

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

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 S. Pykett, transport connections facilitator, Baw Baw Shire Council; and
Mr B. Haigh, simulation coordinator and blended learning, Monash Gippsland Regional Clinical School.

The CHAIR — Welcome to 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. For the benefit of Hansard, please give your name and business address.

Mr HAIGH — My name is Bill Haigh. I am the simulation coordinator and blended learning officer for Monash University, Gippsland campus, based at Latrobe Regional Hospital.

Mr PYKETT — I am Stephen Pykett. I am the transport connections facilitator at Baw Baw Shire Council. The address is 1 Civic Place, Warragul.

The CHAIR — Would you like questions as you go or for us to have a general discussion?

Mr PYKETT — I am happy with a general discussion. I think that is probably most beneficial.

The CHAIR — What we might do is allow both of you to lead off with a few comments and we will take it from there.

Mr HAIGH — Sure. Do you want to start, Stephen?

Mr PYKETT — I am happy to take the lead on that one. Firstly, thank you for the opportunity. I have been operating for probably five years in this field, specifically within the Gippsland region. I am the former Department of Broadband, Communications and the Digital Economy regional broadband coordinator for the Gippsland region. Prior to that I operated for what was then the Department of Innovation, Industry and Regional Development. I had the longest title in the world, but I had a similar function, which was to look at opportunities for the use of the digital economy in the Gippsland region, specifically in that case with regional local governments. There is quite a lot happening in this region. There are quite a lot of people who are very innovative, and there is a lot of telecommuting and e-commerce taking place.

One thing that I will say is that we have a generally low uptake of the current opportunities. A lot of businesses do not have access to websites and are not engaged in e-commerce. In a previous employment, I instigated an online reservation system for tourism operators on Phillip Island. That was approximately six years ago. That was available with technology that was there at the time, ADSL-style broadband technology. The uptake of real-time availability was very poor. The general knowledge of the benefits seems to be the real point that is stopping people taking up current opportunities.

The CHAIR — So how do we get the knowledge of the benefits to them so that they do take it up?

Mr PYKETT — That is the million-dollar question, to be quite honest. I am a great believer in the idea that, if there is perceived to be a benefit in it, most businesses will take that up without too much input. It appears that there is a lack of the knowledge that this is beneficial, a fear of the technology, a fear of the rapidly changing nature of the technology and a fear of the loss of control of the business through that. Certainly within the tourism industry that was one of the major sticking points, the ability to personally interact with potential clients prior to them arriving on the business doorstep.

It seems to be a general thing across the country, the business uptake of e-commerce and websites. Most of the reports that come out say that there is an uptake of websites in the small to medium enterprises of around about the 40-ish per cent mark. That means that for some reason 60 per cent of businesses are choosing not to engage. That has been fairly consistent for a number of years, certainly in my experience, which in this region now goes back five or six years. It predates the highly politicised discussion about high-speed broadband and the national broadband network. In my opinion, that is not a major sticking point. It has clouded the issue, certainly. Too much emphasis has been put on the technology and not enough on the benefits. The benefits are there. There are some businesses taking the opportunity, but they are not seeing the benefit in the current technology. There is a lot more that we could do with what is available now that would only be enhanced with a much faster system.

There have been a number of initiatives. Small Business Victoria does regional training courses in e-commerce, websites and even basics such as setting up email addresses. Community houses have been doing similar training on an ad hoc basis. Here in Gippsland the Gippsland Local Government Network has been fairly active

in this. One of the actions of the Gippsland Regional Plan was to increase opportunities and take-up of digital technologies, and over the last couple of years it has employed consultants to run regional workshops to encourage greater participation. My understanding is that even with all that input there is no discernible difference in the uptake in this region, as opposed to regions that have not had that benefit.

So I think really it is not the access to the technology and it is not the access to the information. It seems to be some other blockage within business and within individuals that is stopping them from taking that up.

