

# 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**

Port Fairy — 7 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

Mr K. Brookes, president, Port Fairy Business Association; and  
Ms L. Foreman, president, Port Fairy Tourist Association.

**The CHAIR** — Welcome, Liz and Ken, to the Rural and Regional Committee of the Parliament of Victoria'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 relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. For the benefit of Hansard, could you both give your names and business address.

**Mr BROOKES** — My name is Ken Brookes. I am representing the Port Fairy Business Association, otherwise known as the traders group. I will hand over to Liz, and she can introduce herself.

**Ms FOREMAN** — My name is Liz Foreman. I am the chair of the Port Fairy Tourist Association. My business address is 1 Campbell Street. I own the Merrijig Inn.

**Mr BROOKES** — Before we go on, I would like to just mention that we have Maggie Leutton behind us here. She is representing both organisations as secretary, and she will be taking some notes, if that is all right with you.

**The CHAIR** — That is fine.

**Mr BROOKES** — We have here a sheet which we would like to give to the committee. I will do that later. It outlines some of what we perceive as problems in Port Fairy. Before we go on, I would like to welcome you to Port Fairy. It is a lovely spot. We are pleased that you could be here and we are pleased to be here with you.

Port Fairy is a small town in the scheme of things. It has a population of approximately 3000, which at Christmas time and peak times during the folk festival period does swell to about 10 000, which means that we have high demand for anything electronic. This seems to be growing each year as we go along. I point out that the businesses that operate in Port Fairy are mostly small, but we have a good mix, with Bamstone employing about 50 or so people, GlaxoSmithKline and aquaculture with an abalone fish farm. There are numerous small businesses. In amongst the mix you have the hospital, which is a large employer, and the shire council.

With small business, we are very fortunate in Port Fairy to have all shops full. We have three banks, with another one coming on board. We are building new shops at the moment, which is all very good. I am mentioning that because there will be more pressure put on Port Fairy because it is seen as a destination, a place where people like to come. As I said before, I think the pressure will just mount as to how we can access the services that we do not think are good enough at the moment. That crosses the boundaries of Powercor, the SEC or whatever you want to call it, coming into the town and also the internet service. I am saying that in the knowledge that the NBN will come on later and wireless is supposed to be improving its service. For those we are representing today we are here to say that the service is lousy, to say the least, it is disappointing and it makes it very hard to operate a business. Most of the complaints we get are from people complaining about internet service, phone service — mostly Vodafone outside of Telstra — and parking, which is another problem because it is a very popular spot. On that note, I will hand over to Liz to add to that.

**Ms FOREMAN** — All that I would add to Ken's troubles with business is that we rely on our visitors to town. Port Fairy is pretty much a tourist town. I am sure that you have all holidayed here at some point. I guess where we come from as a tourist association is that we are all very small businesses. We rely on our smaller B & Bs and holiday cottages. We have two big caravan parks which are run by council, but there are also a couple of big commercial caravan parks. The other elements of our tourism industry are the restaurants, cafes and whatnot. Free wi-fi access in cafes is now becoming a selling point: come and have your coffee and have your wi-fi as well. The connectivity along the Great Ocean Road is a really big issue for our international visitors. Something that the Great Ocean Road Tourism Board is looking at is putting on free wi-fi hot spots throughout the region, and hopefully Port Fairy will be one of the top five to go into that program. That is something that is happening through Tourism Victoria and the regional marketing body.

**Mr TREZISE** — Liz, in your area of hospitality, do the hospitality proprietors in town understand that?

**Ms FOREMAN** — Yes, they do. I think they are pretty switched on, because if we relied on our locals for our business, we would not have any businesses. There is competition in town where cafe owners put out on their boards that they have free wi-fi — 'Come and have it with your coffee'. That is just a new thing, actually, I think I can say, but it is something that I see in my business. I run a little B & B. The first thing that my

international guests say to me, in very broken English — a lot of them do not speak English — is, ‘Do you have wi-fi?’. Connectivity is an important element.

