

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

Newhaven — 10 September 2013

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Mr P. Francis, economic development manager, Bass Coast Shire Council.

The CHAIR — Welcome, Peter, to the public hearing of the 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. With your presentation today, would you like questions as we go or at the end?

Mr FRANCIS — During the presentation is fine.

The CHAIR — Could you lead off with some introductory comments?

Mr FRANCIS — First of all I will clarify my role. I am the economic development manager with Bass Coast Shire Council. Part of my role in that position is to try and help Bass Coast shire develop our broadband services and development as much community engagement with broadband as we can.

I also have another role — that is, chair of a Gippsland-wide committee under the Gippsland Regional Plan, which was approved by all the councils in 2010. It had a number of objectives. One of those was around broadband connectivity. A cross-regional group was formed of all six Gippsland councils, and I am the chair of that group as well. My comments are partly representing Bass Coast Shire Council but also partly reflecting the whole of Gippsland.

The original intent of that committee was to lobby for broadband. Back then there was a process of those regions that could demonstrate the best business case and provide as much information as we could get in early. It became fairly clear not too far into the process that NBN Co had its own timetable for rolling out broadband, and there was not a lot we could do to impact on that. What we could and can still impact on is around the margins, perhaps some of the areas that were slated for wireless that we might be able to lobby to get fibre — that sort of thing. We will have to wait and see what happens with the change of government.

Probably the biggest role that we have taken though, and we shifted our focus fairly early on in our project, was to try and engage with businesspeople and community members as much as we could about broadband and the benefits. That is interesting. We were just talking before about the fact the sort of speeds many people are getting now with ADSL2 will not change that much when they get the rollout under the NBN program. We believe there is a massive underutilisation of the existing technologies around at the moment. For example, we still have businesses in Bass Coast shire which do not even have an email address. There are plenty of businesses that do not have websites, or if they do they have basic websites. If they have a website, they might not have online sales and all that sort of thing.

Mr TREZISE — Do you actively monitor those businesses, or do you know by word of mouth?

Mr FRANCIS — We know, because — for example, with our business and tourism associations and sending out the minutes — there are always some who say, ‘We do not have email; can you post us a copy’. With those ones, we know — and we have got them within our grasp, I suppose — we can actively work with those to say, ‘Surely in this day and age you probably need to think about getting an email address’, and that sort of thing. We can actively work with those ones to try and move them along a bit.

Mr TREZISE — Have you surveyed local business to see who is connected and who is not?

Mr FRANCIS — Yes. We have a survey that has been running on our Bass Coast website for many months which identifies the sort of connection that people have and the sort of connection they aspire to have in their internet usage. There are still a number of people right across Gippsland. In fact as part of our project, which I will talk about in a minute, of all of the people who attended a whole range of workshops right across Gippsland, they have been getting data about the connection that people have. There are still quite a few people on dial-up, for example, with their connection speed.

The biggest thing we are trying to do something about is what has become known as this digital divide. I will give you a fantastic example. I attended the Gippsland Tourism Conference at Inverloch a couple of weeks ago. They had a very good presenter talking all about social media. It went for about 45 minutes about all the different apps and the different this and the different that. It was a very good presentation. It was all about Facebook, which I am not on — but anyway! At the end of it a lady held up her phone and said, ‘Can you just

clarify for me how I access all this? Do I do it on my phone?'. That highlighted the digital divide between the people who are at the front end who are using all the stuff and then the people who are right back at the start.

Digital illiteracy is a bit like literacy generally: if you ran a workshop for people and said, 'All those who are illiterate, come along', then you are not going to get many people. It is the same with digital literacy: if you run workshops for people who are getting left behind, they are not going to put their hands up and come. You have to find ways to get to them and try to engage with them.

The CHAIR — I suppose that is part of our inquiry. You said there is underutilisation. What can the state do to help utilisation and get people to be using it?

Mr FRANCIS — I will pass around a couple of things for you to have a look at while we are chatting. Several years ago we addressed this issue. We thought we needed to have a program of digital engagement. We got a small amount of money and we produced the *Gippsland Broadband Engagement Plan* — there is a copy of that on our website — which identifies a whole range of things that all of the six Gippsland councils could do. It was everything from get the NBN truck down here to run local forums et cetera.

