



Department of
**Primary Industries and
Regional Development**

THE DIGITAL FARM

PROGRAM GUIDELINES

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1. Background

The business case for investing in infrastructure to enable digital connectivity in agriculture is compelling, with potential for significant productivity uplift in grain farming and other types of primary production in regional Western Australia. It is now possible to capture almost every step of agricultural production and supply chain processes through digitisation. Access to enterprise grade broadband infrastructure is essential if the State's farm businesses are to grow and prosper in the global digital economy.

While significant advances have been made in connecting communities in regional areas, through rollout of the National Broadband Network (NBN) and State and Commonwealth investments to expand mobile coverage, many farm businesses in areas of low population density are reliant on sub-optimal connectivity solutions.

The absence of suitable telecommunications infrastructure significantly inhibits the adoption of technology in agriculture. The key constraints are:

- poor viability of commercial solutions where population density is low;
- limited mobile coverage;
- no plans for NBN fixed-line service across most farming areas;
- lack of an enterprise-grade product on the NBN satellite service; and
- the high cost of establishing connectivity in regional areas.

A basic, single point internet connection that is designed for residential use is insufficient for digital farming. Broad coverage of the entire farm is essential for the sustainable growth of a competitive, world class agricultural sector. Ideally the connection layer to the farm should be fast, reliable and symmetrical, with sufficient network capacity to handle large data packages in real time and with low latency access to cloud computing resources.

2. Program Overview

The "Digital Farm" grants program (the Program) is a \$5 million State Government initiative under the Royalties for Regions, State Agricultural Telecommunications Infrastructure Improvement Fund, administered by the Department of Primary Industries and Regional Development (the Department).

The objective of the Program is to improve connectivity for agricultural businesses in regional Western Australia to support the widespread adoption of digital farm technologies.

Grants of up to \$500,000 are available on a matching dollar for dollar basis for approved projects that seek to provide fast, reliable, affordable and scalable internet access to farm businesses.

Applications will be assessed by an independent panel that will make recommendations to the Minister for Regional Development; Agriculture and Food for approval.

3. Program Funding

3.1. What the State will fund

The State has allocated \$5 million (GST exclusive) to the Program.

State funding under the Program of up to \$500,000 (GST exclusive) per application will be available for the estimated capital costs of improving connectivity to multiple farm enterprises and other potential stakeholders over a wide area nominated by the Lead Applicant. Capital costs may include infrastructure, site acquisition, power connection, construction, equipment, regulatory approval costs and related one-off expenses.

Funding recipients will be wholly responsible for meeting any actual capital costs that exceed the estimated costs.

3.2. What the State will not fund

- On-farm equipment or telemetry systems
- Solutions where the addressable market contains less than ten farming enterprises in the nominated area
- Operation and maintenance of network infrastructure
- Feasibility studies, cost benefit analyses, impact studies, marketing plans, research or compliance costs
- Project management, operations or staff-related expenses
- Any costs incurred in preparing an application for funding under the Program or providing additional information sought by the assessment panel
- Retrospective funding, where projects have been completed or commenced construction prior to receiving notice of funding under this Program

3.3. Applicant contribution

A combined minimum financial commitment of fifty per cent of the total project cost is required from the Lead Applicant and any third party contributors.

3.4. Third party co-contributions

To increase the reach of the Program, applicants are encouraged to seek co-contributions from third parties such as local governments, grower groups, businesses or industry representative bodies. Third party co-contributions may be financial or in-kind, or a combination of both.

Examples of in-kind contributions could include identifying a suitable site for infrastructure placement, civil works required to access a site, assistance with connecting power, or facilitating access to existing infrastructure.

Where a value is assigned to an in-kind co-contribution, details of the methodology used to determine that value must be provided in the funding application for assessment.

All project costs may be independently verified by the Department.

The Lead Applicant is responsible for securing all commitments from third parties. For funded solutions that include third party co-contributions, the Lead Applicant is liable to cover any shortfall should a third party co-contribution fail to eventuate.

Applicants may also seek to leverage Commonwealth or other funding programs where possible, however for proposals that are successful in the State's assessment process, payment of the grant will be contingent on confirmation of all other funding being awarded. If the application to another program is unsuccessful, the State's grant approval will be withdrawn.

