

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

Traralgon — 11 September 2013

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Ms L. Boughton, director, Liz Welsh and Associates.

The CHAIR — Welcome to the public hearings 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. For the benefit of Hansard could you please give your name and business address.

Ms BOUGHTON — Yes, my name is Liz Boughton. I am the director of Liz Welsh and Associates, and I work from a home office at 3 Ruff Street, Sale.

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

Ms BOUGHTON — Either way. I am easygoing. Whatever works for you.

The CHAIR — If you lead off, we will drop in if we need to.

Ms BOUGHTON — I just focused on your main question, where you asked for suggestions for making rural and regional Victoria more competitive in the fields of telecommuting and e-business. Over the last year I have been contracted by five of the six local governments in Gippsland. We have delivered over 100 events, everywhere from Phillip Island up to Mallacoota, which is a glorious place. We have been engaging with businesspeople, and we have been engaging with members of the community in the large towns, in the smaller towns, at the top of the hill and down the bottom of the gully. We have collected a lot of information. Although it is not economically feasible I would say most small businesses would absolutely love to have fibre-optic broadband, but we realise that is not an option in remote areas.

I have also got a lot of feedback from people in towns. I call it the ‘schoolies’ problem with broadband where the internet slows down after school time or 3 o’clock in the afternoon. I am a resident of Sale and work from a home office, and I have noticed that myself. I have also heard these stories from other people in the community.

We are on ADSL2+. The problem is even more severe for people trying to conduct business via satellite. We had some disastrous feedback from a silversmith business in South Gippsland. If they try to upload pictures of their products to Facebook after children come home from school or indeed anytime during the school holidays, it will absolutely not occur because the satellite track is so congested. The satellite speed is about the same as dial-up. They are trying to upload magnificent pictures of their products, and it is timing out and not being effective.

Our project is to try to enable businesses and find solutions. We have found a solution for that business, where they can pre-upload and book those images into Facebook at an off-peak time for their satellite area. It is a partial solution. Doing business on social media is all about immediacy and going with the speed of it. If they have an inquiry during peak time and they need to upload another photograph to respond to it, they cannot do that. I was able to inform that business of some great news: in 2015 two new satellites are being installed in Australia, which will mean their speed will increase to about 25 megabits per second. That is the best I could do for that business. That is just an example of some of the things that we have been dealing with. We have done our best to try to keep the business going, even with the limited internet access speeds.

Mr TREZISE — Liz, does this work under the Gippsland broadband engagement plan?

Ms BOUGHTON — Yes, and we have been thoroughly enjoying it. I have worked with Malcolm and another subcontractor, Julie — —

Mr TREZISE — As part of that, we were on Phillip Island yesterday, and they showed some flyers for workshops on the cloud. Is this part of that program?

Ms BOUGHTON — It could be. Small Business Victoria is also doing some similar events. We have a dinner tonight at the Sale Turf Club for businesses, where we will talk about things like mobile apps and engaging with social media. One of the things that I thought about with broadband and trying to help businesses regionally — and I am that sure this is already part of the plan — is to have it so that there is bandwidth dedicated for businesses so that we do not have the schoolies problem, where people watching YouTube and gaming are clogging and slowing down the broadband networks for businesses, which I see as more important. I am sure that that is technically possible in some areas. I would like to see that as part of the solution.

I was living in Melbourne until 2002, and I used the Optus fibre-optic network, so you can imagine how pro-fibre optic I am. I am absolutely all for it wherever it is feasible to install it and it is cost effective or wherever people can pay for it privately. Once you have used fibre-optic speed, you will not go back again.

The CHAIR — How do you draft off the schoolies?

Ms BOUGHTON — I am not sure how that is possible technically, but I have heard the telecommunications industry talk about where businesses pay a higher price for their service and they have dedicated bandwidth. I am not sure how possible it is regionally, because you obviously have fewer exchanges and less infrastructure to be able to divide up the bandwidth, but the best solution towards that to help businesses would be good.

I like to look into the future, and we can see the awesome NBN project going for about 10 years, but during that time Australia will be growing and we will have new housing estates. I have looked closely at the plan for Sale, where you have the core of Sale getting fibre optic and then outlying areas having the fixed wireless. I look at the outlying areas and I think, 'This is a nice steady slow-growth regional town', and from all the plans for Australia it looks like our population is going to keep growing slowly regionally, although in some areas more quickly. I think it would be good for people to have the news that we are going to have more fibre optic, and as the town grows and the new estates come we are going to put more fibre optic in and let it grow with the town. It would be really helpful to businesses to try to connect the fibre optic to all the main business areas.

I was listening to the person speaking before me about working from home and about the flexibility. I am absolutely all for it. I work from home, but I realise that it is not for everybody. You have to be self-motivated and disciplined to do telework.