One of its key elements was to employ someone as the digital engagement person and get them running around doing stuff. We engaged someone a year ago on a one-year contract, so this part of the project has nearly finished. She has been running around Gippsland for the last 11 months running a whole range of programs. There are two streams. One was to work with community groups — the people who are disadvantaged users, do not have a computer, are not very good at a computer, the digitally illiterate we were talking about a minute ago. We wanted to try and get to those people and get them from being non-users or very basic users to being competent so that, when things like online consultations for medical appointments and that sort of thing come on board, they will not be too scared to go to the community health centre, or wherever it is, and say, 'I don't know how to use all this technology'. They are at least confident enough to be able to engage.

There was that sort of work, and then also working with businesses, as we said before, to try and increase their online presence or their social media marketing and that sort of thing. A lady named Liz was appointed as a contractor, and during this one-year period she will run more than 100 workshops across Gippsland. Some of them are small, down in little remote country areas with just a couple of people. Some of them are big. We had one up here at Bass Coast recently with 30-plus people. I have just passed around some of the flyers for some of these. They are everything from basic how to get on to your tablet and your smartphone, up to using cloud solutions and VOIP and Skype and using social media in your marketing programs.

There is another one that is coming up later this month. It is an online dinner, and it has got some very good speakers — a lady from ABC online and another person coming along. The intention is to get people together over dinner and talk about the digital issues and that sort of thing.

The whole point of our approach has been to engage people at whatever level they are at — whether it is uploading photos or in a business sense adding an online sales portal to their website or whatever it is — to try and increase the level of digital engagement and digital literacy.

Mr HOWARD — How are you financing this, Peter?

Mr FRANCIS — This was financed through Regional Development Australia, which gave \$90 000 — that is, for Gippsland — and five of the six Gippsland councils put in \$15 000, so we had a total project budget of \$165 000 for the one-year project.

This is the next stage, as we see it. This has been really successful in that when we started this there were not a lot of people around offering this sort of training and these sorts of programs throughout this period. There are now a lot more people in the private sector who are doing this. We are fairly confident now that there are enough consultants and others around providing this sort of training that we do not need to keep doing this, but — and I will talk about this in a minute — there is probably scope for some facilitation of this to keep rolling out these sorts of programs through business and tourism associations and chambers of commerce. How can it be done? Whether it could be partially funded or subsidised through the state, I think there is a very good opportunity there.

Talking about e-business, from Bass Coast's point of view — if I can just talk about Bass Coast for a little while — we see a number of opportunities for increased prosperity in our area through telework and better use of e-business. If you think about Bass Coast shire, half of our ratepayers are non-resident ratepayers. They are people who pay their rates here, but we are deprived of their skills and their interactions and their money that they bring and their business expertise and all that sort of thing. With better, more reliable and faster broadband, a lot of those people who anecdotally tell us that they do not move their business operations and their residence here because they cannot run their business from here — if they can start to do that then that will make a very big difference to our shire.

Firstly, you will get new people with new skills. They bring new money and expertise. They bring families and partners who may work in the volunteer sector and bring a whole range of other skills. Because you then have an increased population, it makes some of those marginal businesses more viable; you have a greater local population base to sustain them through the quieter times. Having faster and more reliable broadband is very important for Bass Coast Shire Council.

Secondly, in a place like this there are limited work opportunities. Traditionally, unless you want to travel outside the region — and petrol is getting more and more expensive — you are basically limited to the jobs that are available within the region. Again, with more online capability, it broadens the scope of work that you can get. You can get people who can actually stay here. They might travel a day or two or three out of the region, but by and large they can stay here. It means that there is a far greater range of employment available to people.

The other thing too is that there is limited public transport, particularly for our younger people who are reliant on it. If they want to do a trade or something like that, they have to get across to Korumburra on public transport and that sort of thing and it makes it very tricky. If they can do more of that remotely, from the local school or somewhere like that, then that opens up a lot of opportunities as well.

Another factor is work-life balance, and that works particularly well for people who are caring for an ageing parent or who have kids or something like that and who cannot be available to work the normal hours. If they can do some of that work from home, that again provides them with opportunities to get into employment where they might not have been able to do so before.

The fourth factor is about keeping youth in the region. Traditionally at the moment our young people go through schools. If they do okay and they get into uni, off they go. We have a battle. If you look at our demographics, we have a lot of school-age kids and then it drops right off as they go off to do their trades and studies and travel and that sort of thing. We do not want to lock them all in here, but if we can keep more of those kids connected or rooted here, doing their studies via online methods, then that will also help keep the lifeblood of a lot of country towns going.

