

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

Horsham — 31 July 2013

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Mr C. Foster, director, Green Taylor Partners.

The CHAIR — Welcome, Chris, to the Victorian Parliament’s Rural and Regional Committee and its 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 relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. For the benefit of Hansard, please give your name and address.

Mr FOSTER — Chris Foster, 4 Hughes Street, Horsham.

The CHAIR — Would you like to have questions as you go or at the end of your presentation?

Mr FOSTER — I would hope you would have questions now rather than a presentation, if you like.

The CHAIR — We might let you lead off with some introductory comments.

Mr FOSTER — We have been using telecommuting in our business for probably six years. One of our accountants was having a baby, so she moved back to Yaapeet, and she is now living in Yaapeet, which is about 80 kilometres away. Telecommuting has given her the opportunity to continue working for us from Yaapeet on the family farm.

The CHAIR — Some people who are hesitant to use it say, ‘How can you measure their output?’. Can you go through how it works a little bit?

Mr FOSTER — It is a project management process, really. Rather than measuring what time she spends, it is about how many jobs she gets out in a particular time frame. It is about trust, pretty much.

The CHAIR — And you can measure the throughput as well?

Mr FOSTER — Yes. We are in control of what goes to her, so we know how long it takes and that sort of thing, but it is based on trust and the fact that she is working when she says she is working.

The CHAIR — Have you noticed any productivity gains?

Mr FOSTER — I think the most important thing is retaining someone’s valuable skills in your business. That is the thing. Whereas in the old days once they left they left, now they could move anywhere in Australia and still be working for us.

Mr TREZISE — Is that employee the only example you have of telecommuting within the office?

Mr FOSTER — On a regular basis, yes, but we all access our computers from home. I will be doing it myself in 12 months time. I am moving to Ocean Grove, actually, so I am going to be telecommuting three days a week and coming back once a month.

Mr TREZISE — Once you are in Ocean Grove, you will work in Ocean Grove, obviously, but your business will still be based in and around the Horsham area?

Mr FOSTER — Yes. A lot of our work is basically done electronically anyway, via phones and emails, in web meetings and with those sorts of things. With programs like Dropbox and those sorts of things you can move files around fairly quickly. In our game, particularly where a lot of things are going in the cloud, it is going to be even easier to telecommute because you can access it from anywhere anytime. So it really is an opportunity.

The CHAIR — Have you been able to grow your business as well? That is on the staff side, being able to telecommute. But in theory, anyone anywhere in the world could have their accounts done in Horsham now?

Mr FOSTER — Yes. And of course it can work the other way around. It is a threat as well as an opportunity. We always see it as an opportunity, but we are obviously conscious of the threat. A lot of the experts in the accounting industry are seeing that it is going to be a real threat in the future where you can outsource work to India and places like that at \$5 an hour. We have thought about doing that ourselves, but you want to try to keep employment local and that sort of thing, and at the end of the day clients like speaking to someone they can see and can relate to.

The CHAIR — Have you put any strategies in place to nullify people coming in and taking your business away?

Mr FOSTER — Just looking after people really well, keeping in contact with them all the time and being proactive. We do not give them a reason to go someone else.

Mr TREZISE — Are most of your customers Horsham based or in this area?

Mr FOSTER — Yes, the majority would be in the Horsham area, but we have clients all over Australia, and it is easily handled by email and that sort of thing.

The CHAIR — So how did you win those clients who are all over Australia?

Mr FOSTER — A lot of them probably stem back to when they were in Horsham at some stage, and because you can communicate with these people anywhere in Australia, if you do a good job, they will refer their friends that they came up with or their associates. As long as you look after the people, communicate with them and be proactive, there is no reason why you cannot do it anywhere, as I said. There is still value in actually seeing people face to face. I really think that will never be replaced, but we never thought that cars were going to replace horses, either, so it is quite possible that people will become used to that, with teleconferencing and that sort of thing — they will not be looking for you to you see you face to face, with the physical presence. I think in a country area that is still valued quite highly, but we are not silly enough to think it is going to be like that forever.