Mr TREZISE — Liz, on that point — working from home — we have heard as we have travelled regional Victoria in this inquiry about the strength of establishing hubs in regional centres. What are your thoughts on establishing work hubs?

Ms BOUGHTON — An absolutely fantastic initiative. If the government puts funding into that, I think it will be really successful. I have heard some stories about Melbourne and other places where they have hubs where small business people can get together and use the fibre-optic speed. Regionally they may not have that in their home office, but if they could come to a hub, there is also the energy of getting entrepreneurial people together in one spot to help each other with e-commerce topics.

I have a list here of skills that I think are missing regionally. I have tried to prioritise them. First, the 35 to 40-plus age group are struggling with technology. The main skill they lack is in not knowing how to use Google; 87 per cent of the world uses Google as their search engine. In my mind it is the superior search engine. Their business can come to a halt in one particular area because they are not confident in searching Google for solutions. There are so many free things available for e-commerce. You can build your website for less than \$50; you can add in the lowest cost shopping carts; you can add in free bits of software so your clients can make appointments and have customer relationship things. There are so many free things available, and that is because of open-source coding and all those wonderful things.

Businesses are not confident to use Google; they do not have basic googling skills. One of the things we do is to put up our big, smart TV in front of the businesspeople and they ask us a question. We have seen people disappointed when we do not know the answer off the top of our heads. We say, 'Google is your best non-real friend, so we will show you what we do'. We Google the question. We type in some keywords, we show them the skills of putting a string of words in quotation marks and they can see in real time how for most people we can find an answer to their question in less than 5 minutes merely by googling. That is one of the key skills we see that small businesses in regional Gippsland are missing.

The CHAIR — So where do you run those workshops? Do you have any numbers of how many extra businesses have now got people over 35 or 40 years who have taken up using Google?

Ms BOUGHTON — Yes.

The CHAIR — Do you have those figures for us?

Ms BOUGHTON — I will send you back some figures, but we get the feedback from people. We have emails from people. A lot of people come out and talk at an event, and nobody has really taken away any skills that they can apply. In relation to e-commerce regionally, you have these people who fear technology; they do not know how to use Google. That is a brick wall for them.

The CHAIR — What we are about is getting more businesses in rural and regional Victoria using it.

Ms BOUGHTON — They need local training. They need face-to-face training. They need a mature, older person there, and then they need younger digital natives. We need the combination of both helping these small businesses.

Mr TREZISE — Liz, how many people come along to your workshops?

Ms BOUGHTON — We have anywhere from 10 to 30 people. We work in small groups.

Mr TREZISE — Are they from small businesses or are they individuals?

Ms BOUGHTON — They are a mixture. Some we do pure business; some we do community and business. We do a community one and we get businesspeople along anyway. I have done a list of what I think regional businesses need. They need googling skills, no. 1. That is their main block, not realising the power of the information available online to help them. They need to be encouraged; the more they google, the more they are going to be able to self-help. They say, 'If I do that, I don't know what it means'. I say, 'Just keep researching. You will get it'.

But they need hands-on courses, not just where the speaker comes along and says, 'Rah, rah, use social media'. We need, say, six to eight-week courses with the business going once a week, it is probably going to have to be after hours on the weekend, where people are talking through the practicalities. I have spoken with other IT leaders. We need fewer generalised topics. We need specific work training topics that have a TAFE, hands-on, trade, do-something focus. So a six to eight-week course could be 'Build your own website for under \$50', 'Design your own mobile app', 'Set up your Facebook business page and fan page' or 'Take a video and learn how to edit it' with all the fundamentals of video — keeping it short, keeping it sweet, all the basic marketing rules. They are not aware of them.

Mr TREZISE — Liz, I am sorry to keep cutting you off. In relation to the broadband engagement plan, is the aim of the plan to raise awareness or is it to provide that training?

Ms BOUGHTON — Raise awareness and start that training; try to enable them to self-help. We are going to make written recommendations of what we think regional businesses need. Video is no. 1. We have run some video workshops in conjunction with the ABC. Currently 25 per cent of the traffic online is video, and that is predicted by Cisco to go to 90 per cent by 2020. It is really important for small businesses to catch up and get ahead of the game, learn about the importance of the short video and have it on your website. If you have it on your homepage, you are 85 per cent more likely to make a sale with short helpful videos. Even Malcolm has been sharing with me now. You will go to some IT suppliers — forget about your two-dimensional photograph of your product — and it is all about having a short video of your product for sale. We need to not only get rid of the digital gap by getting the small businesses up to speed; we need to get them ahead of the game. We need to help them put shopping carts on their websites.

The CHAIR — Regarding the way to get them up to speed and ahead of the game — it is always a challenge to get them engaged and all those sorts of things — have you got any clues on that?

