

CORRECTED VERSION

RURAL AND REGIONAL COMMITTEE

Inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria

Horsham — 31 July 2013

Members

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Cr R. Gersch, mayor, Hindmarsh Shire Council;
Ms J. Bourke, executive director, Wimmera Development Association; and
Mr R. Campling, chief executive officer, Yarriambiack Shire Council.

The CHAIR — Welcome to the public hearing of the 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 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. Can I also, for the benefit of Hansard, ask you to give your name and address?

Ms BOURKE — Jo Bourke, 62 Darlot Street, Horsham.

Cr GERSCH — Rob Gersch, 4 Leahy Street, Nhill.

Mr CAMPLING — Ray Campling, 4001 Borung Highway, Warracknabeal.

The CHAIR — Thanks very much. Would you like to give a presentation and have questions at the end or questions as you go?

Ms BOURKE — I think as we go.

The CHAIR — That would be good. All right, lead off.

Ms BOURKE — Okay. I would like to talk about a couple of issues. The Wimmera Development Association provided a written submission to the inquiry, and in that we were trying to give a perspective of the range of activities that were happening in the region. I think often there is a perception that the regional areas are slower to take up technology than more metropolitan areas, but I think we have some really innovative things happening in the region.

The first issue I would like to talk about is within the retail and service sector. One of the key things we are dealing with at the moment is that we are very fortunate that we are one of the earlier regions with the rollout of the national broadband network, so we are actually using that as a promotion to try to raise awareness, in small business particularly, about the opportunities that there are in e-business.

The CHAIR — So how are you doing that?

Ms BOURKE — We are running a program regionally called Wimmera Streetlife, and there are two main components to it. One is a training component, so we are providing training and information sessions in most communities across the region and looking at things like using social media; web development; customer service is a bit of an issue in some sectors; and also raising awareness about some of the trends in e-business and online shopping.

Mr HOWARD — Can I ask you, Jo: what is the profile of the people who are taking advantage of that program?

Ms BOURKE — I suppose what we are seeing is that we get good uptake from some of the larger businesses, and we are really working very hard to try to attract family-based businesses and microbusinesses. It is very difficult to get them engaged because, with the limited people involved in those, they are trying to do everything in the business, and they still see anything to do with online, electronic business as an extra; they do not see that it should be incorporated into their business planning completely. At the sessions that we have run so far — the program goes until March — in some communities we have only had 3 or 4 people and in others we have had 30, so there is huge variation in the interest.

The next phase of it is that we will be looking at supporting businesses to develop websites and providing the training so that they can actually maintain the information on their websites themselves. One of the things they are attempting to do, and I think we will have some success in this, is looking at some of the business clusters in small towns, where generally there are a couple of young people who are into the technology that will provide support to other businesses in the town. We are just trying to build that local support.

Just prior to Christmas we will be building a regional website so that we can connect businesses with existing websites and these new ones we are bringing on board into a directory of online activity. The way we are selling that to the regional community is that young people already do their shopping online. At the moment they do not have easy access to online information about local and regional businesses, so we need to build that, and that will help generate the economic activity in the region. Some older people in the community — I am

probably a good example — window-shop online and then go to the local business if they can, so to actually build it so that we are building that more direct link with people is, I think, building a bit more strength into the relationships within the region.

We are working with relatively thin markets because we have a low population base, and the mix of businesses in the region continually changes, but we have a number of national brands, and the majority are small family businesses. We just have to try to adjust the balance of how people are spending in the region. Then, hopefully next year, once we have this established, we will be able to promote our regional platform more broadly so that some of the niche businesses we have in the region can actually be exposed more broadly and extend their markets. It is a big undertaking for our region to do something like this, but we think the time is right, with the interest and information coming out around the national broadband network, to try to raise awareness about some of the e-business activities that are very new to some of our businesses.

Mr TREZISE — Jo, as part of your submission you mentioned the idea of champions. Did you want to expand on that idea?

