

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### **Inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria**

Barwon Heads — 6 November 2013

#### Members

Mr D. Drum  
Mr G. Howard  
Mr A. Katos

Mr I. Trezise  
Mr P. Weller

Chair: Mr P. Weller  
Deputy Chair: Mr G. Howard

#### Staff

Executive Officer: Ms L. Topic  
Research Officer: Mr P. O'Brien

#### Witnesses

Ms L. Moore, project officer, and  
Mr D. Boyle, regional strategy coordinator, Regional Development Australia Barwon South West.

**The CHAIR** — Welcome, Lyn and David, to the Parliament of Victoria's Rural and Regional Committee inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria. I hereby advise that all evidence taken at this hearing is protected by parliamentary privilege as provided under the relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. For the benefit of Hansard, can you both give your name and business address?

**Ms MOORE** — Okay. Lyn Moore, project officer with RDA Barwon South West. We are at 69 Moorabool Street, Geelong.

**Mr BOYLE** — And David Boyle, strategy coordinator for Regional Development Australia Barwon South West, same address.

**The CHAIR** — Good. Would you like questions at the end of your presentation or as we go?

**Ms MOORE** — We are really only going to give a brief run-down of what the RDA does.

**The CHAIR** — Yes, that would be good.

**Ms MOORE** — Then we are happy to take questions.

**The CHAIR** — Good. Give us a run-down.

**Ms MOORE** — Okay. RDA Barwon South West is one of 56 committees that have been made up of local leaders who work with all levels of government, business and community groups that support development of their regions. Each RDA committee represents a region of Australia, and all of Australia is represented by an RDA committee. The Barwon South West committee comprises of 10 representatives from business, industry, government and education and training providers from various locations across the region. Our membership includes cross-representation with regional organisations such as G21 Geelong Region Alliance, the Committee for Portland and the Great South Coast Group.

The RDA Barwon South West committee meets as necessary and at least on a bimonthly basis. We work very closely with G21 and the Great South Coast Group. This is represented in the Barwon South West regional strategic plan, which has an ambitious agenda to deliver real and lasting growth across the entire Barwon South West region. The RDA Barwon South West committee will advance this agenda by continuing to advocate for subregional priorities, but we will also focus on our key six areas, where we feel we can add the most value for the whole of the region. Our key areas we are focusing on are food and fibre, digital economy, skills and education, energy, tourism and population growth. We are here today, I suppose, under the theme of digital economy, and hopefully we will be able to answer some of your questions on how we are going and what we are doing through our region.

**Mr BOYLE** — The six themes are really where the committee have decided they can add some value to this region. Just in saying, this is a fantastic region. I know where you are all from, but you are in one of the best regions, I will put it that way. There are some tremendous challenges here and some great opportunities. Realistically we have three economies. The Geelong economy is really diverse — manufacturing, education and all of that research. Fantastic. We have the agricultural economy, and then we have that tourism base. We have the road. There is the rock, the roof and the road, and we have road.

Those themes that Lyn outlined — on food and fibre, there are fantastic opportunities there and access into China. We are very working very diligently about those exporting opportunities for the region.

The digital economy of course — we have the NBN rollout, but we see the NBN rollout as a value add to what already could be happening and can be happening across the region with teleworking and a whole range of things. There are something like 80 000-odd trips out of this region to other regions and to Melbourne, so teleworking is a great opportunity to get 10 per cent of those people not going to Melbourne and not going to other regions. There are some opportunities there.

Energy, tourism and population growth — population growth is around livability, and the digital economy fits. They are all interrelated, those six themes. There are just some fantastic opportunities. We do not see that teleworking is stand-alone under our digital economy theme. It is in food and fibre opportunities for farmers,

marketing. We are happy to take any questions, but that is really the breadth of what we are about. It is about value adding to those six themes.

**Mr HOWARD** — If we start with teleworking, then, what do you see as the issues that are holding back those opportunities in teleworking at the moment that are obviously here, as you say, with so many people travelling out of the region, particularly to Melbourne, perhaps to work? What is holding teleworking back in your view, and what are the things that need to happen that a government could assist with to try to get more teleworking happening?