Mr TREZISE — Is part of it the fact that they are probably of our generation, if not older? Do they say, ‘This is the way we have always done business. I’m not too sure about this, so when in doubt I stay out’, and therefore they do stay out? Is part of this generational, so if you look to the future and younger people start to fill the void that we leave, this will not be an issue?

Mr PYKETT — I would say that there is a certain element of that, certainly. A recent experience I have had was in one of the projects we are using through Transport Connections. We are putting in iPads with the opportunity to videoconference or videocall from aged-care residences to friends and family. The aged-care residents, who on the whole are of a significantly older generation than the business operators, have taken to it, to coin the phrase, like ducks to water. They have not only taken up the opportunities of videocalling, but they are now doing other things and expanding their own knowledge and their own usage of the technology on a very short time frame, only a couple of months. Generationally, we are talking about people who predate the internet by a considerable period of time. If they are taking it up, I cannot see why business owners — who, by the pure fact that they are running a business are fairly savvy and have a reasonable bit of initiative and get up and go — would not be taking up the same opportunities, if it were purely generational.

Mr HAIGH — I am probably attacking it from a slightly different perspective from Stephen. I have been involved with data information sharing since the 1970s, which is showing a bit of age now — from the green screens all the way through. With regard to medical simulation, defence simulation and things like that, imparting knowledge over distances has never been a problem with regard to getting the information there; it is what people do with it when they actually get it.

From what I have seen in the Latrobe area — I have been here since the 1980s now — there is a good uptake of technology, but the people who have taken up some of this stuff in the early days have been bitten. The technology has not worked properly. It takes a lot of time for that to get out of the system. They say, ‘Oh, yeah, I remember doing that’, and they are talking about 300-baud rate modems and things like that, which are not applicable these days. I think more information on what is available and how to use it, as Stephen was saying, on the industrial side of things and not just the social aspect is needed. I think there is still in the mystery stage a lot of ‘This is what you are allowed to do on the internet; this is how you secure your data; this is how the banks secure your e-commerce’ sorts of things.

At the moment I am attacking it from an educational point of view because in mental health or telehealth in general we have a shortage of specialists in the rural areas, ranging anywhere from Warragul through to Orbost in East Gippsland. It is my problem at the moment to get the specialists out here. The technology is absolutely phenomenal. We can deliver this. It is just getting an advocate to actually demonstrate it — go around and do a roadshow, of all things, to show the specialists what they can do.

Like they say, it is a known thing that people who have been there and done that will tell 37 people when they have had something wrong happen and one person when you have had something right. That is what has happened. We have all been bitten by the early stages of technology, so when there is a great uptake it collapses and burns you and then there is a slow uptake after that. That is what we have to get over at the moment. Also, in this area there is still a socioeconomic background from the collapse of the SEC, so there is not a lot of capital around for the smaller businesses. They are still sort of holding on to the cash in case it gets a bit leaner down the track. We have to make it more readily available and we have to make it achievable.

I was going through your terms of reference. Some of the things that the government could do would probably be a similar model to the telehealth initiative that has been done with the medical people. The government could help at both ends, so give people an incentive to do telecommuting. The doctors get so much per consultation at both ends of the telecommunication. Could it be possible that a company that is delving into this for the first time gets a government grant or a tax relief for doing it for X number of years? The telecommunication for

telehealth is a four-year rolling cost analysis, so if you buy in right at the beginning you get the most benefit; if you are in the last year you get only a little bit of benefit because you have only a year to go. The government could do something that would add to the advertising and get people to jump on board — kick-start them.

It worked well with telehealth. There were a lot of people who did not want to do this, and as soon as the incentive was there, there was a mass influx of doctors wanting to upgrade their clinics to do telehealth. If we are fair dinkum about doing this with telecommuting, we have to get that kick-starter going.

