

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

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Witness

Cr R. Leutton.

The CHAIR — Welcome to the Parliament of Victoria's Rural and Regional Committee's inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria.

I thank the Moyne shire for hosting us in a beautiful setting looking out over the banks.

Cr LEUTTON — You missed the beautiful weather yesterday.

The CHAIR — Yes, that is right. The weather was quite nice, as was the hospitality we have been shown here. 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. Ralph, for the benefit of Hansard, could you give your name and business address.

Cr LEUTTON — I am Councillor Ralph Leutton. My business address is 39 Powling Street, Port Fairy. Thank you very much for the invitation to be here.

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

Cr LEUTTON — Both, if that might be helpful to you gentlemen and anyone else. Thank you again for allowing me the time to come and talk to you this morning. It is a very interesting topic you are considering at the moment. In opening my comments can I make the declaration that I am not here representing the Moyne shire. I am a Moyne shire councillor. In our shire we have a policy that the mayor is representative of our shire; therefore the comments I make will be my own and will be from my own experience — I will explain that in a moment — and not necessarily those of the Moyne shire.

Chair, you have an idea of my background; we were discussing it before. I have just over three and a half decades of experience in representing rural industries and advocating on their behalf at both state and commonwealth levels. I think in that time I have gained some experience of some of the issues that are covered by your terms of reference today. I have spent the last six years here in the south-west of Victoria; I have come to God's own country. I had a blinding revelation: I was living in Queensland and it was not the right place to be, so I came down to Victoria.

The CHAIR — Hear, hear.

Cr LEUTTON — I trust that gets me back onto the right side of the agenda. In opening my comments I will refer to some documents, and I ask Ms Topic to pass them to committee members. I would like to put two documents before you for consideration. I apologise that I only have two copies of the first one. I will leave a third copy with you. The first document is the *AgriFood Skills Australia 2010 Environmental Scan of the Agrifood Industries*. I ask you to focus on that for a moment. In making my comments I would like to focus on two issues: one is human resources and the other is infrastructure resources. I think the terms of reference on which you are focusing have these two underlying foundational points that need to be considered carefully.

The essence of the first diagram, with all the pretty colours, is the number of people involved in rural industries. By implication that is the number of people involved in our regional areas. If you look at the sheer number of individuals and enterprises and then the value — this is from 2010; it is three years old, but it is a valuable piece of work that was done — it gives some credence to the concept of how valuable this whole industry is.

I then ask you to look at the second document, called 'Driving Down the Track — an action plan to grow the industry in western Victoria'. This is a south-west Victoria dairy industry document. I was involved in developing this program. This is also a document from 2010. If you open it up, you can see it is a large wheel. I suggest that if you look carefully at the various aspects of the wheel, you will see a target in the middle. The industry here currently produces just over 2 billion litres. It went from 1 billion to 2 billion in a 10-year period, then it flattened out. It has now set itself the goal to look at a 3 billion-litre target by the year 2020. That was in 2010. In doing that they have identified the inner circle of target areas — people, production et cetera.

On the outside of that there are a number of sub-goals and strategies et cetera. But if you look carefully at the sub-goals and then the strategies, you will see there are two overriding aspects to the whole thing. One is people and the other is infrastructure. I suggest to you that the telecommunications infrastructure is a major part of that infrastructure. Roads et cetera are included, but the communications infrastructure that is needed by an industry

such as the dairy industry, which is probably the largest of the industries in the south-west, dictates the type of things that you guys are considering in your terms of reference.

Given that kind of background, if we see the value, the number of people involved in rural and therefore regional industries and the way an industry is looking at how it goes, we then start to see that there is a script starting to develop for the issues your committee is considering. Encompassed in that circle we have just looked at are a number of issues. In my mind, health, information, training/education and communications are the key issues. One of the things lacking in rural and regional areas are good health services. I say that in the light of the fact that in Port Fairy we have our own hospital, seven doctors and very good facilities. As chairman of the hospital board, I am very proud of our hospital system here. But if you go up the road to Edenhope, where they have a beautiful hospital, they cannot even get a doctor there. We are very fortunate here. But in our regional areas, if we had better communications and linkages, things like health would be delivered far more readily and easily.