Ms BOURKE — You will meet some of our champions today through the hearing, but it is about developing some examples from our local community that are actually doing this and starting to develop the story around them about the success, because one of the issues we have with small business is that they see some of this electronic and internet activity as an add-on and they cannot see the economic benefit for it, because when businesses first go into it they do not have an understanding of what the time commitment is or the costs and no understanding of the returns. We need to put some of those examples out so that we get businesses having a bit of a picture of what the opportunity is.

I think, with some of the niche businesses that we have, to have potential markets outside the region too is perhaps where we are looking to try to build some of those and, I think, to promote young people in business. That is where the take-up of this activity is, and if we can promote young people, it is a good way to be profiling what is happening in regional Victoria. Generally the diversity of those sorts of businesses too is a good example.

The CHAIR — You said there was training. How is that funded?

Ms BOURKE — We have funding through the state government through the Streetlife program — through, I think, state development. It was the Department of Business and Innovation.

The CHAIR — All right. Good.

Ms BOURKE — The focus of that funding was really quite broad, which we like because, again, it enabled us to target our project to what we saw as a real need in the community.

The CHAIR — And the people that took it up did well?

Ms BOURKE — Yes. The Wimmera Development Association works across the five councils in the region and each of the councils is supporting this program as well; they have actually put some money into it.

The CHAIR — Good.

Ms BOURKE — I will now move on to the next issue. You are in the Wimmera, so we have to talk about agriculture. I included in my submission a copy of a bit of research that we did regionally; it was completed earlier this year. The driver to do this work was around the rollout of the national broadband network, but also we did not have an understanding of how agriculture is using data, particularly out in the paddock. In speaking to the different sectors in agriculture in the region there seems to be the full range, like in the general community, of how people are using it and what the opportunities are. In agriculture we have some definite champions who are way ahead of the rest of the community, and we wanted to look at how we could support them.

I imagine during these hearings you are hearing a lot about poor mobile service and slow internet speeds, and I think they are given. What we are experiencing at the moment with the increase in data use is that our mobile reception is actually shrinking. The technology — the towers — do not have the capacity to handle everyone's smartphone and tablet. Because of the high data use, the reception is actually decreasing. When you get off the

main highways and out of the communities where the mobile towers are located, out in the paddock, often the mobile reception is very poor.

Mr TREZISE — It is interesting, Jo, that you mentioned before promoting young people. I imagine that through the use of technology you would be attracting and retaining young people in the agricultural sector.

Ms BOURKE — Yes, that is true. If you look particularly at the agronomy sector, where they are service providers to farmers, the last 10 to 15 years of growth in that sector has been significant. What you find is that generally they are younger people. They have a link to agriculture in some way — they have either had a family farm or grown up in regional areas — and often they are tertiary qualified. They are high users of technology and they are providing support to agriculture, so it is a really great opportunity to use those people as champions going forward. The issue we have, though, is that within the agronomy sector it is very competitive because they are either employed by chemical companies or the Landmarks and Elders that often do not share between businesses. The only way that they really get together is through the GRDC, so we are looking at how we can use that. I think it is a real opportunity in regional Victoria across the whole state.

We found through the research that there is a relatively high use of data in agriculture, but one of the issues is that there is a lot of data collected but we could improve the way data is analysed and how it is used. In effect the majority of farmers in the region are telecommuters. More and more they are living in towns and commuting to their farms on a daily basis and looking at how they can use technology to improve their businesses. Things like GPS are now foundation stuff in the region, but the way that agriculture is building on the use of GPS with their farm planning — some of the satellite technologies are being used now for farm planning — is sort of pulling together the advice that businesses are getting from agronomists, their financial planners, commercial suppliers of chemicals and such. Every time a modern air seeder or fertiliser distributor or header goes around a paddock, it is collecting data. One of the issues is that often these sets of data do not speak to each other particularly well, and you will hear a bit more about that from Carl Sudholz. I think once you make a decision about having a green tractor, to make use of all the data that comes through you have to have a green air seeder and a green header as well to make it compatible. Those sorts of issues are significant, I think.

