection of devices in a data network. Often cabling and connectivity products.
Others	Other communication technologies that are not listed above. This includes Narrow Band-IoT, SigFox and CAT-M1.

Table 2 – Proposed Eligible Equipment Categories

Equipment Category	Subcategory	General Description
Signal Enhancement Devices	Antennas	Physical antennas. Does not include integrated antennas
	Radio Transmitters	A connectivity solution design to deliver reliable point to point or point to area connectivity
	Boosters and Repeaters	Products that amplify and retransmit signals to extend coverage
Network Infrastructure Devices	Gateways, Routers and Access Points	Products that provide connectivity to sensors and controllers to a local area network or wide area network
	Wireless Bridge	Products that connect two remote network segments
Connectivity Extension Devices	Wi-Fi extenders	Products that extend the range of a Wi-Fi network
	Portable hotspots and WiFi Mesh Systems	A portable solution that enables point to area connectivity. Enables Portable Electronic Devices (PoE) easy connectivity without cabling
Accessories and Installation Hardware*	Networking Accessories	Includes cables, connectors, switches, PoE injectors
	Installation Hardware	Includes mast and pole kits for antennas, antenna mounting brackets, surge and lightning protection for example

*Note, only equipment in this category that is integral for a product to function correctly is eligible for rebate. Items of a more general nature (for example, universal mounting or positioning equipment) are not eligible.

4.3.2 What is not in scope?

The Program will not provide rebates for the following:

- The connection to your home or place of business
- Drones or autonomous vehicles
- Robotic technology or equipment
- Ongoing subscription fees

The below categories of products were eligible in previous rounds; however, it is proposed these costs will no longer be eligible in Round 3 to support greater participation in the Program:

- Farm management, remote automation and control solutions
- Environmental monitoring and sensing solutions
- Mains or baseline power supply infrastructure
- Ongoing maintenance or operating costs
- 'Packaged equipment' where it includes eligible connectivity equipment packaged or sold with otherwise ineligible non-connectivity equipment (for example water tank or cattle weighing equipment)

Key Points

The department proposes to update the list of eligible equipment for Round 3 to focus on addressing connectivity gaps as a key barrier to the uptake of new connectivity solutions.

As in previous rounds, the department will provide a list of eligible equipment for purchase that includes connectivity equipment.

Equipment that does not meet the criterion of providing a connectivity solution will not be eligible for a rebate (*see above 'list of equipment not in scope'*).

Delivery and installation costs will remain eligible, and operational and maintenance costs will remain ineligible.

What we want to know

1. Are there any connectivity solutions or equipment not in the attached proposed list of eligible equipment, that you think should be included?
2. What do you see as the most significant barriers to connectivity on your farm?
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?

4.4 Packaging of equipment

In Rounds 1 and 2, certain packages of equipment were approved where ineligible equipment qualified for rebate if paired with eligible items at the Expression of Interest stage.

In Round 3, it is proposed that packaging of eligible equipment with ineligible equipment will no longer be permitted. This will ensure opportunities are maximised for primary producers to take advantage of connectivity solutions within the funding available.

Applicants must supply evidence of individual equipment and price to ensure only eligible equipment is considered for rebate. It is preferred that a formal quote be obtained, however in the case this cannot be provided you must supply a URL or screenshot of eligible equipment that includes a price.

Key Points

It is proposed packaging of eligible equipment with ineligible equipment will not be permitted under Round 3.

Applications must itemise eligible equipment and their prices for identification by claims assessors.

Applications and rebate claims that do not provide a clear breakdown of costs may not be approved.

What we want to know

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?

4.5 Pricing

In previous rounds, in order to be included on the list of approved suppliers, suppliers were required to submit a price list and honour those prices for the duration of the Program (a 20% cost buffer was allowed to cover additional expenses for equipment and training). In Round 3, with the proposed removal of approved suppliers, primary producers will be able to approach a wider range of suppliers to find a connectivity solution to suit their specific needs.

It is proposed in Round 3 the department will set price caps on each type of equipment, informed by average unit prices over the preceding quarter. The rebates will be up to 50% of the price cap in accordance with the purchase price. If the purchased equipment is higher than the price cap, primary producers will still be able to purchase the product but would be required to pay the difference.

Key Points

Primary producers will be required to clearly identify the cost of each piece of equipment from the chosen supplier at the time of application submission.

Pricing will be assessed against the proposed list of eligible equipment (found at Attachment A), with maximum price caps in place that are informed by market research.

What we want to know

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

4.6 Geotagging of equipment purchases over \$10,000

In Round 2, a condition of approval was for suppliers to provide a geotagged photograph of the installed equipment. This was required if the total cost of the eligible equipment solution (not including costs for training, delivery, installation or subscriptions) was \$10,000 or greater.

Applicants were also required to agree to departmental officials conducting sample visits to review compliance with the grant application in relation to the purchased equipment.

In Round 3, these conditions are not proposed to change, however, with the proposed removal of approved suppliers, it will be the responsibility of the primary producer to provide geotagged evidence of installation where a **single piece of equipment or connectivity solution** exceeds \$10,000.

As part of the rebate Program, we ask you to confirm the equipment has been received and installed, in some instances the department may conduct random spot checks.

Key Points

With the proposed removal of approved suppliers, it will be the responsibility of the primary producer to provide geotagged evidence.

Evidence is required for purchases of a single piece of equipment or connectivity solution costing \$10,000 or more.

As a condition of application primary producers must confirm equipment has been installed and is being used on their property.

In some instances, the department may conduct random spot checks.

What we want to know

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?

4.7 Installation and delivery costs

In previous rounds, the cost of delivery and installation of eligible equipment was included as eligible expenditure in rebate payments. This often included travel and accommodation costs for delivery of equipment and/or on site technicians.

To maintain an appropriate balance between the product cost and associated supply charges, it is proposed in Round 3 the costs for delivery and installation be capped at 15% of the total cost of the purchase price for the connectivity solution. This will ensure sufficient funding is directed to the connectivity products themselves.

Key Points

Proposed introduction of a cap of 15% on delivery and installation costs.

What we want to know

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?

5. Lodging your submission

After reviewing this discussion paper, click on the 'Have Your Say' link to submit your response by the deadline below. You will be given the option to provide commentary as well as the requested responses.

[Have Your Say](#)

If you experience difficulty with the link email us for assistance at: OFCP@infrastructure.gov.au

Submissions are due by **5PM AEST Tuesday, 26 August 2025**.

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

6. Privacy statement

The Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the department) is collecting personal 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 your personal information for designing and implementing the Program and will store this information securely. The department may also use your personal information for demonstrating the department's consultation process during the Program development.

The department may disclose information to be published online and made publicly available for the purposes of illustrating transparency during the design and implementation of the Program. Submissions will be made publicly available by the department unless a respondent specifically requests that a submission, or a part of a submission, be kept confidential. Comments will not be published.

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 is subject to the *Freedom of Information Act 1982* and comments and submissions may be required to be disclosed by the department in response to requests made under that Act.

7. Next steps

Stakeholder submissions will be collected, analysed and used to inform the development of the Grant Opportunity Guidelines and the establishment of Round 3 of the Program. The department may undertake additional targeted consultation with select stakeholders to further inform the development of the Program.

8. Contact us

For further information about the Program or to discuss any elements of this Discussion Paper, please contact us at: OFCP@infrastructure.gov.au.