We reckon there is an awful lot at stake for regions such as Bass Coast and in fact most of Gippsland because it has a similar profile apart from having a couple of bigger towns. Most of them are small towns. There is a lot at stake in terms of increasing the prosperity and quality of life of a lot of people.

We talked a bit about how to engage with businesses. In terms of telework, there are a few issues that need to be straightened out. There is a broad spectrum at the moment between businesses that are very progressive and that have a lot of people working at home and then others that are very restrictive and have not got their heads around some of the occupational health and safety and other legislative issues that create problems. Some work can also probably be done to help businesses that are struggling with issues like occupational health and safety so that, if you have people working at home, they have the physical setup of their workplace.

You also lose the traditional control, I suppose, and that can create problems in many ways — not just with underperforming but you can get other people who become obsessed about their work and end up working many more hours than they should. That creates problems as well. There are all of those traditional accountability things. Organisations that are very traditional in their approach and that like to have their staff sitting at a desk to keep an eye on them struggle a bit to get their head around telework. That is an issue for which there probably needs to be some training and perhaps some support so that those organisations can find a way forward.

The CHAIR — Some of the other witnesses we have spoken to have mentioned hubs. Some are commercially run and some are run by local government. What are the Bass Coast shire's thoughts on hubs?

Mr FRANCIS — We have started talking about it. My personal view is that they would be a very good idea. The problem that we would have here is that we are not really on the way to anywhere, particularly Phillip Island — it is a bit of a dead end. The notion of a hub is that you get people coming from all around to share the infrastructure costs and services and all that sort of thing. The problem with Phillip Island is that people can only come from one direction. If they are going to come here, they are going to go past Wonthaggi or one of the bigger regional centres. I think there is a lot of merit in doing that — —

Mr TREZISE — I would not mind working from a hub on Phillip Island.

Mr FRANCIS — No, I work from a hub on Phillip Island; it is very nice. There are many benefits of the hub. Obviously there is the fact that you share infrastructure and the service. You might have one receptionist and one admin officer and that sort of things, which cuts down on costs; you share the infrastructure costs. The other unexpected benefit, if you talk to some of the people who have worked in some of these hubs, is that you get people from unrelated businesses and government departments who would not normally be working side by side suddenly talking about things and finding solutions that would never have happened but for the fact that that sort of environment is created.

At Bass Coast Shire Council over the last five years we have talked about setting up some sort of new enterprise-type centre or some sort of innovative hub of the type you mentioned. It is something that we will continue to pursue because we think that if you want to set yourself up — and we want to set ourselves up as a region that is progressive and which embraces new technologies and that sort of thing — then the logical extension is to try to attract industries and set up an environment for those sorts of businesses to thrive.

The CHAIR — We have also heard from some places that there is good service to the actual town, but if you go 5 kilometres to 10 kilometres out of the town there is not such good service and so people can come into the town to use it. Would that apply to Phillip Island or Bass Coast Shire Council?

Mr FRANCIS — Potentially. Like a lot of regional areas we are slated to have fibre in our main towns and wireless and satellite as you get further out, so it will depend on the quality of the services once they are rolled out. I could foresee some sort of facility, if that is the case. For example, if there are limits to the speed and reliability of the service that you get outside the towns and very good quality service in towns, then it makes a lot of sense to have some sort of facility where people can upload design drawings and things like that that require high bandwidth. We have internet providers at the moment. I would imagine that that is something that they might look at if that becomes an issue once we get a bit further down the track with the broadband rollout.

Mr TREZISE — Peter, you talked about businesses or individuals who were at one end of the spectrum — that is, just getting into e-commerce or whatever it may be. Have you got any shining examples at the other end of companies or businesses that have really taken hold of or are champions of e-commerce?

Mr FRANCIS — Yes, there are good examples right across the spectrum. In fact I think the chap after me is a local guy who has a business that he has set up, and he will tell you all about that. But there are lots of good examples. One of the things that we are trying to do here and right across Gippsland is to get some case studies and examples of what people do. A simple example is a local butcher who did some videos of himself doing different cuts of meat and that sort of thing, and he uploaded them to YouTube and things like that. There are all sorts of creative things. There is limitless creative stuff going on. A lot of that is out there. It is just a matter of finding a way to collate it and make it available for people to get access to.