We are looking at some innovative practices too. We have remote sensing moisture probes now out in the paddock with little mobile senders, often with solar energy. We have a number of farmers in the region who actually live in Ballarat. The telecommuting activity is that they can dial up on their mobile phone and check what is happening with that moisture. They can dial up and look at what is happening with the level of water in the troughs. Since the construction of the Wimmera–Mallee pipeline and the growth in livestock in the region, that is becoming more of an issue. Sheep could just access a dam before; now we have troughs. To have certainty across wide areas of farm, some of that remote sensing is really becoming more important.

There is a significant issue around marketing now with the deregulation of the grain markets. Farmers are taking on a more active role and it is often real time, so they need access to the markets and often that is during a harvest and the period after that. That was raised in the research a number of times around. If you are on the header or on the truck during the harvest, you need to actually get to a point where you have mobile phone access so you could make a dollar and sell at the right time. They are all issues about people working much smarter, and communication, whether it is with their marketers or agronomists or other suppliers to agriculture, is really critical.

There was a significant discussion in the consultation around mobile applications. It is probably the wrong generation sitting around here, apart from you lot. But the use of mobile phones and applications has just grown significantly. We are starting to see now applications specifically for servicing agricultural activities, and some of the issues around that are keeping up to date with what is going on and knowing what is out there. At the moment I think people rely on word of mouth. One of our mates or someone from the farm next door is using this, so they get a personal recommendation. It is the same in every aspect of business, I think. We are in a high-growth period and it is hard to keep track of it.

One of the recommendations from this we are working on is that people are really looking for training in small groups. We thought online training delivery might suit agriculture. It was not highly favoured, and I think in part that is because people generally work away and they like to get together and have that social aspect as well. We are having some discussions with Longerenong and Ballarat university as regional training providers

around some of that. The training could be as simple as just getting together to share what applications people are using or what the issues are and how they have solved it. I do not think it has to be high-tech stuff.

The CHAIR — What are we calling small groups?

Ms BOURKE — I think it was under 10. As I mentioned before, I think there were discussions with the agronomy sector and machinery dealers as well about how they are involved in research and development that is happening overseas, internationally, that is being applied here — ‘How can we influence that so that we get things that are more suitable to our local need?’. The compatibility of data across different functions is an issue, and I think it is about just talking about it initially and seeing where the smart people are. In response to that, we have developed a business database looking at ICT providers and agronomy specialists using ICT, and we have published that on our website. We have got a point of referral now, so if someone has an issue in that sector, they know there are people within the region they can talk to. That is a continuing thing.

Mr TREZISE — I suppose that is an issue unto itself: the more people who start to use ICT, the more companies, I suppose, are expanding with those types of services as well.

Ms BOURKE — That is right. It makes it really quite difficult for businesses such as farming enterprises to actually make choices about it, because they do not have the experience or the information to make properly informed choices. I think it came up again and again in our discussions that once you make one choice you seem to be locked into a series of other — —

Mr TREZISE — Steps.

Ms BOURKE — Yes.

The CHAIR — So, as you say, if you go with the tractor you have to go with the header and the spraying machine as well?

Ms BOURKE — Yes, that is right. That is all I have prepared.

The CHAIR — Good. Rob, do you want to make a presentation?

Cr GERSCH — Thanks, Mr Chairman, for the opportunity. In my case I do wear several hats. My note there says ‘mayor’, but I also chair the Wimmera Development Association — so I will not be repeating what Jo has gone through — and I also chair Rural Councils Victoria, which consists of 38 rural councils. This item, I believe, is one of the hot potatoes that we deal with a lot. Mr Campling is also a board member of both organisations, so I guess we are wearing several hats here today. RCV does have a project under way which is investigating how harnessing information and communications technology can benefit rural councils’ population and business attraction through creative industries.

I think the crux of the whole reason we are sitting here today, in our rural areas in particular, is, no. 1, to hold our population, and no. 2, where we have had this decline what we are trying to do very hard, whichever hat we wear, is to increase our population and make it more attractive for our young people. I certainly do not profess to be an IT guru. If I have trouble with my mobile phone or my computer, my grandchildren are called in instantly to sort me out. I think most of us could say that, unless you have really got a handle on it. But our young people are growing up with it and they have an interest.

