

12 Dec 2023

Department of Agriculture, Fisheries and Forestry

GPO Box 858, Canberra ACT 2601

## **SparkLabs Cultiv8 Submission:**

### **Agriculture, land and emissions Discussion Paper**

#### **About SparkLabs Cultiv8**

[SparkLabs Cultiv8](#) is an Agrifood technology launch platform based in Orange, NSW. The SparkLabs Cultiv8 Platform encompasses an annual accelerator program [focused on cleantech agrifood technology](#); a technology platform connecting innovators with customers; and an ongoing collaboration program with global and local resources; State and Federal Governments; corporates; the media and industry stakeholders to drive innovation and entrepreneurship.

SparkLabs Cultiv8 has supported over 50 companies since 2017, 85% of which are still operative (vs a standard startup failure rate of 80-90%). These companies have gone on to raise over \$600M in follow-on capital, created more than 750 jobs, half of which are in regional areas; and boast a combined market cap of over \$1.7 billion.

SparkLabs Cultiv8 is engaged with the Wiradjuri people and incorporate their knowledge into our curriculum.

#### **Key takeaways from this submission:**

- SparkLabs Cultiv8 has many years' experience building communities and networks to accelerate the decarbonisation of our food systems. We welcome a nationally and internationally coordinated response to this urgent need to ensure a secure future of food security for Australia.
- We know that the required decarbonisation cannot occur without technology. A massive increase in focus on, and investment in, finding, accelerating and commercialising

technology solutions to the emissions problem in land and agriculture will be critical to success.

- We identify ten areas of focus that we know will greatly enhance Australia's ability to decarbonise this sector at pace, as well as mitigate against the inevitable changes that climate change will bring to our agrifood sector.

**1. Co-investment schemes with investors and with corporates (response to discussion paper questions 1, 2 and 8)**

Our experience shows that one of the fastest paths to commercialisation of decarbonising agrifood technologies is via co-investment. When undertaken with the required due diligence, leveraging the right expertise, a co-investment scheme could – and should – be profitable.

In 2020, we proposed a public-private partnership model to deliver enhanced commercialisation opportunities to Australian innovations; to attract more global investment into Australian agrifood technology; and to attract international companies with relevant technologies to come to Australia. We estimate an investment of \$100 million would deliver between \$500 million and \$3 billion in direct benefit and dramatically reduce emissions within the Australian agrifood sector. [The details of our proposed model can be found here.](#)

**2. Aligning investment mandates for the Future Funds and other federal Funds to the criticality of food security (response to discussion paper questions 3, 5 and 6)**

Aligning the needs of Australian food security with Government investment mandates is a powerful lever to ensure the required focus is given ensure public money is invested in ways that support our need for future food and climate security. As noted above, the agrifood technology sector is not just critical to meeting Australia's food security and carbon targets, it is also a sector that can deliver excellent return on investment.

We recommend that Government Funds have investment in the Australian agrifood technology sector as a core mandate.

**3. Investing in platforms and programs to capture and connect innovators including cross-sector coordination (response to discussion paper questions 3, 4, 5, 6, 7 and 8)**

Government programs such as GrowAG exist to connect innovators with investors and mentors, but much more can be done. The agriculture sector broadly and agrifood technology sector specifically remain fragmented.

Programs to share both intra- and cross-sectoral innovations will accelerate efforts across the decarbonisation spectrum. Government's role should be to assist in coordinating structured relationships and cross-industry reporting, including:

- Formalising relationships between research institutes including the CDCs; RDCs; CSIRO and agricultural research universities.

- Introducing consistent State and Territory-based programs to promote adoption of new technologies.
- Incentivising industry and producer participation in industry networks and events.
- Leading the development of a strong global network to both promote Australian innovation and identify and capture relevant innovations from overseas.

#### **4. Coordinated programs to encourage uptake of emissions-reducing technologies on-farm (response to discussion paper questions 8, 9 and 11)**

The ecosystem around extension is fractured, and largely driven by commercial interests following a decades-long decline in public funding for extension activities<sup>1</sup>. A program of work to coordinate and educate those already involved in extension, and identify new channels to reach farmers not captured by existing channels, will be critical to ensure uptake of emissions-reducing technology at the required scale.

As noted above, establishing State and Territory-based representatives specifically tasked with educating and encouraging the uptake of emissions-reducing technologies on farms and within food systems will be critical to Australia's success in reaching our carbon goals for the agrifood sector.

Introducing this type of extension work into the existing ecosystem of agricultural events; education programs such as those run by the RDCs; and commercial extension programs run by corporates will be a valuable first step in achieving the required uptake of technology to meet our agrifood emissions targets.