Ms BOUGHTON — Yes. It definitely needs to be the local, practical courses. You would need to advertise them and you would need to plan them three months ahead of time, because people need time to plan and you need to do a lot of marketing. You cannot rely on online marketing for this market; you have to go and walk the beat and do your brochures and network with stakeholders. It is word of mouth rural and regionally.

The CHAIR — And have one of their peers and a digital native with them? Is that what you are saying?

Ms BOUGHTON — Yes. If they perceive that you are from a big city, they are going to be wary. It needs to be locals. We have been trying to market our workshops and we arrive suited up and they ask, 'Are you from Melbourne?', and we say, 'No, we're from Gippsland'. That is the icebreaker. There are lots of other good

things that people can do. They need help with putting a shopping cart on their websites. Each one of these points would be a six to eight-week course, because you have to get them there and work with them. They will only do a tiny little bit each week and incorporate the different parts.

The CHAIR — So it would be what, an hour to an hour and a half a week?

Ms BOUGHTON — Yes, an hour to an hour and a half a week. But you have to do about three months of marketing to pull together a group of 10 to 15 people and work in small groups. You have to go around and help them on their device. They have to master their device and they have to learn how to use all the free tools that are available. We want to empower them to edit their own websites. We have heard too many stories of ‘I don’t know how to access my website, because the website person has gone’, ‘I don’t know how to update my website’ or ‘I have a website designer and I’ve paid them \$100 to put my email address on my homepage, and four months later it’s still not there’. We need to move those small businesses into the model where they are in control of their website.

We are saying if you can cut and paste in Word, you can create your own website. If you can turn on your computer and use basic things, you can make your own basic website. There are so many free templates, so we are trying to enable businesses to do it for themselves because the market is moving very quickly. I explain it to people by saying, ‘Think of a train. What are you thinking of? Are you thinking of Puffing Billy chugging along with a little bit of soot coming out? Just get that picture, screw it up and put it in the bin. Think of a fast train in Europe that goes at 250 kilometres an hour — that is IT’. We have changing operating systems, changing platforms. The game is changing, so we need to change the mindset of the regional small businesses from, ‘We’re going to make this wonderful website and it’s going to be like that for the next 10 years’. It is not like that; it is about constant updates and change to be ahead of the game so that you have the best online presence.

We are trying to talk more about it being not just about your website. You can have the best website in the world, but it is absolutely useless unless you have traffic going to it. A lot of the small businesses have a website and we have asked hundreds of businesses, ‘Did you think the money you spent on your website was a good investment?’. Not one business out of the hundreds we have asked has said that was a waste of money. We feel that, if we keep encouraging them and move them to social media to give them the skills to attract the visitors to their websites, they are going to benefit greatly from that. There is a lot of negativity towards social media, but we have done all the research; we have seen all the stats. You may have a great website, but you have to drive people to your website through the social media. That is how it is working. We do not make up the rules; we just have to see what is going on and try to get business to work with the current models.

We have lots of ideas about different courses that are going to help. People do not know what Twitter is; they do not have an account. They do not know what LinkedIn is; they do not have an account. We try to explain that these are business fundamentals. These are major players. You need to have an online presence. You need more than a mere directory listing in Hotfrog or whatever those free directories are for your business. You need a website and you need social media set up — you need to have that presence. Even if you are not really actively engaged in updating it all the time, younger people are going to google you and they are going to go, ‘Gee, you’re hardly online, therefore you don’t exist’. You might have a trades business in Gippsland that turns over \$2 million, but somebody does not know that if they are googling you. They are going to judge you by your online presence. That is the first time they are going to look at you. We are trying to explain that to businesses, that they are being judged and chosen by that. They really do need to spiff it up.

We are also talking about the power of the online review. People will google that and they will read reviews of the business. Regional small businesses need to get some reviews published about their business. They need the skills to do that, they need to know who to approach to publish it and they need to work out how to link things together and get the traffic to their website. The other major gap we have seen — —

The CHAIR — So you are saying you use Facebook, Twitter and LinkedIn to get traffic to your website?

Ms BOUGHTON — Yes. The major statistics are that there are 23 million people in Australia and 11 million with a Facebook account, but that might include some people who have passed away and people with duplicate accounts and people who do not access it all the time. But it is still a significant communication channel. The growing segments of Facebook are the 34-plus segments. We realise that things will change. Facebook might be huge now, but it might be something else in five years. What was it several years ago —

MSN? And where is that now? So things will rise and fall, things will change. Are the top whatever hundred companies on the ASX 50 years ago there now? Things come and go.

The CHAIR — BHP is still there.