**Ms MOORE** — I think some of the impediments, I suppose, that are stopping it — one is the NBN rollout at the moment. We are not sure of what is happening with the rollout and where the new policy is going to take us. The new federal government will be issuing a number of directions for NBN Co on the transition of the rollout of NBN to a more cost-effective approach. That was set out in their plan for fast broadband and affordable NBN. NBN Co need to make decisions about current activities and also, I suppose, understand what this new policy is going to be. I foresee that as major. Once NBN is here, teleworking is going to be able — it can happen now, but the fast speed and the ability to be connected with broadband is going to make it so much easier for people to work from home.

**Mr BOYLE** — The bigger businesses in town — Barwon Health, Deakin University, TAC and the City of Greater Geelong — are all over 2000 employees each and have that opportunity. Some percentage are undergoing teleworking opportunities. The next tier down of manufacturing and industry is probably behind those working arrangements. They are small to medium businesses that do not have the opportunity to provide that environment. The NDIS will also be another big player coming to Geelong.

Impediments — as Lyn said, getting consistency of the Fair Work Act about what the arrangements are for working from home and consistency around the occupational health and safety requirements for working from home. Just to say, ‘I’m going to work from home’, there is a whole myriad of issues around safe working practices, desks and all that type of thing.

**The CHAIR** — On that, do you think there needs to be some work done about policies for people who work at home? Obviously people want to work at home and telework, but one of the deterrents for some employers may be that there have been cases where people have fallen over in their own house and they are up for WorkCover — —

**Mr BOYLE** — Absolutely. Consistency of arrangements for that teleworking would certainly go a long way to encourage employers to say, ‘It is very clear. Here is what you are responsible for. Here is what we are responsible for. Away you go’, but just in those six organisations mentioned there are six different —

**Ms MOORE** — Policies.

**Mr BOYLE** — policies. Take all of the business in Geelong. How many different policies are there, and what do small and medium businesses — —

**The CHAIR** — I wonder: do those policies stand up if they are challenged?

**Ms MOORE** — That is right.

**Mr BOYLE** — I do not know, and it is easier not to do it than to go down that path. That would be a deterrent to teleworking.

**The CHAIR** — We want to get those deterrents out of the road, and we are looking for clues.

**Mr BOYLE** — Consistency around those policies would be fantastic.

**Mr DRUM** — How would you rate the businesses that you come into contact with? How would you rate their take-up re technology; their technological literacy? The previous witness had some real doubts about some of the Torquay businesses, about their ability to want to pick up on the new technologies.

**Ms MOORE** — I suppose currently we have got ICT Geelong that has just done an audit for us on where businesses are at, and that is sort of covering the councils within the G21 area. Those findings will be out,

probably, by the end of next week. We had hoped that we would have had that today. That will give us the feedback and information from businesses that are taking up these opportunities. Meeting with Craig Hill last week, he was surprised at some of the figures. He thought they were quite good with the take-up.

**Mr DRUM** — If you wanted to further increase that take-up of new technologies, or to get more businesses using the technologies that are currently available and are going to become available, how do you think you would best do it?

**Ms MOORE** — We have got the Darebin Enterprise Centre. They have just got the digital enterprise program and they will be running that program for businesses in Geelong and the G21 area. They start in February. Part of their programs — and it is all free to small businesses, it is free to anybody who wants to attend and they can register online — includes utilising social media, developing websites, enhancing communication, understanding Cloud computing and protecting their businesses online. This whole program is about trying to get small businesses online and understanding.

**Mr DRUM** — Who is running the program?

**Ms MOORE** — The Darebin Enterprise Centre.

**Mr HOWARD** — Who is funding them?

**Ms MOORE** — The federal government, the department of broadband.

**Mr BOYLE** — It is called a digital enterprise program. Darebin were the successful tenderer. They have got three other contracts in Melbourne, and they have been successful in rolling it out in Geelong.

**Ms MOORE** — This program has only been available to areas that are just due to start with NBN. It has been a program that has been offered around Australia but for areas that are just new with the NBN going into their areas. The idea of the program is to encourage businesses to be ready when the NBN is on the door.

**Mr BOYLE** — In Victoria Regional Development Australia sits under Regional Development Victoria, which sits under the Department of State Development, Business and Innovation. We will have a role in getting contact with every business in Geelong about this program. We want to really make it work as best it possibly can. We do not want to rely on them going through a telephone book to try to contact people. We have already got those contacts in the region and we want to help that process.

**Mr DRUM** — You would have the contact details of every business in Geelong?

**Mr BOYLE** — Yes.

**Mr DRUM** — And the south-west coast?

**Mr BOYLE** — Yes, we do. There is a program called GEMS that records every business engagement contact from State Development, Business and Innovation. Part of their role is as business engagement officers and they have that data. That is available internally for every business contact in the region.