I am not sure if you gentlemen are aware that Port Fairy won a LivCom UNESCO award. We are the reigning most livable community under 20 000 people in the world, and we are livable because of our connectivity.

**Mr TREZISE** — You must have someone important living in town.

**Ms FOREMAN** — I think it was prior to Denis taking the top job.

**Mr BROOKES** — There might be a few of those.

**Ms FOREMAN** — Yes, but one of the elements of that award was our connectivity in terms of our local community, which is very connected, but also livability. What that means to us today is about being connected to the world, and I guess that is always through social media now. Everyone is somewhat connected now, and that is not a dirty word anymore. As our visitors travel along the Great Ocean Road region it is important; it is something that we cannot always give them on a regular basis.

Coming into summer, that means that if you ask any business owner in this town if they are expecting a blackout, they will say yes. Just think about that for a hot Saturday night when there are up to 20 000 people in this space, with the kitchens all full go and we are expecting 50 people to come through the door — in summer is the only time when restaurants make any type of money in this place — and the power goes out. Dealing with the stress levels of that, with not only giving good service but having your business open and ready and available when the crowds are here, is very important.

This is one of the issues we found when the Telstra exchange fire happened and the region went down into a black hole. No-one in Melbourne knew that we were out, so they were ringing and ringing, trying to get through. One of the things about booking accommodation is that people want it immediately. If they cannot get you online, they want to know that you are there at the end of the phone. We suffered a lot, I know, in my own business, but a lot of businesses in town suffered through that. We are still feeling the effects of that. Another element of connectivity is our phone lines.

One thing this community has done is the business association has organised for someone from Powercor to come and talk to the local businesspeople on 19 November. They are doing that, which is great. I know that there will be a lot of businesspeople wanting explanations of why we have these blackouts. That is one example of why Port Fairy is as successful as it is — because the local businesspeople get together to support each other and try to work out their problems. The local community does that as well, through groups. It is a really big tick for this town.

As Ken said, we did a bit of a run-through for you to take away. I do not know if you will have time to do that later, but we will definitely put that into the material that is supplied. It just gives you an idea of some of the issues and also some suggestions about what might be able to happen. It all relies on money and what the priorities are with government, but putting up our hand is what we are all about.

**Mr HOWARD** — In terms of your suggestions, what are some of the things that could help your IT capacity? In asking that, obviously the internet connection is federally managed and power is of course a slightly different matter, more a private issue. What things might the state government be involved in?

**Mr BROOKES** — I am not sure how the state government can do anything else but support the access into Port Fairy with the power. We do not know enough about it to comment on it, and that is the reason we have called this meeting with the regional assets manager from Powercor to ask all these questions, and it is unfortunate that that follows this meeting. It is probably fair to say that we would like to see wireless access, as opposed to land access, because NBN, of course, is what everybody is talking about. There is no way of us knowing when we are going to get it here, but I suspect it will be two years or more. We seem to be later than a lot of other places. I do not know where they put their priorities.

One reason to mention NBN here today is that if there is any influence to be borne, it would be the fact that we are doing our main street area. We have been very fortunate to have a \$500 000 grant from the state government, and the local government is putting in \$300 000. The local committees, through our own

committees, are raising about \$100 000 over and above the government dues. The reason I mention it is that we are getting new footpaths, and NBN will come and dig everything up. We would like to see this program in operation next year. The type of footpath we want to put down is in local bluestone, which goes to every capital city in Australia and I think overseas. The main shopping centres in Melbourne will be done in Bamstone, or Port Fairy bluestone, and we want to see it laid down in Port Fairy, but we do not want to see it dug up again. One of the things about bluestone is that you can dig it up and maybe put it back down again at great expense and it will look like it has not been, as opposed to hot mix. So there is a degree of urgency to get behind getting NBN into Port Fairy other than the fact that it just needs to come here.

**Mr HOWARD** — Do you think your businesses are fully up on the IT skills they need? Is there opportunity for further training or networking to build your capacity so you could operate even better?