I have a friend who is Australian but married to a young lady from America and they are living in Atlanta. Doug Miell was the executive officer of the New South Wales Irrigators' Council. I visited them in Atlanta. I sat down at his computer to look at some issues on the internet, and the speed with which he was receiving information I have not seen before. It is routine and an accepted part of their lifestyle. Our information transfer here is extremely slow. I am fortunate or unfortunate enough to have to carry two of these damned things around — these mobile phones. I am sure we are all in a similar situation. My wife has two. As we approach our house, we have to divert these phones to our landline, because in our home the Telstra signal does not reach the phone. If for some reason the phone rings at home, I have to dash out into the middle of the street, close to the white line, to get a good signal.

Mr HOWARD — Yes, I know the feeling.

Cr LEUTTON — I am pleased that you understand where I am coming from. Fortunately when we went to Telstra and said this was an issue and there was an extra \$70 on our bill for diversion costs, they said, 'We will pay that for you'. I said 'You better pay that for us, because we have no signal'. At Port Fairy we are in the shadow of Warrnambool, so why do we not have a signal? Information transfer is a key issue.

Mr TREZISE — Is that an issue right across Port Fairy, Ralph?

Cr LEUTTON — I think there are hot spots; there are good spots and there are bad spots. I think are neighbours on both sides have good service, or reasonable service. You will all be aware that when we have the folk festival, the area beside us is crowded with 40 000 people who come to town for that weekend. The Telstra overload on the mobile system is unbelievable. We cannot phone or get internet access because of the crowd. They are purely access and infrastructure issues.

Mr WELLER — Can Telstra wind the signal up for a weekend like that?

Cr LEUTTON — The folk festival committee has been able to negotiate for an extra temporary tower on the site. If it can be there for four days, why can it not be there for the rest of the year?

Mr WELLER — The Southern 80 is a similar thing in Echuca.

Cr LEUTTON — Yes, it is exactly the same. That is the issue we are facing, and it is an important consideration.

The next thing is training and education, which is a two-edged sword. I have these beautiful phones, I consider myself reasonably technically savvy, and I carry two laptops and an iPad over my shoulder when I am travelling. There is more computing capacity over my shoulder than there was in the University of Queensland when I did my master's degree in 1978, and yet do I use that to its capacity? I think this is the latest version of an iPhone. I make phone calls, but what about all the other things it can do? Do I really understand them and do I access them? I think this is a very important point, because if we are looking at telecommunicating, e-business and working remotely, unfortunately many of the people in that demographic are like me and perhaps like you. We are baby boomers; we are the managers and we are the leaders, but do we have the capacity to make full use of these devices? My 10-year-old grandson embarrasses me to blazes, because he picks this thing up and the things he can do with it! I think, 'How did he know that?'. So how are we, as the older generation of leaders,

encompassing this technology, and how can we then set patterns that are pathways ahead for this very versatile avenue of communicating? I think this is really quite critical.

The CHAIR — I suppose that is really what our inquiry is about.

Cr LEUTTON — Exactly.

The CHAIR — We are out here looking for some suggestions.

Cr LEUTTON — Right. The other side of that training and education sword is: what are we doing to actually deliver that type of training? For my sins I was able to sit on the National Quality Council, which has now been changed into the National Skills Standards Council, which oversees all the vocational education and training in this country — that is, the TAFE system and the private providers of vocational education and training. We have an excellent training structure in Australia. The Australian quality and training framework is second to none in this world. Again, where we let ourselves down is the infrastructure we have to deliver that. Governments, in their wisdom — and yours as well — have been kind of hard on TAFEs and have cut them back. The private providers are still very effective in delivering. The problem we have with our system is it is very much a supply system and it does not consider the demand.

For example, I have worked in Indigenous training. The system went to the Indigenous park rangers, 300 new park rangers, and they said, ‘What you need is a certificate III, and we’ll teach you how to count dugong’. The guy in Alice Springs whose job was to count camels was told, ‘You just have to do this, and that’s what you have to do’. It was supply driven, not ‘What do you need to know, what do you need to do and how do we actually meet that requirement?’.