**Ms MOORE** — We can send out campaign mails and advise people that these programs are happening, and it will go to every business.

**Mr BOYLE** — That is the value add that we have because they will not have those details, those contacts, to help make this happen and to get the best uptake we possibly can. These are also going to need follow up because you have always got the pinnacle of the innovators who are already doing it. Then you have got the next group who are looking at whether they will do it or not. That is the key group that we need to get. Then there are the laggards, I suppose — probably the wrong term — the people who are struggling to come to terms with the digital economy. They are the ones that take most of the work.

**The CHAIR** — You mentioned before that one of your areas was food and fibre.

**Mr BOYLE** — Yes.

**The CHAIR** — In food and fibre you have your big players in dairy like Warrnambool Cheese & Butter, Devondale-Murray Goulburn and Fonterra; in grains you have your AWB and GrainCorp; and in wool you would probably have Elders and Landmark. Are you working with them or are you targeting it more at the entrepreneurial individuals who are looking to grow their own markets?

**Mr BOYLE** — Both. Established agribusiness groups are very much out there but entrepreneurial stuff is very much alive and well as well. There are some examples in Geelong around the export of cattle semen heading out of Melbourne. We are really keen to get Avalon Airport up and running as a freight export centre, and we are driving that issue really hard. There are farmers out there that have bigger businesses than a lot of companies in Geelong. There are businesses or farms at Winchelsea that are turning over \$30 million marketing their own grain and oil seeds and running a whole lot of programs that are not going through the mainstream marketing boards. They are onselling as well on the fact that it is raised bed cropping country. They are onselling two years in advance because they can guarantee a crop from a lot of that country. Rather than going through the annual take it to the silo process where it goes through the marketing board, they are hanging on to it and selling it themselves.

**The CHAIR** — And your programs have helped them get their connections around the world?

**Mr BOYLE** — Absolutely. Regional Development Australia has just run a number of forums across the region around working with businesses that are exporting into China; getting their stories about how they are doing it and what are the pitfalls and trying to encourage other people to have a clear understanding of what they are getting into. There is a huge market and there is a lot of rhetoric about China, but getting in there is a different story altogether. Through our organisation we are about providing those forums where people can come along and get some of the real stories from people who have been there and done that. We have done three of those forums across the region already. We are working with the Australian China Business Council in a joint program and there is a report to come out in the next couple of weeks around that.

**Mr DRUM** — David, who do you think should and who does take the leadership on this push for improved technologies within business? You have the City of Greater Geelong, G21, the Committee for Geelong and you the RDA forums out there. Do we all know each other's place in how we are working together so we are not all duplicating, not leaving areas untouched as well? Who is taking the lead in trying to push this?

**Mr BOYLE** — Good question. All of those players are involved and G21 set up an information and communication technology group, which is ICT Geelong. Through the work that we have provided to ICT they are about coming up with a digital strategy for the — —

**Ms MOORE** — G21

**Mr BOYLE** — The G21 — the five councils of this area. That then becomes the main document that is provided to the Committee for Geelong. The City of Greater Geelong was about to do something in this place, but they are now waiting for the outcomes of the findings from the recommendations of this document. We would see, and RDA is very much helping, ICT become the go-to communication and information gurus for the region. They would become the body for the G21 Geelong Region Alliance area.

**Mr DRUM** — Could you give us a snapshot as to who will potentially be members of ICT Geelong ?

**Mr BOYLE** — Deakin University is represented, at both campuses and different research facilities. It is around carbon fibre and business management stuff. The Committee for Geelong and G21 are on that group.

**Ms MOORE** — It sort of came from the G21 pillars.

**Mr BOYLE** — Yes, but each pillar has a leader. There are groups from business as well, so there is a diverse make-up of that group.

**Mr DRUM** — It would be a high level of technological knowledge on that group?

**Ms MOORE** — Yes.

**Mr BOYLE** — Yes, there is. We really want people with a clear understanding of the capabilities of what can happen on the committee, rather than people like me; I even have trouble with my phone. Also SED

Consulting has been doing a lot of work with the ICT group, providing a lot of the technical information and then dumbing it down for us to understand. So, yes, we have that peak body in Geelong. We have went information out to the other peak bodies in Geelong. Waiting on the NBN rollout has been another aspect of that.