I know today is not so much about black spots, but I think it is critical to understand that the big problem we have in attracting people to our area is the black spots we have. If you are attracting a business and you get somebody to move from wherever to come to our area, and all of a sudden they are out somewhere and they cannot use their mobile phone or whatever, they are in all sorts of trouble. I think that is one of the biggest issues we are facing. It goes hand in glove with the whole process we are going through.

I believe Rural Councils Victoria put the submission to you in Ballarat last week; the submission is in. I will not repeat it; I think Jo has covered pretty well most of the items we face here. But we are all on the same wavelength about communications. I can speak for a couple of people. I live at Nhill, which is 370 kilometres either way to Melbourne and Adelaide. We had a couple move to Nhill recently. The gentleman is in an IT business. He wanted to get out of Melbourne. He moved to Nhill, and he is running his business from Nhill. He

still travels to Adelaide and Melbourne, but he is predominantly running his business from Nhill now because of technology and the ability to be able to do that.

The CHAIR — What sort of business is that?

Cr GERSCH — It is an IT business of some description; I am not exactly sure. It is in information technology.

The CHAIR — It does not have to be at Nhill, but he has chosen to be at Nhill? What attracted him to Nhill?

Cr GERSCH — Well I am not quite sure whether it was because of it being halfway or the good people in Nhill. I am not sure. What do I say?

The CHAIR — Probably the latter.

Cr GERSCH — But I think that is classic of the world we live in today, as Jo has indicated with the farming sector. It has just brought the whole country — not only the country, the world — so much closer together. It is an absolute classic of what we can do in our areas if we have the ability to give these businesses the facilities they need. I think that is the really important part. I was coming home from Melbourne the other day on the train. I usually catch the train from Melbourne to Ballarat. I was on the phone and for 20 minutes I dropped out, between Melbourne and Ballarat.

Mr HOWARD — Tell us about it!

Cr GERSCH — It is crazy, on a main railway line, the networking and what is happening there. When you come out further into the rural areas, those areas do go down or you are unable to have that communication. I guess the point I would like to emphasise on behalf of rural councils and WDA and all our shires in this area and probably across Victoria is that that is the area where we believe we could help rural Victoria enormously — if we have better communications and can get rid of these black spots. There are huge opportunities out in the rural areas today, but we need this technology and we need the support and the 100 per cent data that can be used collectively by all concerned. I guess that is my point, Mr Chairman. I will not go into anything technical, because Jo has covered it pretty well. You have the submission of Rural Councils Victoria. But I emphasise the point that we can do a lot for rural Victoria, but we do need that assistance with technology.

The CHAIR — Ray, did you want to make a presentation?

Mr CAMPLING — Thank you. I compliment Jo and Rob for the detail they have provided. I must apologise; I have an ear infection, so I do not know if I am yelling or whispering at you.

The CHAIR — It will be right; I get both.

Mr CAMPLING — There are a couple of things that I would like to identify. This is probably as a consequence of the highly successful rural living expo in Melbourne in April, which in excess of I think 10 000 Melburnians attended. The consensus from that was that a lot of people did want to basically migrate to rural Victoria. We are very fortunate at Yarriambiack; we have had two families locate to Hopetoun, and it has been very successful. I think as a consequence of — I will go back a little bit further, actually. We have been identified in the VAGO report as being unsustainable and unviable. With the early rollout I agree with Jo; I am enthusiastic about the early rollout of the NBN. I think that will provide us with an opportunity to attract additional people. At the moment the rollout opportunity is being provided to us. In the last five years Yarriambiack shire and I think the majority of the shires around this area have had a population decrease in the vicinity of 1 per cent per annum. With the updated technology, I think that can be rectified to an extent. We also have an ageing population.

The CHAIR — Ray, you have identified what can keep the population there. What can the government do to assist with that, other than roll out the network?

Mr CAMPLING — It is a very good question. I think it is a partnership. It is not local government or state government; it is a combination, as well as our relevant communities, led particularly by the WDA. The programs sponsored and supported by the government which identify the opportunities of living, working and being part of a rural environment over the years have been very successful and are very much appreciated by the

smaller communities. I think it is an awareness, with respect, that we are not backward; we are progressive. I proudly grew up in Canberra. Until I came to Victoria I did not appreciate how resilient and vibrant the communities were. Rural Victoria is just a wonderful place to live. I am adamant that I will never live in Canberra, Sydney or Melbourne. I just love being with these wonderful people. I think that is the emphasis. We have to get the word out about what a wonderful place rural Australia is, particularly rural Victoria.