**Mr BROOKES** — I think as individual businesses we can always do it better, but my observations tell me that we are not backward in Port Fairy; we are at the forefront of trying to get whatever we can. I would think that if it is available, we would have it being used. You would have to do a survey, which we will do later on, to get that information. I think Facebook is being used. Certainly internet retail is using online selling. That is a growing business, and certainly I know of some people doing it. I am looking at it myself. There is a lot of eBay business carried on, and that can be done through a business or from a customer from a house and so forth. My answer would be that if it is there to be used, we would be using it. How we can influence it to get here and be used on a greater basis is something we cannot answer, but it would certainly be adopted. We are certainly savvy when it comes to using whatever is available, but we are interrupted by bad services.

As an example, I will just quote my own example. Two or three weeks ago, on 11 October at 4 o'clock in the morning, the power went out. I think there was a clash of lines. I am not sure whether you know how it works, but electricity is like water. It just goes wherever it wants to go to, but it seemed to attack computers and anything audio and left some other things alone. My business in particular was hit very hard; in fact I lost my whole computer system for a whole week. We spent three weeks trying to rebuild it. It went through UPSs and everything. That is on top of the phone outage with the meltdown in Warnambool one year ago almost to the day, I think. That was about late October or early November 2012.

That was an extremely difficult period, cut off from the world, so we can say that we know what it is like to not have access to it. It is terrible; there is no banking, there is no petrol, there is limited money floating around, there is no way to order goods and there is no way to talk to anyone or for them to talk to us. We tried every mode we could through mobile to mobile access to try to survive, but by the end of that three-week period we were just frazzled; we were exhausted. I would hate to see something like that happen again. We are being hit very often with power outages. We had another one on 14 October at 11 o'clock in the morning, which affected all the cafes because it was prime time during the day. I think that week we had about four, and I am not sure but last week we might have had one. It was not a brownout, it was just a power cut-off. Whether or not the restaurants are prepared for it, and most are, they have to consider whether to cook with electricity or gas and they have exhaust fans that need power and so forth. They basically had to close down their businesses until 3 o'clock. In other words they could not do business for that day — —

**Mr HOWARD** — Good luck to the Powercor person when he next comes.

**Mr TREZISE** — I drove through Port Fairy to get a coffee at a little cafe and all of the boys were sitting around. I thought they were having a stop-work meeting.

**Ms FOREMAN** — It was on that day.

**Mr TREZISE** — It was on that day.

**Mr BROOKES** — That was 14 October.

**Mr TREZISE** — No coffee.

**Mr BROOKES** — There were huge effects. I will talk about another example of the IGA supermarket and how he has been affected. He was affected twice that week. His situation is that if frozen food is not controlled for over 2 or 3 hours — I am not sure — it has to be destroyed at great cost, and although I think Powercor may cover it with a lot of argument, it is a great inconvenience — —

**The CHAIR** — Inconvenience.

**Mr BROOKES** — And he has had to close his shop quite a few times during the last 12 months. All in all, it is all right to have a good destination to come to, and we have our international visitors, but if they have not got wi-fi and they cannot come down the street and enjoy each other's company over a coffee and enjoy the atmosphere and the landscape, then we are saying to you that we need to improve big time.

**The CHAIR** — We hear that; we definitely hear that. You have spoken about tourism, but we have had a couple of businesses here that operate out of Port Fairy that are not tourism businesses. As you say, Port Fairy is a lovely place and people who have an affinity with the place will often relocate here to work. Have the tourism or traders associations thought about ways of encouraging more people to come to Port Fairy — the likes of the businesses we have had in here this morning?

**Ms FOREMAN** — In terms of marketing to businesses?

**The CHAIR** — To people to come and live full time.

**Ms FOREMAN** — To come and live, yes. I think it is fairly high on the agenda of the Moyne shire to get people to come and live in the shire and grow the shire. Port Fairy is obviously the jewel in the crown of the Moyne shire, so we would be at the forefront of that. House prices are prohibitive for young families in Port Fairy. It is pretty much the Melbourne market down here. I know of three or four young families who have relocated to the Moyne shire but they have relocated to Koroit because it is more affordable for them. You see the big houses on East Beach, which are over \$1 million. It is not really a prospect for a young family buying their first home. The tourism association has an understanding that there is more to life than just servicing visitors, but the multiplier effect of what tourists bring to this town seeps through every business in this community. We would not have the services we have if we did not have that. It is absolutely to be encouraged.