We have to also change the mentality of the management. A lot of management in the valley — I do not know about in the metropolitan area; I think that is changing drastically because of the leasing arrangements and costs of square footage — say, ‘If you haven’t got your staff under your roof, then you haven’t got control’. That is the mentality that we have to get away from. It is a whole dynamic shift, a paradigm shift, from, ‘I know that by the end of the week I’ve got these tasks completed’; whereas, if you do not see them during the day, you cannot control that. You are changing the management technique to give them responsibility and adjust your management skills accordingly. Having said that, it is very hard to reprimand someone. It is checks and balances all the way through. You have got a lot of sort of blockers that are social blockers, management blockers, and you have to advertise a way around it. In the education side of things we have VERNet.

Mr TREZISE — Sorry, what was that, Bill?

Mr HAIGH — Sorry, Vicnet, not VERNet; it is on the VERNet system. That is a system solely for education and research, and that goes across all institutions. It is not used to its fullest advantage, because people are not told that it is there. This VERNet goes all the way through to Lakes Entrance. The medical profession at Lakes Entrance do not know it is in their clinics. The communication is paramount when you are putting this around; when you have a 10-gigabyte link that is not being used, let us advertise that it is there and let the specialists use it.

We are putting in cameras now for Aboriginal co-ops that will allow specialists from Melbourne to video in. There was a really slow uptake on that. We had to literally grab people kicking and screaming and take them into a room in Bairnsdale, sit them down and have someone in Morwell videoing. Because they were used to Skype, they were used to the pixelation and things. They do not realise that 18 months ago that was the technology. Now we have HD-quality cameras. It is just like looking at a video. From Bairnsdale with these specialists we were looking at someone in Morwell’s eye and checking the blood veins in the eye, and we were checking the sutures on his skin graft.

This is what the specialists can actually do now, if we advertise it and get it out there. This is not looking at the next lot of technology and anything special; this is stuff that is off the shelf now. We need to advertise what we can do now, with a redundancy that we can put in place so that, when the speeds do become more available out in the sticks, the same equipment is still utilised. We have to have that robustness out there for the people to rely on, because it is the cutting edge that will cut us, really, because that is what is going to fail. If you keep going for the cutting edge, you are going to get bitten by it. Something that is tried and tested — advertise that and these solutions. It would be a lot better to start slowly with that than say, ‘This is the cutting edge’. Am I saying the right types of things here?

Mr HOWARD — Do you not have across Gippsland professional organisations of people in the medical area that do network and that you can link into through their existing networks to push this message along?

Mr HAIGH — We do. It is slowly being taken up. I would say, from the clinics that I deal with — and I work with the Gippsland Regional Clinical School for Monash University — we have 15 clinics, and out of those 15 clinics that we put students into we have four clinics that have telehealth available.

Mr PYKETT — I think you have touched on a very important concept about the professional networks. One of the issues there has always been in the Gippsland region, and certainly in the further end of the Gippsland region into East Gippsland, is attracting and retaining professionals. The local government areas have had problems attracting planners who are going to stay. Part of the reason is the professional isolation. If from East Gippsland you want to attend a professional training opportunity in Melbourne for 2 hours, it is an overnight trip. There is no opportunity to network and interact with those opportunities online. They are not being streamed. That technology is yesterday’s technology. The current infrastructure is capable of supporting that, but it is not being provided. Incentives to encourage professional organisations to reach out into the regions

would encourage more professionals to take the lifestyle choice and live in the regions and take the benefits that come along with that, whilst not professionally cutting their own throat.

Mr HAIGH — There is technology that is available to the communities now that we can use and that can have a wow effect. What I have started with the Aboriginal co-ops is a mental health regime. It is very difficult to get mental health professionals to do a trip around and visit each clinic, so with something that is free on the internet now, Google+, you can have 11 sites all logged in at the same time and you can communicate. With regard to mental health, if you do not want to be seen or you want it to be one on one, you just put an avatar up there where you can type in or you can speak in but they cannot actually see you, so the privacy issue is not an issue anymore. These are the sorts of things that we should be asking professionals to use. Companies are in different locations here — we have Morwell, Moe and Traralgon — and if companies want to get together, use Google. It is free, it is there, it is available and it is a technology that is not going to fail. Your bigger corporations are starting to use this.