As I said, unfortunately we have an ageing population — 36 per cent of our population is over the age of 60. A lot of our young people head off to the big smoke, seeking education and employment opportunities. I am starting to see a trend with circular migration. People are coming back in their late 20s or early 30s to be closer to their friends and family et cetera. Hopefully — I will put it in nice terms, Jo — they are bringing a partner with them to assist with growth et cetera.

The provision of better IT and communications means that businesses can establish themselves here. A couple of businesses have set up in Warracknabeal and Hopetoun. Both of them are IT-oriented businesses; basically they are website establishments. Both are from Melbourne. It is just amazing how well they have established themselves with the technology available. To some extent there are still black spots. The biggest thing that these people have been able to do is become part of the community fabric. They have brought their children and families with them; even their parents have followed them. They have been able to successfully operate their businesses. They have been able to articulate to their friends what a fantastic opportunity and place this is.

From my perspective Yarriambiack shire stretches 200 kilometres. We have three workplaces. We have used technology on occasions. I have very trustworthy and exceptional staff who are able to work from home instead of travelling along the Henty Highway for up to 100 kilometres. That has OHS benefits, there is less traffic on the road and on a minor scale it has greenhouse effects. As a consequence of those opportunities — when you have IT systems et cetera — staff have been able to give more to our organisation. It has been a win-win, which has worked out very favourably.

Mr HOWARD — On that score, Ray, what sorts of jobs are those people doing from home?

Mr CAMPLING — They are predominantly community development workers. For example, one of our staff members lives in Hopetoun. She is now able to spend a day or so in the northern sector of the shire instead of having to come to Warracknabeal and progress to a meeting at Woomelang, which is about 70 kilometres away. You can actually be working from home and have appointments in Beulah, Tempy or Speed. I have just came back from the Speed field days, where I saw a lot of technology. I saw farmers walking around with computers, laptops and mobile phones.

When I reflect on this it is all about change and change management — we have to be prepared to undertake change. Improved technology enables these opportunities. Farmers are able to type away on their tractors; one of our counsellors is able to communicate with me from his tractor when I am feeding our horses at home. Things like that. It is just an amazing opportunity.

As Robert identified, there are drop-out areas, which is disappointing, particularly in regard to emergency situations. Unfortunately we have had 10 years of unseasonal droughts and two significant floods. Fortunately we have not had any fires in Yarriambiack. Improving emergency management is imperative. I think rural Victoria is happy and prepared to embrace technology. We see the opportunities associated with telecommunications and e-business as advantageous for our community.

We have a great community. I think the opportunity for people to live, work and play in a wonderful part of Victoria needs to be opened up. I think with the technology and the resources available and with change management, it is something different and unique that can be embraced for the benefit of all.

Rob and Jo have articulated a lot of the stuff here, so I will not duplicate it. I am very impressed with the report that Rural Councils Victoria put together. I commend Jo on her work with the WDA. As I said, it is a partnership. One of the major things state government and local government have in common is that we are working for the benefit of our people. I am quite excited about the rollout and the opportunities associated with it, but we have to be in a position to capitalise on those opportunities for the benefit of our community.

The CHAIR — I have two questions, Ray. Firstly, did you have to do anything to attract the ICT company that moved to Hopetoun? If so, what was it? What was the process in attracting those people to make the decision to relocate in Hopetoun?

Mr CAMPLING — They came to the Regional Victoria Living Expo two years ago. They ummed and ahed. They then came back in April this year. They were fully aware. This year Yarriambiack Shire Council decided to have its open day at Hopetoun on 4 May. We had a barbecue. We provided opportunities for people to come to watch a game of footy, have a barbecue and tour around Lake Lascelles. Some schools opened their classrooms and progress associations were in attendance. They saw it as an accommodating community that was happy to embrace visitors. It was a win-win situation. They went home after spending two days with us, and within a week they had decided to relocate to Hopetoun.