Mr TREZISE — So how big is your company?

Mr FOSTER — We have 25 people

Mr TREZISE — Twenty-five employees?

Mr FOSTER — That is in numbers, but some of them are part time or have had children and that sort of thing. We have been around since 1942.

The CHAIR — Right. The NBN is being rolled out; other than that, what could the government do to assist you to grow employment in Horsham?

Mr FOSTER — That is an interesting question. I do not know whether it is a government thing. It all comes from within your business now. You see opportunities outside.

The CHAIR — That is what we like to hear.

Mr FOSTER — I do not think it is easy to keep blaming someone for your problems or your lack of opportunities, but you have got to look outside and take control of it yourself. I really do not think there is anything the government needs to do. I think if we start to rely on the government to solve all our problems, then we are probably going to be in trouble.

Mr HOWARD — But presumably you need to and over the years you have needed to upgrade your understanding of the technology that is available to you to be able to carry out your business.

Mr FOSTER — Yes.

Mr HOWARD — Is it through your association with other people in your — —

Mr FOSTER — Yes. We have always made sure we are part of a network. We are members of a worldwide accounting network, and again, with technology through social networks and all those sorts of things there is no reason why you cannot keep up with anything anywhere, as long as you actually make the time to look at it and always look at things as though you are always at risk of something; once you start to feel comfortable you know you are going to be in trouble. There is that much information out there through not only networks that are specific to your industry but also other networks about other industries. You can always see opportunities that you can bring from other industries into your own industry.

We were doing GoToMeeting, which is an online sort of seminar service. We have been using that for six or seven years just because we thought we should have a bit of a go at it. So when we run a seminar in the office we also run it on the web as well, so our clients outside the area can actually log in and be part of it as well. It is really part of just creating a community amongst your clients. That is what we looked at.

The CHAIR — So when you run a seminar all your clients in Australia can actually be in that seminar?

Mr FOSTER — Yes.

The CHAIR — Do you use face to face — —

Mr FOSTER — There will be a physical seminar where people will be in the room, and at the same time you are actually casting it on a program like GoToMeeting, where people outside can log in and listen and submit questions and those sorts of things. They cannot see you; they can see your presentation, but they cannot actually see you, although you can set it up to do that. Again, we have done that because we do not want to see that our clients who are not in our area are missing out. We do not want them to be missing out on the opportunity to learn.

Mr TREZISE — Chris, as part of your business with your clients, are you seeing from within your own clients' businesses that those businesses are starting to use telecommuting?

Mr FOSTER — Very minimally. I think a lot of people in business do not change unless they are really forced to, so they are happy just to go along as they are until the pain gets too great, then they will make changes. A lot of them do not even have websites, and they should have websites. So in answer to your question I would say no, they do not, really.

Mr TREZISE — I guess to some degree that would be your role in — —

Mr FOSTER — The reason we have done these things is to be seen to be doing it. There is no point saying to our clients 'You should be doing it' if we are not doing it ourselves. We always believe that you have to lead by example.

Mr TREZISE — I would imagine in talking to business about their performance and start-up businesses you would be more and more highlighting the use of technology.

Mr FOSTER — Yes. Mainly it would be web pages and social media and using those sorts of things in their business. Telecommuting in a lot of business is not really going to be relevant, because if you are retail you have to have people on the floor selling stuff, but down the track they could be outsourcing a lot of their administration staff to anywhere in the world, really, particularly with cloud software. It is quite simple to do.

Mr TREZISE — I suppose that is one of the things we are looking at as a committee. As you quite rightly indicated, there are some people who do not change until they have to; it is about how we get those people to change earlier. If you have any clues — —

Mr FOSTER — I do not, really, because the development association is running seminars about social media and setting up web pages and it is always a struggle to get people to come along even if it is free. People are just happy to bury their heads in the sand, I think, in a lot of cases. I do not know what you do.

The CHAIR — You can get a shovel and dig them out, I suppose.

Mr FOSTER — Maybe — exactly. I do not know.