There is so much out there for businesses to keep control on what is happening within their own environments. You have got Yammer, Google and all sorts of acronyms of social networks that are solely aimed at commercial operations. Monash has four, and depending on who you want to talk to, you pick which social media you want to get onto. For a small company, controlling people or having a control on what they are doing within the company, there is something like Yammer, where you have your own domain. No-one else can get into that. No-one can hack it; it is like a banking system for social networking. As for advertising that, I do not know how you would do it, but that is a good opportunity to say, ‘Okay, you’re living 50 kilometres away but we are going to have a team meeting and this is how we are going to do it’.

The reason why I am advocating that that happens is that one of the negatives of telecommuting is that it could be socially isolating. That is one thing that you do not want to do within the community: socially isolate people. Back in the 1980s the SEC had a policy of electricity parks, where it was easy to get electricity to a certain area, and if people did their business there, they would give them cheaper electricity. I think that is something the government could help with — internet parks. There are leased offices in most cities, most towns, now. Book some rooms; if you desperately need high bandwidth capacity, this is where you can do your business. You book it out just like you would in a library, things like that.

Mr TREZISE — I think they call them hubs sometimes, do they not?

Mr PYKETT — Yes. Digital incubators, digital hubs — there are a range of different opportunities. I know that Geelong in particular is fairly keen on that aspect. But it all goes to show that the technology, the infrastructure and the benefits are all there.

But back to the question: why are people not taking it up, and what can we do to encourage them? The knowledge is generally known — a lot of people understand that. The costs to businesses of commuting, the costs to the individual of transport, of getting to and from work, are fairly high. The costs on time and the costs on the family are all there, but somehow the connection is not being made out in the community and out in the business world that there is an alternative way of doing it and that in certain circumstances it may have benefits. There has been quite a good level of information provided and incentives provided by the range of different government levels, and yet still the message does not seem to be getting through.

I really am at a loss to be able to pick up what the blockage is, having worked in that field and having actually telecommuted for the last three years. Partly working for the Victorian government and partly for the commonwealth government, I have done that; I have been there. I have set up those support networks. I was one of seven regional broadband coordinators for the commonwealth government. We were placed in very remote locations to each other. My closest counterpart was in Mildura, and I was based here in Gippsland. The enduring length and strength of the connections we forged during those two years have way outlived the project — very close friendships, very good support networks that take place even now. I suppose we were almost evangelists in that field. We saw the benefit, and we were living the dream of doing that.

Talking about it to the general population, yes, they can see the benefits and, yes, they can see that it is possible, but for some reason there is a blockage. That may be in the legislation. There is certainly a reluctance within the business community to take on distance workers, because of the lack of control the organisation has and also the potential risk. If I am working from home, that is my workplace. If I am on my normal course of duties, my

employer has some liability for my health and safety whilst I am there. There is a fear out there in the environment: have we got significant control over that location to ensure health and safety, and are we leaving the organisation open to too many risks?

Mr TREZISE — But surely that is just a small hurdle, because that is health and safety management practice. There are lots of businesses that employ staff that are out in cars and trucks doing remote work. Really, it is an attitude. Those health and safety issues are small hurdles that can be overcome.

Mr PYKETT — But in a business sense, unfortunately that is one of the blockages that is put up. Whether it is a convenient excuse or whether it is a real reason, it is always easier to take the path of least resistance. If it is not broken, do not fix it. We have always got along without doing that. Why should we change now? There is a lot of apathy to change out there in the environment, and a fear of change.

