

# 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**

Mansfield — 14 August 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

#### Witness

Mr S. Thompson, principal, Appaloosa Films Pty Ltd.

**The CHAIR** — Steve, welcome to the public hearing of the Rural and Regional Committee of the Victorian Parliament's 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, Steve, could you give your name and business address?

**Mr THOMPSON** — Steve Thompson from Appaloosa Films, and I am based at 17 Summit View Court in Merrijig.

**The CHAIR** — Would you like questions as we go through or at the end?

**Mr THOMPSON** — I thought, a bit like Andrew, I would just give you a quick run-down of who I am, what I do and a few issues that I have come across living here, and then please fire away.

I am a filmmaker. My principal craft is cinematography. I have been doing that since I was 18, when I left high school. Most of the early part of my career was with the Seven Network in WA and in Melbourne. In 1985 I set up my own company, a small production company. It does not get much smaller — it is just me. I deal with a variety of clients. Mount Buller was my first client in 1985 with their lift operations. We did their first TV commercials, promotional films and training films for their staff and things like that.

Basically my company produces film and video material, television commercials and a lot of promotional stuff — certainly tourism promotion. Without blowing my own trumpet, I am also probably the leading producer of live medical conferencing in Australia. We have a diverse range of clients. In this region, local government is probably my principal client: this council, Benalla council, to a lesser degree some of the other north-east shires. I have also got clients down in Melbourne, including a state government department. It is renamed now: the Department of State Development, Business and Innovation. As you probably know, they are principally involved in encouraging new business ventures and high-tech and helping with venture capital in those areas. I have been producing films about those projects for the last two years or so. I have several medical clients based outside Victoria and some based in the US, such as Boston Scientific. I also have a side business, which is a web design company. We design and build websites for local businesses in the region. Obviously that side of business needs good connectivity.

From my point of view, in terms of the challenges I have in running my business, I should probably go back a step. I built a weekender here in 1995 because as I was coming backwards and forwards a lot to Mount Buller, as one of my principal clients, it was getting harder and harder to go back to Melbourne. That prompted me to build a house up near the mountain in 1995, and that has been used as a weekender. Then I became more and more involved with the local region, and probably six or seven years ago I got involved in the tree change campaign for north-east Victoria. The five shires were involved in that, to encourage people to think about tree changing.

**Mr HOWARD** — And you thought you should do it yourself?

**Mr THOMPSON** — You have taken the words off my script. Yes, I liked the concept so much I bought some of it. I did the permanent move about three or four years ago and established my business here. Obviously I am still travelling a fair bit. I was in Brisbane all last week doing a job, and I am backwards and forwards to Melbourne every couple of weeks to do jobs — or interstate — but I prefer to work here if I can. With the film industry we have to physically go to a location to shoot material, record interviews and do what we do, but there is no reason that you need to do all your post-production there. These days that is your editing, which takes up as much time as developing a script and shooting it.

The shooting is almost incidental these days. That can all be done from a desktop now. You can cut a feature film on your kitchen table the way new technology is going. That move in technology has enabled me to work in this location and still produce high-quality productions. But the challenge is that being in video you need to move large files around. I have been toying with a lot of stuff, certainly mobile wireless technology. Probably a bit like Andrew, I am quite tech savvy. I have had aerials and all sorts of things hanging off my roof and I am still coming up with one bar if I am lucky. I did change over to the NBN interim satellite about six months ago or so, and that has been a big improvement. It is not as fast as I would like it to be, but it is very stable. It is a bit like an old car — it will chug along all day and go forever, but it is not actually going to break any speed limits.

That has been of benefit. They are saying that once they have their own satellites, the speed will go up considerably — double what it is now.

**Mr HOWARD** — So what do you actually use your connection for?

**Mr THOMPSON** — In the process of post-production, for instance, when I am editing — certainly when my clients are interstate or overseas — we can now do a rough edit. We normally then upload that to YouTube at an unlisted address so the client can confidentially look at it. A set of numbers ticks away on the screen for every frame and second. The client will then email back a list of numbers for me. I have a template, a pro forma, made for them. We then cut that down and it is transferred back to them again, and they can sit in their offices in Boston, LA or San Francisco and they will send these numbers as a simple email. Once the product is finished and approved, I can physically DHL a file to them on a disk or a stick or something like that. It means that we can produce a very high quality product using online services all the time. Even just moving files around, if they are sending me some still pictures or something, they gobble up space pretty quickly. We do not want to compress them too much to maintain quality. Virtually everything we do now in video is in high definition, so you can have a file size that is four times that of a standard television picture.