If you look at some of the issues around that wheel on the ‘Driving down the track’ brochure, it is very much evident that to meet that demand requirement we need this information. We need it in our heads so I can actually pick up whatever it is I have — my computer or my mobile phone — and access that information. The information is all there, the technology is all there; it is just that it is not here — it is not in our minds to access it.

I think, too, that the problem we have, as I said earlier, is in our leadership. If you were to go back over records of some of our councils, even our own council, you would find councillors voting against the delivery of high-speed services to the region. They think, ‘Why do we need that? I don’t understand it, so we don’t need it’. I think the real issue we have to face is how we get our heads around what it is you are actually talking about. I think that is really the critical issue. And similarly with communication, I think that is a very important area. I find it very frustrating: my beautiful wife has become an email junkie. She spends hours communicating by email. I say, ‘If you don’t respond, they won’t send another one back to you’, but the fact is that is what is happening today — people are sending emails. I can email someone on this little phone here. Wherever I am in Australia someone can get to me.

Mr HOWARD — We know!

Cr LEUTTON — Exactly. And I think that is the thing — this is the generation we are in. I grew up with a Bakelite phone with the dial where you had to wait till it came back, but today it is all instant. How are we getting that concept to the people in our rural and regional areas? Let us get on with it. Many of them have the capacity, many of them have the technology, but most of them do not have the infrastructure to connect, and that is the problem we are facing.

If you have any questions or comments, please interrupt me. I will just look at some of the points of your discussions — although I will not speak to all your terms of reference — particularly the benefits for rural and regional areas. I think the benefits are there if we can just realise them. In my role as chairman of Moyne Health Services, one of the things we need is that really clear, efficient communication so that our staff can talk to specialists in Melbourne, Sydney or internationally, wherever they might be. I can get on my phone and talk to my youngest son in Italy by Skype, and he is walking around Italy with just one of these things — one of these mobile phones in his hand. That is his connection to Skype, and I can see him and talk to him and his wife in Italy. Why can’t we get that communication in our hospitals? In my mind that is where the benefits will flow.

Mr HOWARD — Can we start to cut to the chase now a bit, Ralph, because everything you say we agree with and understand. What we are really looking to do, then, is to find out how in your area we get that message out to more people. I presume there are activities already happening here, where there are courses available. Some people take them up and learn and become more IT savvy and learn about what the options are on their iPhones or whatever. We are interested to know what is happening here and how we accelerate that.

Cr LEUTTON — I cannot give you chapter and verse. Alex, who is coming after me from the Corangamite shire, will talk to you more on that actual physical stuff because he is involved with the south-west coast group of councils and dealing with that stuff. In all my experience it is how we actually sell that message. When I worked in the Queensland dairy industry — and, Paul, the Chair, and I worked on different sides of the fence when he was in the Victorian industry — I found that — —

The CHAIR — We are all on the one side, really.

Cr LEUTTON — It is all the same milk, Chair, of course! I found that if I wanted to get some change happening on the farm I had to find the best link to talk to on the farm to get that change happening. With all due respect, quite often it was not the farmer; it was his wife. Quite often I would have workshops with just the wives to get some new information to go back to the farm. How are we finding that critical link? I would suggest that that critical link is in our 20 to 30-year-old group and how we are bringing them in off the farms, out of the businesses and so forth, because I think that is where — if we get them involved and we get the old fellas, unfortunately, listening to them — we will start to see, Deputy Chair, what you are talking about and how we actually deliver that. Again, on the other side of the equation, we have the technology available, but the delivery method and the infrastructure is what we are missing.

Mr TREZISE — Ralph, does local government have a role in doing that?

Cr LEUTTON — I think we do, but in saying that I have to be careful because budgets will fall upon my head. Yes, we do — very much. We should be the ones working there with you guys, identifying that ‘This is the spot’, ‘This is the group’ or ‘This is the demographic we need to work with’, not saying, ‘We don’t need another NBN tower’ or whatever it might be because we do not think we need it. No, that is the wrong position for us to take. We need to be in partnership, and we need to be saying to the Moyne shire or the south-west group that Alex will talk about, ‘Yes, we do need this infrastructure, and we need to target this area, that area and that group of people’.