**Mr DRUM** — Are you saying that the ICT strategy is not far away from being completed? Is that right?

**Mr BOYLE** — RDA were presented with a draft report last week, so it is just about there. People are waiting for it.

**Mr DRUM** — Yes, okay. That sounds interesting and sounds exciting, if you get that.

**Ms MOORE** — We will be able to send you a copy of that report, so that you can have a look at it.

**Mr WELLER** — Have the RDA had thoughts or views about hubs? We visited the hub in Melbourne. There are now hubs in Sydney and Adelaide, and they are looking at communities. You have a wide range of communities. You have a big one in Geelong and then you go down to small ones. What is your view on hubs in the different sizes of communities, I suppose?

**Mr BOYLE** — I have seen the ones on the Sunshine Coast and the ones in Brisbane. They all seem to be working very well. Geelong has just set up one with the National Australia Bank. Or Westpac?

**Ms MOORE** — NAB.

**Mr BOYLE** — National Australia Bank has set one up in Geelong for small businesses. Another private organisation has set up a hub as well. So there are two hubs operating now. You need to be a business account holder to access the National Australia Bank hub, but the hubs have to make money as well. To open a hall like this and put computers around, you have to be able to sell that space. This person does not want to be hearing what that person is hearing, so the whole office configuration needs to be well thought out, and somebody has to run that. Government can facilitate that, but it is up to the private enterprise to get some skin in the game there to make that happen, and it will happen. It is starting now, and it will happen in a broader sense.

**Ms MOORE** — I think Cr Macdonald, who is speaking after us, will be able to fill you in a bit more on the digital hub program and what they are hoping to achieve in Geelong.

**Mr BOYLE** — They are a great idea and a great innovation. We are a long way off the Swedens of the world and those types of places, where it really hums along.

**Mr DRUM** — With so many people making their daily trip, or one day a week to Melbourne or two days a week to Melbourne, is there a specific type of technology that we are lacking in Geelong to actually lessen that? Someone will have to put another crossing over the Maribyrnong soon. When the trains melt we are in all sorts of trouble. Is Geelong missing anything or is Geelong up to speed with the rest of the world? Are there things that we can do to actually slowly decrease that daily commute to Melbourne?

**Mr BOYLE** — Yes. As I said, there are 80 000 trips.

**Mr DRUM** — Eighty thousand a day?

**Mr BOYLE** — No, for the year.

**Ms MOORE** — No, there are more than that.

**Mr BOYLE** — They are by day, are they?

**Ms MOORE** — Yes, these are journeys by day.

**Mr DRUM** — Eighty thousand trips a day?

**Ms MOORE** — Yes.

**Mr DRUM** — On that road.

**Mr BOYLE** — No, it could be to Colac, Werribee or Ballarat.

**Ms MOORE** — It is leaving out of Geelong or Surf Coast.

**Mr BOYLE** — Out of Geelong and Surf Coast — so pretty much this region — going somewhere else. It is still a lot of people leaving on a daily basis, and what we need to find out is where they are going and what type of work they do. Are they construction workers? What is the percentage of the type of work they are doing? Teleworking is not going to help the construction worker, but what are the white-collar people doing there that they could not do from home? We do not know the breakdown of those figures. It would be very useful to know that.

**Mr DRUM** — Some of that stuff may be in your strategy as well.

**Mr BOYLE** — A tax on cars into the city might help as well, like London. There are 60 000 cars between Laverton and the West Gate Bridge every morning from 8 o'clock, and they all have one person in them. They all hold five or six. There is a bigger issue than that. Building another road is going to put another 60 000 people in a car each.

**The CHAIR** — Lyn or David, do you have any final comments that you would like to leave with us?

**Ms MOORE** — No, we would like to put in a bit of a written submission, if we can. We will get that to Lilian in the next week, if that is okay.

**The CHAIR** — That will be fine. Thank you very much for taking the time to come along and for the time you put into your presentation. It has been very useful for the committee.

**Ms MOORE** — I will leave you a couple of our vision statements.

**The CHAIR** — That will be very good. In about 14 days time Lilian will get a copy of the transcript of this hearing to you. You will be able to make corrections to obvious errors, but other than that it will remain as it is. Once again, thank you very much, and I wish the RDA all the best.

**Ms MOORE** — Thank you.

**Mr BOYLE** — Thank you.

**Witnesses withdrew.**