There is a lot of building going on around town, which is a lot of holiday stock but also private houses. The more the merrier really. There is a limit though, and you see that because of the cost of moving to this town as a family.

**The CHAIR** — In some two or three years the NBN will get here. In some places we have been they have what they call hubs or co-working spaces, which are facilities for people to work in so they do not have to have their own office. Could you envisage that one of them might work in a community like Port Fairy?

**Mr BROOKES** — Yes, absolutely. I understand that with the way the NBN works they have to build a tower, the tower takes it to the hub and hub takes it to the premise. Whether it is copper or fibre optic it is something that everyone is waiting for, because the speed and reliability of internet service at the moment is terrible. It is unreliable; you can just be shut down. It is the same with email.

Going back to whether people would come to Port Fairy, I think they would, but as Liz pointed out, there are some restrictions, and one of the restrictions is land pricing. There is not enough land available. As I said before, there are no shopfronts available. We do not have an industrial park, so that is very limited, although the shire in its wisdom has been talking about it for a long time, and I have been on its back for a long time. But it is still not happening, and we only have pockets of industry. There is nothing in an organised sense. My view is, and always has been, that if you opened it up, it would be taken advantage of because of lifestyle and proximity to Warrnambool, for example. It is between Adelaide and Melbourne, and it is a good meeting point for business and people just on a personal basis as well.

**Mr TREZISE** — Ken, you mentioned before about using information technology to grow your hardware business. What type of things are you looking at or what do you envisage into the future?

**Mr BROOKES** — I would envisage it would be mainly online. We do all our ordering online through what we call electronic scanning devices and then we download over the phone.

**Mr TREZISE** — Yes.

**Mr BROOKES** — We use the internet through what we call Team Viewer to have people manage our computers from Melbourne. Probably most of our business is done electronically in some way. All banking is done that way. Most of our other transactions in and out — customer payments — are now done electronically.

We rely very heavily on our EFTPOS machine. We do have trouble with it; it could be a bank problem or it could be a phone problem, but it is all an inconvenience. It seems to happen literally every week. If it is not one thing, it is another.

To answer your question about being online, I could have done it earlier, but I am just doing it now, and that is with the assistance of John Danks & Son, which is our main supplier. My feeling is that our market — hardware and timber — is basically in Port Fairy. I understand that most people will go online and have a look. They may come into our shop and have a look at something and then go online and order it from someone else; that is typical of a lot of places. We cannot do much about that. But if we can, say, put ourselves at the forefront of people viewing our business, whether they are local or from outside, I am all for it, and I think I speak for most of the businesses.

**The CHAIR** — Liz and Ken, do you have any final remarks you would like to leave with us other than the detailed report you have given us?

**Mr BROOKES** — Like I said, I have been in business in Port Fairy for 37 years, and I have seen the whole transition from no computers and no e-commerce right through to what we have now. I can only see it growing and changing, so we have to grow and change with it.

We were just talking about this out the front — whether we would call Port Fairy a communication black spot, and I think I would like to say that possibly it is, and I would like you guys to take that information back and maybe chew on it. It means we have some problems with it, and today we are going to call it a communication black spot. Thank you very much.

**The CHAIR** — Thank you, and thank you very much for coming along and adding a lot of value to our inquiry. In about 14 days you will get a copy of what Hansard has recorded. You may make corrections to obvious errors but other than that it will be as it is. Once again, thank you very much, and all the best with your ventures here in Port Fairy.

**Mr BROOKES** — Thank you very much.

**Ms FOREMAN** — Thanks for your time.

**The CHAIR** — I thank the Moyne Shire Council for hosting us today, and I will call it a day.

**Committee adjourned.**