Going back to, say, the dairy industry, we need to target the younger people in the industry and give them the wherewithal to talk to their parents and convince their parents — because quite often it is the parents who are at fault. In doing the work on this down the track I was quite surprised. We ran five forums, one of which focused particularly on people in the industry. Halfway through the day the 80-odd people in the room came to the conclusion — and they were the dairy farmers, they were the managers and they were the owners — ‘We’re real bastards to work for, aren’t we?’, because they are so bloody-minded about what has to happen. How do we change that? I think that comes back to the point you are making, Deputy Chair — how we actually do something about it. I think if we give the younger ones — the next generation of farmers — the capacity to really utilise the equipment they have and the connectivity through the infrastructure, then I think we have it.

The CHAIR — But, Ralph, you also said that all that is available now. The issue we would like some advice from you about is how we get the people who are there now to utilise what is there now. You know there are the early adopters; there will be some out there who are doing it. There are probably 60 per cent who are waiting to see how the early adopters do, and some of them will never do it. It is how we get that 60 per cent to adopt it.

Cr LEUTTON — The 60 per cent will not adopt because they have to walk out in the middle of the street to get the connection. That is the problem. Until we have the ability like my colleague in Atlanta, where I sit down and it just happens instantly, like that — and he does not live in Atlanta; he lives north of Atlanta. I cannot pronounce the name of the place he lives.

The CHAIR — So your advice to us is to wait until the federal government has its rollout?

Cr LEUTTON — No, not to wait but to pressure them through COAG.

The CHAIR — Advocate, right.

Cr LEUTTON — Advocate through COAG. I am coming to that. I think the weapon that the Victorian government has in COAG is a very critical weapon.

The CHAIR — So we advocate, but then when the rollout happens are there programs in training and education and whatever that need to be done as well?

Cr LEUTTON — Yes. The programs are there. If you go back through the Australian Quality Training Framework you will see that all the programs are there, but we need to come back to the users and say, ‘What is it that you actually need?’, because there is another issue that I will touch upon. One of your requirements is to do e-business and work remotely. That is what my business is — I work remotely. My business is Australia wide. Tomorrow I am at a seminar in Sydney at 8.30 a.m. That is how it works, and I have to step outside to use my phone to get that working.

We had a look at a program getting more of these specialists down into Warrnambool and Portland et cetera. Let us say, Mr Weller, that you are a 35-year old expert in computer science and you want to come down and live in Warrnambool or Port Fairy and your wife is a lawyer and you have two children. What is she going to do while you are down here enjoying yourself? What work do we have for her? What infrastructure do we have for the children?

If we are going to look at remote e-business, it is not just the one person, it is the whole family unit. Again we come back to what the shires can do to work with you. What programs do we have in place to attract the experts to the rural and regional areas and then support the family work-wise and care-wise to make sure we can get them here? Once they are here and everything works, then what you are looking at will come to be. I think that is one of the key issues we are facing.

As I said in opening, your terms of reference and your targets are laudable but there are some things back here that need to be addressed before we even get to those things: I think they are the human resource and the infrastructure. I think that is probably where we are at.

Mr HOWARD — Ralph, would you have any idea amongst the dairy farmers in the region how many would have laptops or computers? Yes, they do not have connectivity to go with wireless, but how many have computers they might use in their homes?

Cr LEUTTON — I have not got the exact number in my head.

Mr HOWARD — Just anecdotally.

Cr LEUTTON — From the work we have done you would have to say it is 75 per cent to 80 per cent; it is a very significant number.

Mr HOWARD — Do have?