The CHAIR — Secondly, we have heard a lot of people give evidence that if bosses cannot see their people, they do not know that they are working. How do you manage and measure your staff when they are working from home?

Mr CAMPLING — Yes, I can appreciate that. I have particularly good staff, whom I trust. I have a philosophy of not playing games and of being accessible. If I can see an opportunity that will benefit the community as well as staff, I am happy to undertake it. We have been doing it for the last couple of years. We did it on a six-month trial. Both parties were happy with it, particularly the community. Community members did not have to come all the way to Warracknabeal. Maryanne could go to Woomelang because she was only 15 minutes from there. It has just gone particularly well.

I can understand that bosses might be suspicious and believe that staff are not doing the work, but my staff have proven to me that they enjoy working at Yarriambiack Shire Council. We are proud that people want to work there. All I ask is that my staff give 100 per cent — nothing more and nothing less — and I think they definitely give that to me. Giving them that opportunity, providing them with the challenge and empowering them has definitely improved our relationship with the community. From my perspective staff members are our greatest asset and resource, in addition to our community members. I think it is a two-way street. I am more than happy with the output from the staff, which has been reciprocated.

Last week we were at Woomelang for our annual community visitation, and they appreciated the processes of being able to have direct access to staff and actually being able to have meetings at times convenient to the community. It is a great process. As I said it is a win-win, and at the end of the day our community benefited.

Mr TREZISE — Ray, with people working remotely more often, does it raise for the shire issues with workplace relations or health and safety?

Mr CAMPLING — We are very conscious of OHS, risk management and so forth. We have a risk safety officer. We checked the premises et cetera, similar to HACC workers when they go to visit a premises and so forth, but at this stage it has not caused any problems or concerns. And we do have council offices at Hopetoun, Rupanyup and Warracknabeal, which the staff can avail themselves of to have meetings, so it is appropriate for them to meet with members of the community in their homes et cetera. They are well-credentialed officers and premises.

The CHAIR — Do you have any concluding comments that you would like to leave us with?

Ms BOURKE — Putting aside the infrastructure issues, I think the interventions are around people building the opportunities in regard to business and telecommuting. I think it is around training, and I think it is a mixture of the formal type of training, but also getting people together and raising awareness at this early stage. I strongly believe that we need to be developing some regional champions who actually demonstrate how these things work and who we can hold up to the rest of the community and have the benefits articulated.

At the moment my sense is that a lot of businesses are holding back from stepping into e-business activities because they do not understand what the benefits would be. I think there is a big issue around not understanding what the actual ongoing costs are. In agriculture, I think the agronomy sector is a real opportunity that we would like to follow up with and use those smart young people already working in the region and identify how we can build the benefits from having them there.

Cr GERSCH — Just one little thing that is going on in Nhill in October through the Hindmarsh shire is Nhill Alive with Business Opportunity. It is going to be an open weekend, similar to the expo — it is a follow-up from that. We have 290-odd contact points that Hindmarsh got out of the expo, and I compliment the government on that, because it has been a magnificent win-win, that one. Nhill is going to have an initiative over the weekend similar to what Yarriambiack has done, but a lot of this contact is done through Facebook, the multimedia and the contacts that we have had, so again it is that IT — this program is going to be run virtually around IT.

Again, it is another highlight of what can happen in our rural areas because of that technology and the ability to be able to touch base with such a broad area. So I guess all I can say is watch this space for October on that one, but again it reinforces what we are on about here today, which is to attract people to our rural areas, and the more assistance and help we can get along the way the better. The expo is a magnificent asset to the way that we operate in rural Victoria.

The CHAIR — Good. Thank you very much for your contribution. I remind you that a copy of the transcript from Hansard will come to you within about 14 days. You will be able to make corrections to obvious errors, but other than that it will be as it is. Any changes, of course, have to be agreed to by us. Any little changes will go through, but with big ones of substance it will not happen. Once again, thank you very much for coming along. Your contribution here today has been very helpful.

Cr GERSCH — Thank you very much. We wish you well.

Witnesses withdrew.