
NBN rollout and the experience of grain farmers

Submission to the Joint Standing Committee on the National
Broadband Network (NBN)



April 2017

Mrs Lucy Wicks MP
Chair, Joint Standing Committee on the National Broadband Network
PO Box 6100
Parliament House
Canberra ACT 2600
Via email: nbn.joint@aph.gov.au

Dear Mrs Wicks

RE: Submission to the Joint Standing Committee on the National Broadband Network (NBN)

On behalf of Grain Growers Limited (GrainGrowers), I am pleased to provide this submission to you and the Joint Standing Committee on the rollout of the National Broadband Network (NBN).

GrainGrowers also fully supports the formal submissions made to this inquiry by the **National Farmers' Federation (NFF)** and the **Regional, Rural and Remote Communications Coalition**.

GrainGrowers is a grain farmer representative organisation with 17,500 members across Australia. Through its policies, programs and services it aims to develop a more efficient, sustainable and profitable grain production sector that benefits all Australia grain farmers and the wider grains industry. We encourage a bipartisan approach to telecommunications to ensure that people who live in regional, rural and remote Australia have equitable access to telecommunications services.

The Australian Grains Industry is Australia's foremost commodity sector delivering annual farm production of \$13.5 billion, generating employment for more than 179,000 people across Australia and providing grains to Australia's domestic grain processing and livestock sectors. Australian grain growers sustainably manage more than 24 million hectares to produce an average of 45 million tonnes of grain each year across Australia. Australian grain growers rely on international markets and 60 per cent of production is exported. This is valued at \$11.4 billion per annum, making grain Australia's largest export commodity.

Over the past few months, Australian grain farmers harvested a record national 2016 winter crop: a massive 59 million tonnes of grain with another 4.2 M mt forecast from the upcoming summer crop harvest. The grains industry, and more broadly agriculture, is one of the key drivers of the Australian economy – while other industries are slowing, we are certainly growing. Our grains industry generates significant export earnings – it is consistently one of Australia's largest agricultural export earners, underpinning employment in rural and regional communities across Australia.

GrainGrowers is particularly interested in this inquiry due to the growing importance of connectivity in operating a successful modern farming business. It ultimately underpins the entire Australian grains industry. GrainGrowers recently partnered with NBN Co. to deliver workshops across Australia's grain growing regions – helping to provide a direct connection between the farming community, NBN Co. and retail service providers (<http://www.graingrowers.com.au/education-events/bringing-nbn-to-our-regions>).

GrainGrowers strongly advocates for the opportunities that can be achieved for the Australian grains industry from connectivity. However, it is important that any issues or impediments to successful connectivity are identified and addressed.

Innovation and grain production – the ever-increasing role of digital farming

Telecommunications services are a critical part of doing business in Australia. GrainGrowers seeks to ensure that delivery of the NBN is used to its potential to realise productivity gains and diversify regional economies. The use of modern information technology in rural Australia has lagged behind urban Australia, and strategies to realise the efficiency and productivity gains in agricultural industries are required. Modern farming practices are increasingly reliant on information technologies for production, risk management and marketing activities.

The agricultural industry has been, and remains, the most volatile sector of the Australian economy over the past four decades. Furthermore, the value of output from the agricultural sector has been almost two and a half times more volatile than the average for the major sectors of the economy. Within the Australian agricultural industry, the grains industry is clearly the most volatile of all the major agricultural commodities – highlighting the need for connectivity to help monitor and manage production and price risks.

Information is critical to a farmer's decision making and consequently to a farm's profitability. The ability to monitor and evaluate a farm's operation in real-time can provide huge productivity benefits. The uptake of digital technologies and the application of big data to farming have been strong within Australia, to the extent that the telecommunications infrastructure allows. GrainGrowers is of the view that digital disruption of the agricultural sector should be viewed as an opportunity, rather than as a threat.

Australian agriculture is currently on the cusp of a digital revolution, with significant room for growth. This rise in productivity was noted by the National Committee on Soil and Terrain which predicted that improvements in soil management resulting from access to up to date user-friendly soil data could generate benefits to Australia worth at least \$2 billion a year by 2020.

Further to this, a recent Nuffield report found low cost, cloud-based technologies linked to superior analytics could potentially increase agri-business profitability by 10-20 per cent per annum, particularly critical for Australian agri-businesses experiencing increased pressure on terms of trade.