Cr LEUTTON — Yes, have a computer and have some basic computer skills. It is very positive. That in itself is a major positive. The trouble is that I would have to say that about 80 per cent of them are reliant on dial-up. If you are downloading Dairy Australia’s 75-page document that I was looking at last night on people in the dairying industry, how long will that take on dial-up? You just cannot do it — and it has beautiful glossy pictures in it in full colour. No, it just will not happen. Even with the email system, if you get a 5 to 10 megabyte email coming through on dial-up, it just blocks the system up. Again, we have the human resources addressed there but the infrastructure resource is not there to work with that. I think that is the issue we are facing.

To come back to the basics behind this, it is the human resource, the infrastructure resource, the capacity that the state government has through the COAG structure to pressure the federal processes and the capacity we have as local governments to work with the state governments to try to deliver against the idea of finding out what are the demographics, what is needed and supporting each other and getting on with it. That is, to my mind, where we are at.

I have covered where I am coming from. I have not given you an answer; I do not believe I have an answer. I am not sure if anyone does have an answer.

Mr HOWARD — In terms of some of the training you are talking about, who is the best coordinator of that in a region? Who is the best body to be able to coordinate that? Is it through councils? What other bodies do you have that might oversee that training and see that the message is getting out there?

Cr LEUTTON — That is an interesting question, because one of the points I was going to make in my comments — I skipped over it, but I will come back to it now — is that we need to review the institutional processes we have to deliver the training. Effectively what governments are doing — this government and the New South Wales government — is really shake the foundations of their TAFE structure. TAFEs have to really sit back and think about themselves. There is an excellent private provider at Hamilton that is doing great work; it is just breezing along. We need to find out how we actually get the government instrumentalities working more commercially, if that is possible, and we have to come back to the shires and say, ‘Now, lift your game’.

As I said, the ingredients are all there; it is about revising the mentality. Unfortunately federal, state and local governments are driven by regulatory processes. If I give a dollar out, I want to see a box I can tick that is auditable — that has to be done. However, we are so bound by that that we then say to the people we want to deliver the best to, ‘No, you’ll just take what we give you’. If we could be a bit more flexible when we actually talk to the dairy farmer and ask, ‘What is it you need in training? What is it you need in infrastructure? What is it you need?’ and have flexibility in that delivery process — —

Mr HOWARD — Although there is in that the expectation that they would know what they need. Sometimes in the IT world you do not know what is out there.

Cr LEUTTON — Exactly.

Mr HOWARD — And when somebody explains it to you, you just think, ‘Why didn’t I know that? I could be using that to do a whole lot of things, like my accounting on the farm, or I could be accessing a range of other things’.

Cr LEUTTON — Exactly. In 1980 I was doing my masters degree and doing some research on the computer, searching for references. I had to sit at the computer in the library and dial in to a computer in Los Angeles. I did the research on the computer, and it told me I had 1200 references that were relevant — I am just going with a number — and it asked, ‘How would you like to see them? Would you like them on cards?’. ‘Yes, cards’. ‘Okay, they’ll be posted to you. You’ll get them in three weeks’.

Right now if I sat down with Mr Google — and I would like to know where he was when I was doing my work — in 1.2 seconds I can get something like millions of references. Can we really comprehend that? I do not think we have to; I think it is really just knowing we can do it. I think that is the shame of it: because of the lack of quality infrastructure, we have not tested the water.

I know when I am in the city or in other places and there is good infrastructure, it is incredible the things you can find, even with my limited knowledge of computers. As soon as you find something else, your knowledge skips up a bit. Again, in my mind it comes back to the infrastructure. If we want to achieve telecommunication and e-business in remote areas, it is so dependent on infrastructure it is not funny. That is the thing. Thank you for your time.

The CHAIR — Ralph, do you have any concluding remarks you would like to leave us with?

Cr LEUTTON — I just want to thank you for your time and say that we do have some very positive things happening in rural and regional areas. What we need is a very strong, supportive government process that is sensitive to those things and not driven by Sir Humphrey, who sits behind the system. We do need Sir Humphrey, but he should not be running the system. Thank you very much.

The CHAIR — Ralph, thank you very much for your presentation, for the time you put into preparing it and for coming here and delivering it here. In about 14 days time Lilian will send you a copy 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 all the best in Sydney tomorrow.

Cr LEUTTON — Thank you very much.

Witness withdrew.