4. Project Development

The Department may be able to provide information and referrals that could assist your project development activities during the application period. This may include information on farms and farming groups of a local area, and potentially provide access to telecommunication infrastructures and/or its supporting infrastructures in your chosen project area through its recently completed [State Telecommunication Infrastructure Audit](#).

The Department is fully aware of the need to provide an equal level of information to all potential applicants to ensure a level playing field.

An Applicant's decision to engage the Department on this service (or otherwise) will have no bearing on its eligibility or assessment of its proposal.

Early engagement is recommended for applicants wishing to access this assistance.

5. Project duration

Projects must be ready to commence within 12 weeks of executing the grant agreement and be completed approximately 12 months from the date of execution.

6. Eligibility Criteria

For your proposal to be considered, it has to meet these eligibility criteria at a minimum. If any of these criteria are not met, your proposal will not be accepted for consideration.

6.1. Project location

Proposals must be located in a regional area of Western Australia ([Regions Map](#)) as defined in the [Regional Development Commissions Act 1993 Schedule 1](#).

6.2 NBN Service Eligibility

Projects must improve connectivity to regional agricultural businesses that are not currently serviced, or planned to be serviced by 2020, by NBN fixed line or fixed wireless internet.

6.3 Lead Applicant

The Lead Applicant must hold a carrier licence under the [Telecommunications Act 1997 \(Commonwealth\)](#), and thereby be authorised to provide carriage services to the public.

7. Assessment

Proposals appraised to have met all eligibility criteria outlined in Section 6 will be assessed based on its ongoing sustainability as an operational commercial entity that best addresses the needs of multiple farm businesses for fast, reliable, affordable and scalable internet access.

The following factors will be considered:

- The proposal matches the standard of NBN's fixed wireless product at a minimum
- Technical and service specifications of the proposed solution
- Terrain constraints (if any)
- Quality and cost of service/s available to end users
- Area of productive farmland (in square kilometres) within the addressable market
- Number of individual farm enterprises within the addressable market
- Growth potential, planned improvements and ongoing financial viability of the service
- Relative value for money compared to other proposals received
- Any additional information provided by the Lead Applicant

More favourable consideration will be given to projects that:

- Require a State co-contribution of less than fifty per cent
- Partner with, or demonstrate support from, key stakeholders such as local government, grower groups, businesses or industry representative bodies
- Maximise local content over the duration of the project
- Demonstrate broad social and economic benefits for the wider community

Applications will be assessed by an independent expert panel that will consider the relative merits of each proposal and submit recommendations for funding to the Minister for Regional Development; Agriculture and Food for approval. The panel may, at its absolute discretion, request additional information to assist its evaluation of an application.

Unsuccessful applicants will be able to seek feedback from the Department on their application however decisions of the Minister are final and cannot be appealed.

8. Conditions and obligations

8.1 Financial Assistance Agreement

The Lead Applicant will be required to enter into a Financial Assistance Agreement with the Department to deliver the project.

Where the Department considers it appropriate, a phased approach may be adopted for payment of the grant based on agreed milestones. Payment milestones will be negotiated with successful applicants.

The Financial Assistance Agreement (FAA) will include obligations in relation to reporting, acquittal and audit requirements.

8.2 Statistics

Successful applicants will be asked to provide information at intervals of six, 12, 18 and 24 months after completion of the funded solution on metrics such as the number of connections, data throughput and average contention rates to inform the Department's evaluation and review processes.

8.3 Freedom of Information Act

The Department is subject to the [Western Australian Freedom of Information Act](#), which provides a general right of access to records held by State Government agencies and local government authorities. Funding recipients should be aware that general information relating to grants will be

tabled in the Western Australian Parliament and could lead to requests for more detail to be released publicly.

9. How to apply

Applications can be made via the [Digital Farm](#) SmartyGrants portal.

10. Closing date

5:00 pm on Friday 13 April 2018

11. Contact for inquiries

If you have any further questions regarding the program, please contact:

Adam Edwards (08) 6552-2105 or Sue Cairns (08) 6552-2032

All enquiries can be emailed to: Digital.Farm@dpird.wa.gov.au