Mr HOWARD — Sooner or later they might see that there is some reason why they actually do need to take up or develop that skill.

Mr FOSTER — It is usually when a competitor does it; it is a reactive thing rather than being a proactive thing. I find that the majority of people in small business are really complacent. They will go to work each day and do their work, but they are really not working on their businesses and not working on the things they should be doing until they are forced to, and sometimes it is too late. I do not know how you get around the problem.

We run seminars all the time for clients and that sort of thing, and sometimes you have to keep ringing people to get them to come. It does not matter whether you email out invitations or mail them out; if you do not get enough, you just have to keep ringing, and then they will come if you ring them in a lot of cases. A lot of people will attend these things, but they actually will not do anything. They will write down a list of things they should do, but they do not actually implement any of them. It is a real challenge, and nothing has changed probably in the 34 years I have been doing this. Nothing has really changed except that the speed of change is happening a lot quicker. The really successful businesses — they are the ones that are doing it. The other ones are just plodding along, happy to make a living, if that. That is a bit harsh, but it is true.

The CHAIR — Right.

Mr HOWARD — I am just wondering whether amongst some of your clients you have people who still might be located in the region but their business, a bit like yours, is not necessarily just tied to people in sales of product or whatever in the region and whether they are actually functioning in, talking to and working in other parts of the world there.

Mr FOSTER — There are, and a lot of them are doing it through social media and Facebook and sites like that, not necessarily through websites themselves. There are people in Horsham who are selling products all over the world through a medium such as having Facebook and — —

Mr HOWARD — Do you have examples that you can share with us in regard to that?

Mr FOSTER — At the Wimmera Development Association they ran a social media training session that I spoke at, and there was a girl who had set up this Facebook page. She has customers all over Australia in the clothing and accessories sort of game. If that can be done, all you have to do is learn how to do it. It is not difficult; it is just making the time to learn how to do it.

Mr HOWARD — Is she producing her own product in the clothing game or onselling?

Mr FOSTER — She is just basically importing her products and selling them. That is a really fantastic example — very good. That is probably in the minority, unfortunately, but times will change, and people have to change to go with it.

The CHAIR — In your business you would probably use e-commerce.

Mr FOSTER — We have a web page, and we do not necessarily get a lot of great business from our web page, but it is important for us to have a good, regularly changing and attractive web page so that people see us to be leaders at the end of the day — not only people who are clients but people who are potential clients and also potential employees. Really it is a marketing ploy to say, ‘Okay, we have an up-to-date business’. E-commerce in a sense of selling products specifically online — no, we do very little of that.

The CHAIR — You would have your services online.

Mr FOSTER — You might get an inquiry. We get, certainly, inquiries on our website, which we always respond to, but the main purpose of our website really is to show that we have an up-to-date approach to business. The biggest frustration in a lot of cases with websites is that people will actually inquire but no-one ever answers you, so we always make sure we answer. It is a perception thing that is the most important thing — us being out there, being seen to be leaders — but it is not a big part of our business.

The CHAIR — Right. Is there anything you would like to leave us with, Chris?

Mr FOSTER — I think we all have to keep encouraging people to identify the opportunity and seize the opportunity to grow their businesses, and online and e-commerce and telecommuting is the way you can do it. It has its challenges, but it is just the way the future is going. It is here now, really; it is not the way of the future, it is here now. The great opportunity for us is to retain people we have trained for five or six years. They can still work for us. That is a major advantage — plus, when their children have grown up they can come back into the office if they want to. It saves us a lot of hassle and time and training and cost to be able to do it.

The CHAIR — Thanks, Chris, for coming and sharing with us the last six years of your business and how it has been able to work positively in your business and how you look forward to working from Ocean Grove. I

remind you that in approximately a fortnight you will get a copy of what Hansard has recorded. You will be able to make corrections to obvious errors, but you will not be able to change the substance of what has been recorded, and of course any changes will be subject to approval by the committee. Once again, thank you very much for your contribution here today and the time you have taken.

Mr FOSTER — No problem. Pleasure.

Witness withdrew.