Grain farming businesses have adjusted both the business and agronomic sides of their enterprises to cope with the financial pressures attributed to a high level of volatility and often low margins. Growers constantly strive to increase production, profitability and farm sustainability. This is driving the ever-increasing emphasis on technological developments through precision farming technology and more informed decision making tools such as GrainGrowers' ProductionWise (<https://www.productionwise.com.au/>). However, these changes will only accrue benefits for the grains industry, regional communities and Australia's economy if underpinned by adequate telecommunications infrastructure – particularly the NBN.

Challenges with the rollout of NBN – focus on SkyMuster

Availability

There is an absence of competition within the mobile and broadband market in regional Australia. While the NBN is in theory available to any suitable retail service provider to

deliver to customers, the notable absence of the major telecommunications companies (Telstra, Optus, Vodafone) providing a SkyMuster product is alarming to rural customers.

Options such as bundling telecommunications services (mobile and internet) or dealing with a local retail service provider representative at a regional centre shopfront are just not available to SkyMuster users.

A concern often raised by GrainGrowers' members is the inequity between pricing, data speeds and download limits between the various technology mixes. The feedback is that inferior services are available on SkyMuster. A lack of alternative broadband or mobile options in many areas has compounded issues. The data packages available on SkyMuster are not considered to be adequate for a contemporary family running a home business in a metropolitan area. Likewise, for many farming families the packages limit the ability for the business and the family to stay connected.

More market competitors would potentially result in reduced costs and no doubt improve services to consumers. If the major players in Australian telecommunications were providing a SkyMuster product, this would no doubt enhance the credibility of the infrastructure and the services available. However, it is noted that the major telecommunications companies are likely to have valid commercial reasons for not delivering a SkyMuster product and this must be investigated.

Installation

Overall, feedback to GrainGrowers from members would indicate that the SkyMuster installation process has met most expectations and has improved over time.

However, on the edge of many rural towns, our research shows that many installers are failing to adequately test potential access to Fixed Wireless services (which provide a far superior product offering) and are instead offering SkyMuster as a default. There are examples across rural Australia where upon investigation from individuals, access to the Fixed Wireless has been achieved despite initial advice from NBN Co. or the installer.

There is also a general view in the community that opportunities to expand mobile coverage through the use of NBN Co. installed towers are not being leveraged to their potential.

SkyMuster connectivity

Once individuals are connected to SkyMuster, feedback indicates that the success of the connectivity has varied enormously.

There are many users who have revolutionised their business or lifestyle by now having access to SkyMuster and the opportunities afforded by reliable internet services. This is a credit to NBN Co. and success must be recognised for these many happy customers. However, it is unfortunately the case that some users have disconnected from SkyMuster and gone back to their previous arrangement (such as wireless internet from one of the major telecommunications companies) for internet services due to a poor user experience.

Anecdotal feedback from SkyMuster customers also indicates that internet speeds can vary dramatically. Some service providers have not been able to establish and/or connect to VoIP services, and connections often drop out.

Farmers are often thought of as technophobes who are unwilling to keep up with technology, when in fact the opposite is true. Most growers go to extraordinary lengths just to try and maintain a basic level of connectivity.

Service

Particular to the rollout of the NBN has been the challenge of many issues ‘falling between the cracks’ of NBN Co., hardware installers, and internet service providers. While steps have been taken by NBN Co. to address concerns within their ability (and positive recognition is due for this), many of the issues seem to stem from poor service from retail service providers. It is often quite difficult for an individual user to ascertain whether the issue they are facing is one from NBN Co. or the retail service provider, and the lack of a single contact point to provide assistance makes the process to achieve connectivity a frustration for many.

Conclusion

Technology can and does play a significant role in driving Australian agricultural productivity. Digital farming is the next frontier of gains for the Australian grains industry. However, the true developmental opportunity will only be realised once it is underpinned by reliable and cost-effective telecommunications services – including broadband.

While the rollout of the NBN has come a long way and revolutionised the opportunities for many farming families and their businesses, there is still some way to go to address the data divide between urban and rural Australia.

Again, GrainGrowers fully supports the formal submissions made to this inquiry by the **National Farmers’ Federation (NFF)** and the **Regional, Rural and Remote Communications Coalition**.

GrainGrowers would be happy to provide further details of any of the matters outlined in this submission or provide other information that the Committee wants to explore in the inquiry.

Yours faithfully

David McKeon
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Grain Growers Limited