There is another issue with remote working. This is a bit of a cautionary tale. One of the things that we need to avoid is the withdrawal of services. For example, you might have a government department or a business that at the moment has a dispersed network of people who visit regional or remote areas from time to time. Once remote working becomes more readily available, it is a lot easier obviously and saves time and money. It is a lot easier to work from the main town, but then people in those little towns become very sensitive about perceived withdrawal of services. Like all of these things there is a balance and a weighing up. It is a bit like when the banks started closing branches and moving to ATMs and that sort of thing. There is a balance to be found between administrative efficiencies versus the actual people relationships at the other end. That is something that needs to be kept in mind.

The CHAIR — Does Bass Coast Shire Council have employees who telecommute?

Mr FRANCIS — Yes. Most of our senior staff have remote access. We all have a smartphone; we can get our emails and that sort of thing. Most of us have a laptop on which we can dial in from home or wherever we are.

The CHAIR — And they physically do not come to the office five days a week?

Mr FRANCIS — I guess Bass Coast Shire Council is one of those organisations that is still working through some of the issues of remote working. It is kind of happening. We probably need to tidy up some of our policies and procedures to make it much clearer. But, yes, it happens now.

The CHAIR — What are the policies and procedures that you have to clear up?

Mr FRANCIS — I mentioned occupational health and safety before. For example, if I say to my boss, ‘I might work from home tomorrow’, at the moment there are no really clear controls about the work environment I have at home, so I might be sitting back on my couch with my laptop on my knee and then I might come to work the next day and say, ‘I’ve got a really sore neck; I’m going to take a day off’, because my work station area is not well sorted out. So there is clearly an issue about finding a simple means of ensuring that the physical work environment people have is good. The other thing too, I guess, is the whole issue about trust and accountability and all of those sorts of issues. Unless you have really clear policies about those things, for organisations that are very traditional in their approach, that is a bit of a leap of faith.

The other thing too about teleworking is that it is not for every organisation and it is not for everyone in every organisation. Clearly you cannot have your front-line customer service staff working from home. Again, you need to have policies and procedures about who it can work for and under what circumstances. I guess that is what I was saying before. It is for organisations that are at that stage, and I would suspect that some parts of government — state and local governments; I am not sure about federal — are well advanced for that but that there are other parts that probably need to still do some more of that work. That might be an area where the MAV or state government or someone could help do some of the policy work and say, ‘If you don’t have one, here is a policy that might work for you and save you some of the work’.

The CHAIR — Have the Bass Coast shire had any unexpected benefits from people working with their iPads and their iPhones from home?

Mr FRANCIS — I would suggest that they would get a lot more productivity. It is not uncommon if you happen to log on at 9 or 10 o’clock on a Sunday night to just tidy up a few emails that you get live emails back from other people doing exactly the same thing. That is a blessing and a curse in the sense that, yes, they are getting a lot more productivity out of people doing work in their own time, but, as I said before, there also needs to be procedures around ensuring that there is some control about that to make sure that people are not getting the work-life balance wrong.

The CHAIR — What, then, do the Bass Coast shire do to keep the work-life balance? If you say that there is a problem getting it wrong, what do you — —

Mr FRANCIS — Council is fairly proactive about having a sort of wellness program, and that has a whole range of things, from subsidised gym memberships through to a whole range of different things. I think this is part of the reason why the organisation is not leaping ahead with it. That is probably some of the work we need to do in the telework area — to make sure that we have the policies in place to make sure that the work-life balance in that area is okay.

The CHAIR — And it is a fact that it is just an emerging issue for employers at the present time.

Mr FRANCIS — I think what has happened is that the technology has gotten ahead of the policy. With a smartphone and with your iPad and your laptop and all of that, all of that is now available 24 hours a day. I could go home and work 24 hours from home if I wanted to. It is just a matter of the policy and procedures catching up. That is about all. I do not know how I am going time wise, but I think that is about all I have.

The CHAIR — You have about 5 minutes left.

Mr FRANCIS — Do you have any other questions? I do not think I have anything else to add.

Mr HOWARD — I think we have a fair picture.

The CHAIR — Thanks very much for coming along. It was quite an informative session on how it is happening here in Bass Coast shire.

Mr FRANCIS — All right. Thank you very much.

The CHAIR — Within about 14 days there will be a draft copy coming to you of the Hansard transcript. You will be able to make corrections to obvious errors, but other than that it will be as it is. Once again, thank you very much, and we wish you all the best here in Bass Coast.

Mr FRANCIS — Thank you very much.

Witness withdrew.