I am a micro business I suppose you could say, but I think there is nothing stopping people moving outside the metropolitan regions and getting that diversity of location. There is nothing at all stopping them doing that these days.

**Mr HOWARD** — In terms of the connectivity you have had, you have struggled. You have been able to send these bytes of film and so on back and forth, but it has been slow — —

**Mr THOMPSON** — One solution I had, Geoff, up until about six months ago, was to adapt my modem with a cigarette lighter power supply and drive my vehicle to the top of the hill with my laptop. Then I would sit there and listen to the radio for half an hour or an hour while the files moved around. It was frustrating. I suppose it was my lunch break — I would go and chill out and listen to talkback radio for an hour or something while the files were moved around.

**Mr HOWARD** — And you have not thought it might be useful if you could find some office space in the area that has better connectivity that you could go and hook into?

**Mr THOMPSON** — I could, I suppose, but I think the whole purpose of moving up here was to work from home. Really the only speed hump in my whole career change has been not having an adequate or fast internet connection. Otherwise everything is working out well. This region, as Andrew said, is fantastic. One of the big drawbacks is that it can take you 15 minutes to do one aisle of the supermarket because you bump into so many people. That does not happen to me in Melbourne. My wife and I still have a house in Melbourne, which I rarely use, but we do not have the relationship with neighbours in Melbourne that we do here.

**Mr DRUM** — Your place of residence now, did you build that at Merrijig as well, or did you build that back here?

**Mr THOMPSON** — Yes, the same house as I built originally in 1995. When I was doing the tree change campaign, that involved making five films for each of those five north-east shires involved in that campaign, so I had a fairly good insight into what all of the five shires had to offer. Despite the fact that I had a house here, I would have considered moving, but Mansfield ticked all the boxes for me.

**The CHAIR** — While you say Mansfield ticked all the boxes for you, if there was another country town that also had NBN — Rushworth is going to get it within a few months — would that have attracted you to that town rather than Mansfield?

**Mr THOMPSON** — Probably — I do not know if I would be rushing to Rushworth, pardon the pun. Rushworth is a nice town. I am under privilege — —

**Mr HOWARD** — What you say is recorded.

**Mr THOMPSON** — I am taking — no, I am under privilege. I hope — —

**Mr DRUM** — You take it back?

**Mr THOMPSON** — The Rushworth shire does not send me a suit.

**The CHAIR** — It is the Campaspe shire.

**Mr THOMPSON** — Campaspe; yes, that is right. Look, my digs are here now. I have really established an amazing network of friends and business associates.

**The CHAIR** — I suppose the point I was trying to get to by that question is there are other things that are important rather than just the speed or whatever of the — —

**Mr THOMPSON** — Absolutely, yes. I would put lifestyle as the no. 1 issue of why I would have made that transition. But obviously I still need to run my business and make a living. The way the film industry has moved now it is so reliant, like many other industries, on a good digital pipeline.

**The CHAIR** — You said that you do live medical conferences?

**Mr THOMPSON** — Yes, that is probably one of our major sources of business now. We have been doing that for about 18 years. Last week I was in Brisbane. There was the largest cardiologist conference held every year, the ANZET conference. We have been producing that material for them for about six or eight years. Last week I had teams in KL and Auckland, and I was in Brisbane. What we can do now with technology is watch a live cardiology procedure and talk to the doctors from a conference. Other doctors will be sitting in a conference on the Gold Coast while a surgeon is doing an operation in Auckland or KL or Brisbane, and they can discuss the technology and what they are doing and — ‘Maybe you should go to that coronary artery or that one’, or, ‘Maybe you should stitch them up and send them home’.

**The CHAIR** — And you are sitting on the top of a hill in Merrijig listening to this?

**Mr THOMPSON** — No, I was not; I was in Brisbane. I have another one. I just had a call this morning. Boston Scientific have a new aortic heart valve replacement, and that can be done now what they call percutaneously. You can just deliver it via a vessel and have a whole new aortic heart valve, which is the biggest valve in your body. That procedure can be done in about 45 minutes. There is a new one. All the trials for that, although it has been developed in the US, have been done in Melbourne by Professor Ian Meredith. We have been chronicling that trialling and building up a case load for them.