Mr HOWARD — Stephen, would I be right in assuming that generally within the tourism industry business operators would be pretty well advanced down the path of using IT, because they have to try to latch on to a whole lot of customers who are out there, so it is important for them to have their websites and their ability to attract their customers that way, but for a range of other forms of business that would not be the case?

Mr PYKETT — I would love it to be the case, but unfortunately no. I probably need to declare that I am also the current chair of the committee of management for the Australian Tourism Accreditation Panel here in Victoria. My experience in the tourism industry is that there is a very polarised section within the tourism industry. Some are very credible and some are very embracing and have moved forward and have been involved for some time, but there are other tourism operators in the Gippsland region that I am currently aware of who run accommodation and who have no web presence at all and do not even have an email address.

Mr HOWARD — That is pretty amazing.

Mr PYKETT — Yes, the assumption would be correct in a certain proportion of the industry, but I would say in general it is no greater or less involved in the digital economy than other business sectors.

Mr HAIGH — I think something that would help as well is if the government started to relax its mentality about telecommuting.

Mr HOWARD — Yes.

Mr HAIGH — I used to work for the Australian Securities and Investments Commission, and you had to go through a six-month list of things to do before you could even take a phone home and things like that. You had to take photographs of the workspace in which you would be working at home for occupational health and safety. Insurance — that blocked it straightaway. As soon as you got through the six-month ‘Yes, we’ll allow you to work from home now’, they would say, ‘Hang on, insurance isn’t going to allow us to do that’. Normally things like that would not block things in rural communities, but the Fair Work legislation could have a component that said, ‘If you work from home’, stating it throughout the legislation rather than assuming that that is what you are going to do. You could actually physically see it in black and white. So much of it could be work from home if you work from home. It does not have to be ‘When you work from home’, it is just ‘If you work from home, this is what is expected’ — that type of thing in the legislation, the minimum standard awards.

When I knew I was coming to this, I asked colleagues about the issue, and a lot of them would say, ‘Absolute fantastic idea, not full-time’. Because they are medical professionals, they would prefer not to do it full-time. They need the face-to-face interactions. Every time they say they want to work from home, they get the response, ‘Well, we should really drop your hours accordingly, because we have no control over there’. Something in the Fair Work legislation says that if you are going to work from home, it is the same hours. It is not there as a big stick; it is just there as a reminder that it is allowed. It is a feasible thing to do.

The CHAIR — We have had other employers who are in favour of it talk about ways of measuring output. It does not matter where you are, if you can measure the output, that is what you get paid by.

Mr HAIGH — I work for the Aboriginal co-op, and I do not have an office. I use the phone and an iPad, because I am constantly travelling around the Aboriginal clinics. In one respect I am saving them a lot of office space, really, and doing a perfectly good job. Whether I am in Sale or in Bairnsdale, I am still communicating

with Sale, Orbost, Lakes Entrance and Lake Tyers. It is a very convenient way to work these days, and that is what we have to get across to the employees and employers. Like I was saying before, telehealth really gives the medical profession the incentives by saying, 'This is how you would set it up'. Now the internet is full of telehealth, and something similar for companies to start off a telecommuting organisation could probably help in the same way and kick it off.

The CHAIR — When you say kick off a telecommuting organisation or provide an incentive for companies to allow their current employees to telecommute rather than — —

Mr HAIGH — Yes. The clinics already had IT support. They already had networks. All they needed to do was make that telehealth connection so that they could communicate between clinics. It was not mega-dollars, depending on what infrastructure you had already, depending on what you got as a start incentive, but now it is going from clinic to clinic. Now it is going from clinic to home.

Stephen and I have been working on a project where we are now allowing physiotherapy to be done from the clinic at people's homes. It is achievable, and it needs to be finetuned like everything else, but we need to advertise that everything is not like it used to be. The infrastructure is now more stable than where it used to be 18 months or two years ago. Speeds are becoming greater, the infrastructure is becoming more stable and as we go on it is going to be better still.