Ms BOUGHTON — We need to keep business moving. There are some other notes I made about teleworking. The other major point I want to mention is about the other big digital gap we have seen. We have got the small touch screen revolution. Nearly half of the people who access and go onto the internet now are using a small mobile touch screen device. It could be a 4-inch or 5-inch phone, or a 7-inch, or a 10-inch laptop, whatever it is. People have got all these amazing websites — completely useless for half of the people accessing online. You need a mobile app; you need your website working on a small screen. If it is not working on the small screen, then you are not getting your information out there on e-commerce.

Regarding mastering touch screen technology, we have been to businesses and we are educating them. They do not understand that Google is not a level playing field. We have said, 'Go to somebody else's device who has never googled you; go to all the different screen sizes and see what you look like. Have a look at your online presence. Where are you ranked? Where are you? Are you on page 1? Are you there? How many entries have you got?'. We are encouraging people to look. We are saying, 'This is how the younger generation is going to judge you, so you need to be there'. Our most popular workshops have been on mastering the touch screens on the computer tablets. While we might be part of some privileged set, we are more educated and we can use and afford to have several devices. There are many households in Australia where their only connection to the internet is the one smartphone or the one tablet — that is what they have got — and if your information is not right on those smaller screens, you are not reaching them.

I want to talk a little bit about teleworking because I have management experience and understand that teleworking is not for everyone. We have seen that some local governments in Gippsland allow telework; others will not even entertain the thought of it because of OHS issues. There are pros and cons there. Certainly I would be wary of telework used as a way to have a bludging day at home. I think it needs to be managed well. I do not want to see taxpayers money wasted. I am talking not just about the government sector; I mean for the private sector as well. I have seen it myself.

The CHAIR — If it is done well, it can lift productivity.

Ms BOUGHTON — If it is done well, it is awesome, but I do not think it is for every worker; it needs to be — —

The CHAIR — Self-starters.

Ms BOUGHTON — It needs to be self-starters and where you can measure that the productivity is happening from their home. One of my greatest fears about that is that it will turn into a bludge.

Mr TREZISE — That really gets down to the management of the teleworker —

Ms BOUGHTON — It is the management.

Mr TREZISE — and not the actual worker.

Ms BOUGHTON — I just think some workers would not be suitable for telework. Your personality and your morals and all those skills are developed by the time you are five years old, so I think you are either for it or, if you are not motivated and hardworking or it is not a job where you can monitor how much output and outcomes are being achieved — —

Mr TREZISE — But if they are not hardworking or motivated you would not employ that person in the first place.

Ms BOUGHTON — Well, we will not go there. I am glad you mentioned the hubs, because that is one of the points I was going to bring up. I would absolutely love to see the government back some fibre-optic hubs in regional town centres.

Mr TREZISE — Is it up to the government, or could it also be, say, a private business initiative?

Ms BOUGHTON — Subsidy to private enterprise, yes, definitely.

Mr TREZISE — Are regional cities like the size of Sale and Traralgon big enough to support a hub at the present time?

Ms BOUGHTON — I could not say for sure, but it would be good to see it trialled. Personally I think it would be successful. I think it enables a place for small business entrepreneurs to get together, and it also helps them with their e-commerce ideas.

Mr TREZISE — Would it be limited to just businesses, or could it also be teleworkers working for a state government department?

Ms BOUGHTON — I would consider that business as well. We have collected a few different stories from local Gippslanders while we have been going around. One was from South Gippsland, where a real estate deal fell through because the prospective buyer was standing on the block of land, pulled out their cellular phone and there were no bars of reception — ‘No, I’m not buying the property’.

I have talked about the problems that people are having in business with congestion with satellite and ADSL during the schoolies time. That is a real problem. I have heard about residents in Leongatha North — in \$500 000 homes — where their only option to connect to the internet is via satellite, and not only is the dial-up speed extortionately slow; it is extortionately expensive. I am not sure what can be done about that, but I really feel for those people trying to run businesses where they are paying a much higher cost per gigabyte to transact in their business and it is really slow. I would like to see more solutions for them.

The CHAIR — You have got about 2 minutes.

Ms BOUGHTON — Talking about e-business — this is a nice point to end on — there is a shop in Traralgon that is doing so much online business; the only reason really they are keeping their shop there is because their spouse is happy for them to work away from home. We have seen lots of success stories of entrepreneurs doing really well online. Thank you.

The CHAIR — Liz, do you have any final comments you would like to leave us with?

Ms BOUGHTON — No. Just bring us more fibre-optic broadband.

The CHAIR — That is not a state government responsibility. We try to help people take up what is there. As you have said, there are people doing quite well with what is there and we need to encourage a greater uptake. In about 14 days time you will get a draft 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 for taking time out of your busy schedule to be here and give us your views.

Ms BOUGHTON — Thank you.

Witness withdrew.