**Mr DRUM** — Steve, how do you physically get your cameras into position while those procedures are going on?

**Mr THOMPSON** — We have two or three cameras. They will be sitting — my crews will be scrubbed and sterile. The principal thing they look at is their x-ray or their fluoroscopy. They will have an x-ray image of you while you are on the table and they put a dye in your blood — a radio opaque dye — so they can see your vessels. Then they will deliver these devices using that technology. It is a combination of a camera image and this x-ray image. I combine them on the screen and we walk our way through the procedure that way.

**Mr DRUM** — Wow.

**Mr THOMPSON** — That is something where I physically have to go to a hospital; I cannot do that remotely. But then again, all the post-production I have been working on in the last two days is to package all those cases up for the doctors and the committees to have copies of all those cases.

**Mr DRUM** — Just so I understand this, you possibly have a room full of highly trained heart surgeons in Brisbane?

**Mr THOMPSON** — Yes.

**Mr DRUM** — Having a quick look at a procedure going on in Auckland, or something like that?

**Mr THOMPSON** — Yes, that is exactly what happened last week. We had about 800 to 900 cardiology specialists from Australia and South-East Asia at a conference on the Gold Coast, and we had three hospitals bringing in live cases — Kuala Lumpur, Auckland and Prince Charles in Brisbane.

**Mr DRUM** — Sorry, Paul. Can we just expand on that? In the future would there be the opportunity for a surgeon who is too busy to go to the Gold Coast to just duck down to a building somewhere in Doncaster and check in?

**Mr THOMPSON** — He would not need to once the NBN is fully delivered. The idea would be that a GP in the hospital in Mansfield, for instance, could, with very basic and inexpensive equipment, show a specialist in Melbourne or in San Francisco a patient here, and they could do a diagnosis via high-definition imaging. There is a huge potential for diversity and delivery of health outcomes.

**The CHAIR** — They can diagnose, but they could not actually do the operation here.

**Mr THOMPSON** — No, but they are working on that. For instance, if there are some skin complaints and things like that, with a high-definition picture dermatologists in Brisbane or in Perth or in London could look at a patient sitting in an office here in Mansfield or in Alice Springs. With the fibre speeds that we are going to get out of the NBN, they could easily deliver high-definition images. I see that that is certainly going to be a benefit to regional areas in the future, and certainly the fibre will get to Mansfield; it will not get out to where I am — 20 minutes that way.

**The CHAIR** — It does not get out your way. Would there be the opportunity for you to use a shared facility here in Mansfield?

**Mr THOMPSON** — It depends on the size and the technology. The technology is changing, and I think with an adequate wireless system I could probably cope better than with the present interim satellite service I have. The NBN proposes to have what they call fixed wireless, which you are probably conversant with. It is a wireless tower like a mobile tower but it will only handle data — no voice. The nearest one to us would be on Hearn Road, but that is probably out of range of where we are. I would have thought the establishment of fixed wireless is a lower cost alternative to physical cabling. We do have roadblocks. I notice that during the holiday season, like Andrew was saying earlier. My nearest tower is at the Pinnacle Valley resort. They have a very small repeater there, and you can see it on busy weekends or once the kids get home from school — bang, it has just gone; the speed just collapses. You do not send your files out after about 4.30. I will let them tick away overnight or something.

**Mr HOWARD** — Is there some legislation we can look at on that score, like not letting kids use the internet at a particular time?

**Mr THOMPSON** — They are just screen jockeys. I thought we were supposed to have square eyes from watching television. I do not know what the next generation is going to have.

**Mr HOWARD** — That is right.

**The CHAIR** — You say you do some work for local shires.

**Mr THOMPSON** — Yes.

**The CHAIR** — Given that you are working with hospitals and medical centres right across the world, why not shires right across Victoria at least?

**Mr THOMPSON** — You could. We still physically have to go to a location. If we were going to go to the Corangamite shire to do a video, then I would need to go there. Out of the overall production time, which might be a couple of weeks, I might only be required to be there for two or three days physically shooting and for the rest of the time I could do the rest from my office. As I said, a lot of producers like me are using YouTube to work with their clients. I can send them the rushes and say, 'We've made a rough cut of this. Have a look and give me some comments back' and then 'I've cut these interviews' and such, and we work that way, whereas if I am working here with Mansfield, I will just drop a DVD off at the office here, for instance, or at Benalla. There is nothing stopping me expanding that business at the moment. I am not shouting gold, but I am fairly busy at the moment. I am not trying to take on too much at the moment.