#### **5. Ensuring digital equality by aligning the needs of farmers for internet access with availability of services (response to discussion paper questions 8, 9, and 11)**

Much of the technology that will drive the reduction of emissions and sequestration of carbon requires fast, stable internet access. Achieving digital equality in rural and regional areas will be critical to accelerate Australia's decarbonisation efforts.

We recognise that Federal delivery of services of this type requires expensive infrastructure build-outs over many years. We propose that subsidising and incentivising the update of [existing technology solutions such as Zetifi](#) will deliver digital equality more cheaply and efficiently, and far more quickly.

Not only will digital equality enhance emissions reduction, it will also underpin a far more efficient ecosystem for capturing and sharing the data we will need to inform our emissions-reduction efforts over the coming years.

#### **6. Ensuring accurate, consistent measurement of land and agricultural emissions via technology (response to discussion paper questions 7 and 10)**

The Science Based Targets Initiative (SBTi) has published the world's first standard method to set targets that include land-based emission reduction and removal. This requires companies in the forest, land and agriculture sector to reduce at least 72% of emissions by

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<sup>1</sup> Kilham, S. (2021). Providers of Extension in Australia.

no later than 2050<sup>2</sup> and zero deforestation target set for no later than 2025. The latter is in line with the Accountability Framework initiative (AFi).

[Australian technology exists today](#) to consistently measure emissions in a standardised, transparent way. This type of technology should be accredited by Government and underpin all publicly-funded programs to ensure trust in the measurement and management of emissions in our sector.

**7. Engaging with likeminded Governments to share success and promote uptake of Australian innovations (response to discussion paper questions (response to discussion paper questions 5 and 8)**

[The Australia-Singapore Food Pact](#) is a good example of international cooperation in agrifood. We propose the Government focus on building more formal programs such as this with other countries that share our carbon and food security goals.

We note objective 5. of the food pact and believe that this should be expanded and formalised with other countries:

*Recognising that a favourable investment climate and business environment would foster increased investments and business partnerships, to promote Food Pact initiatives and facilitate engagements between our private sector agri-trade players, based on commercial viability.*

Australia can be a global leader in agrifood technology solutions to climate change. Enhanced Government focus on the sector and promoting it internationally will enhance not only Australia's ability to meet our carbon targets, but the ability for us to work as an international community on this critical mission.

**8. Funding international cooperation programs (response to discussion paper questions (5, 7 and 8)**

As noted above, enhancing international cooperation will accelerate our ability to decarbonise the agrifood sector. Government programs such as Austrade already provide support for Australian businesses to explore and expand overseas. We propose the Government develop and enhance these programs to support agrifood specifically.

At the same time, providing more incentives for international agrifood technology companies and capital to come to Australia will be critical. Reviewing and enhancing programs such as the ESVCLP and VCLP programs to more convincingly entice international capital to our shores; while at the same time increasing incentives for relevant technology companies to establish themselves here, are important steps Government can take immediately.

**9. Improve visibility and accessibility to grants on offer (response to discussion paper questions 3, 4, 6 and 8)**

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<sup>2</sup> <https://sciencebasedtargets.org/sectors/forest-land-and-agriculture>

Significant public money is already available for agrifood technology companies and programs, but these opportunities are fragmented and hidden. Even those operating in the sector find it difficult to keep abreast of what grants are on offer at any given time.

A national platform is urgently needed to capture both State and Federal grant programs and make them readily and easily accessible to all.

#### **10. Deliver tax and structural reforms to enhance innovation**

We note that Australia currently has an uncompetitive tax environment for startups relative to our global peers, as well as uncoordinated support for innovation. As noted above, Australia could also do far more to incentivise global capital and innovation to come onshore.

We support the following recommendations from the [\*Barriers to collaboration and commercialisation\*](#) report from Industry Innovation and Science Australia, published in November:

- i. 2.1 Restricted tax reform or similar levers that change risk–reward evaluations of businesses currently based in Australia and attract and build businesses with the management experience, capacity, and capability for innovation, and increase competition and business dynamism.
- ii. 2.2 Recalibrate government interventions to focus on building capabilities to de-risk market adoption and develop innovative business models. Programs currently focus primarily on technical readiness or product feasibility risk, while neglecting crucial elements of building competitive businesses.
- iii. 3.1 De-coupling the requirement for industry to engage publicly funded research organisations to be eligible for government innovation support programs will open the market and increase competition for funds available to achieve commercialisation outcomes. This will not exclude universities and research institutions but will effectively filter those aligned to address relevant questions for industry to advance innovation and commercialisation outcomes.