Mr PYKETT — In some ways the speed of change is a fear factor for a lot of businesses. We are riding the wave where early adopters are continually changing onto new platforms. We have gone from the laptop to the tablet to the smartphone in a relatively short period of time. From a business perspective, would you perceive that there is a danger in adopting a technology now that is going to be outdated or should you maybe sit back and wait a little bit of time until the speed of technology changes? Is there an imperative on a business to make that change now as opposed to sitting back and letting the early adopters take the fall and learn from their mistakes, and as that comes to fruition, the technology changes and we move forward again. Unfortunately it is leaving a lot of people behind.

Mr HAIGH — In regard to telehealth, there is an organisation called ACRRM that have built themselves up as a telehealth ombudsman, for want of a better term, and they have a list of what works and what does not. Something along those lines from government when you want to start up an e-business would be helpful — 'This is the way we recommend you do it, these are the standards we recommend and this is the bare minimum to make it work'. I know ACRRM is well known throughout the medical profession for its good directory, and it is also now starting to build up specialists that are telehealth ready so you do not have to go searching for things like that. We have tried it in the valley where they have had Valley Business, an internet list of businesses that you can go to, but again that is just a list of addresses. They do not have websites; they do not have a connection that you can get onto easily.

I think the advertisement that Stephen is on about is good, but we need to do more. We need to use the local government show day — I forget the name of it now. They have a day where they introduce technology, and that is like a roadshow. They have it in Bendigo, they have it in Ballarat, they have it in Latrobe and they show their technologies, like the GIS systems. It is like an advertisement that says, 'This council is doing this and these are the businesses that we incorporate'. If we had more input into that type of communication with the community, you would have a better understanding of how it works. People do go to that, because the local government for businesses is probably a major income for them.

The CHAIR — Bill and Stephen, do you have any last pearls of wisdom you would like to leave us with? We are here to help, if you just give us the clues.

Mr PYKETT — I think that from a reading of the terms of reference, potentially you are looking at it a little bit too narrowly, and I understand there are reasons why that is the case. But a lot of the incentive to engage in this type of activity and a lot of the benefits from living in a regional area are around the social connections as much as the business connections. If you have access to high-quality arts and high-quality social activities in the regions, then the isolation by moving out of the city is not as great. So the potential for people to want to live in a regional area and telecommute is greater. A number of people would not want to lose their access to the arts and exhibitions. The ability to access that in a virtual way or through encouraging touring companies into the

regional arts centres and greater participation in those sorts of things gives much greater benefits to those living in the country areas.

Mr TREZISE — That is right. You are talking community development to somebody, then you start to talk about hospitals and schools.

Mr PYKETT — Yes, and bringing the realisation that by living outside of a capital city you are not disadvantaged with your access to the arts, education and health and therefore it is a lifestyle choice. Do you want to live in the city? Do you want to live in the country? Both are achievable. Your standard of living is the same or at least comparable, and therefore the access to work, which we know by the technology and the infrastructure is currently available and currently can be done quite successfully, becomes a real choice and not a forgone alternative of the kids having poorer quality schools or our not getting access to medical help.

The CHAIR — Thank you. Bill, do you have anything to add?

Mr HAIGH — No, just what I have been saying before. If we could get more of a government focus and push, I think that would be a lot better — not just federal and state, but all three, local right the way through — and if the communications folio could have a bit more power with regard to where we are actually going to put the infrastructure rather than concentrating on the metropolitan area.

The CHAIR — Thank you very much, Bill and Stephen, for your very valuable input here today and for taking time out of your busy schedules to present in front of the committee. In approximately 14 days time you will get a draft transcript. You will be able to make corrections to obvious errors, but other than that it will stay as it is. Once again, thank you very much, and we wish you all the best with your pursuits.

Mr HAIGH — Thank you for your time.

Witnesses withdrew.