**Mr DRUM** — It sounds as though that portion of your work which can be done now online is increasing —

**Mr THOMPSON** — Yes, and that is the way we can work with clients now far more effectively, and it does not restrict us to being in a big city anymore. That is one of the reasons it has assisted me to make the tree change — this change in technology. Even 5 or 10 years ago I would not have been able to do it; I would have been going backwards and forwards to Melbourne every week otherwise, moving or waiting extended times. Clients do not normally want something now — they want it right now. We really have to be able to deliver things fairly quickly now, and if they could just click a link in their email account and have a look at YouTube and there is a rough cut already — they understand that there is a quality difference, but that is not important until it is delivered. We are bringing as much as we can out of new technology.

I think I have covered everything. I did take the time to write notes down. There was one little thing we have done too. Because of the mobile system — we have one window shelf in our house which is the best spot to get mobile reception. There is a new product out where your little cordless phones in your house — you can get one with bluetooth in it, and that will talk to your mobile phone. My wife and I leave phones on the window shelf in the dining room, and we use this cordless system to get around this connectivity issue with mobile.

**Mr DRUM** — It does not cost you any — —

**Mr THOMPSON** — No. It just pairs with the cordless phone. As long as that mobile phone has reasonable reception, then it will — —

**Mr DRUM** — So it just stays there, and you can get a — —

**Mr THOMPSON** — Yes. I bought a set of them in Mansfield here a few weeks ago. It was about \$100 for three handsets.

**Mr DRUM** — Great.

**Mr THOMPSON** — So it is a great way of taking advantage of limited mobile connectivity.

**Mr DRUM** — What sort of range do they have, Steve?

**Mr THOMPSON** — Probably the size of a small house, I suppose.

**The CHAIR** — All right. Do you have any final comments you would like to leave us with?

**Mr THOMPSON** — Not really. I just think we can, with adequate connectivity, decentralise a lot of tasks. Obviously Melbourne is confronted with a lot of problems these days, with urbanisation, traffic issues and transport of all sorts, and I think there is a whole world out there where people do not need to get stuck in the urban sprawl if they do not want to. There are certain lifestyle benefits. I know you are not here to talk about tree changes, but —

**Mr HOWARD** — We sort of are.

**Mr THOMPSON** — there is nothing inhibiting people moving out of the big cities. I think the pipeline we are building with the NBN is going to be like the high-speed rail link that one day maybe our grandchildren will see up the east coast. There would be no reason for someone to live in Melbourne, Sydney or Brisbane if the high-speed rail goes past their door; they could commute quickly, and I think the NBN is just that sort of 21st-century railway line. That is going to benefit businesses immensely. The cost of living out here is cheaper; you can buy warehouses and factories and that stuff at a lot lower cost than in Melbourne.

**Mr DRUM** — But ultimately, again, your industry is such that you could ring up someone in Portland or Warrnambool and say, ‘Can you go down and actually film this thing for me?’

**Mr THOMPSON** — I can, yes. Hopefully their standard — it is an artistic decision. It is not like, ‘I want you to connect a 2-inch pipe to a 3-inch pipe and seal it for me’. It is not like digging a hole — there are creative issues and the craft and the look and the light and the feel — but in some instances we do that. Certainly overseas you would do that. You would not — —

**Mr DRUM** — And that effectively, then, lets you do nearly all of your work back here when it comes to your editing.

**Mr THOMPSON** — Yes, or it just means moving down there for two or three days, shooting the material and then coming home. Like any other business, you need to nick off for a while and do what you do.

**The CHAIR** — All right. It looks like we may be able to actually look at a bit of your work.

**Video shown.**

**Mr THOMPSON** — Judy is a shameless promoter! I am excused?

**The CHAIR** — I have to say my last bit to you, Steve.

**Mr THOMPSON** — To make it legal.

**The CHAIR** — Thanks very much for the time you have taken to come here today to explain about your business and for the preparation you have done. It was interesting. In about 14 days you will get a copy of the transcript. You will be able to correct obvious errors; other than that it will be as it is. Once again, thank you very much for the time you have taken to come and speak to us today.

**Mr THOMPSON** — You are very welcome, Paul.

**Mr HOWARD** — Thank you, Steve.

**Mr THOMPSON** — Hopefully I have been of some help.

**Witness withdrew.**