

# 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**

Wodonga — 23 October 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

#### Witness

Mr S. Stanton, director, Border IT.

**The CHAIR** — Welcome to the public hearing of the Rural and Regional Committee 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, Steve, could you please give your name and business address?

**Mr STANTON** — My name is Stephen Stanton. My business address at the moment is 2 Ballara Drive, Wodonga, Victoria.

**The CHAIR** — If you would like to lead off with a few comments, we will then have a general discussion.

**Mr STANTON** — As to who I am and what I do?

**The CHAIR** — Yes, your business and how you see the future and what the government could do to assist.

**Mr STANTON** — I am an IT small to medium-sized business in the local area of Albury-Wodonga. I service the area anywhere between basically Melbourne and Sydney, and I have clients all the way up along those chains and around Australia. I have been doing this part time and full time for about 10 years. Prior to that I worked at Telstra for about 10 years as a networking and security specialist in Canberra in the corporate space. One of the questions Lilian asked was why I am here, as opposed to the capital cities. I grew up here — family and all that sort of thing — so I have sort of come back for that, but it is a struggle.

**The CHAIR** — How many people do you employ?

**Mr STANTON** — Up to five. It depends. Due to my business model, I am a bit transient, simply because the clients locally struggle to get what it is I do. Because I worked in Telstra for 10 years at such a high level, I can see the benefits of IT and the way it can be actually managed, as opposed to the locals who believe that a computer is what you buy from Harvey Norman for business and for the home. So it is kind of not the way it is.

**The CHAIR** — Do you have an office here that the people who work for you work in, or do they work from home?

**Mr STANTON** — Yes. Again, I have a weird business model, I guess you can call it. It is cut into three, so a help desk, an on-site component and technical support. I am the higher technical support; the help desk is usually run by one to two people, depending on what the load is and the load is fairly low; and for the on-site work I utilise local retailers, who do a lot of the on-site installations. They do not have any real technical ability; they just go on site and install basic equipment already prepared by themselves. They are there just in case, and I do a financial deal with them to help them grow.

**The CHAIR** — You are from Melbourne to Sydney and around Australia as well. It is a fair spread.

**Mr STANTON** — Yes. Well, the solutions I have are prebuilt, ready to go, so it is just a case of them ordering what they require. I build it and ship it, and then a local retailer that I have an arrangement with would attend site and install it, as opposed to me driving all over the countryside, depending on the size of the client. I primarily look after a lot of people in the medical industry who obviously value their IT and who get IT and what it is there for.

**The CHAIR** — You are a business based here in Wodonga, with business all around Australia. What percentage of your business is actually here in Albury-Wodonga?

**Mr STANTON** — Really low. I do a lot of franchise-type work, if you want to call it that — that is, local businesses that are not actually managed from here. Simonds Homes is an example. I do all their IT work anywhere in that space. They just send me a job and off I go. I do a lot of their IP telephony. That is another thing. I do a lot of high-level networking work, such as your IP telephony, a lot of wireless and routing and switching and a lot of the desktop and server-based work as well. I kind of do not fit in here because a lot of the locals, as I said, believe that a PC is something you buy from Harvey Norman, then you just plug it into your Harvey Norman router, you get online and away you go.

**Mr TREZISE** — Steve, if that is the attitude — and that is probably the attitude of a lot of small business owners as well — they are probably to some degree limiting their business growth and therefore employment in a region like this.

**Mr STANTON** — Yes, definitely.

**Mr TREZISE** — Given that, what role do you see that state, federal or even local government has in ensuring that people do get the importance of using IT? Is there a role for people like you to ensure that people do get the use of IT?

**Mr STANTON** — I have offered my services to a lot of people locally and tried to educate them, particularly in managing IT, as opposed to letting it look after itself, as an example. I struggle with them understanding what IT actually is. How everybody could get involved is basically through education. Like the previous guy was saying, a lot of the locals still do not use the internet. With telehealth and telecommuting, there is a big push now for a thing called BYOD, which is bring your own device. Up here, these people would never use it and never know about it for years and years to come, so they are a little bit behind the eight ball.

On the service that I provide locally to the local clients, because I have a managed IT model they usually get on board through something going wrong with their original setup and then they call me to help. That is how they get involved. I have done all sorts of advertising pushes and runs on TV, radio, newspaper — you name it. It comes back down to education. A lot of them do not even have a cost centre in their budgeting for IT, and that is a struggle straightaway. It does not matter whether they are big or small. I have clients with 60 PCs, including four or five servers, running a multimillion-dollar business and they still do not get it.

**The CHAIR** — You talk about education and the need for education. What sort of programs would you suggest the government run to get the people around here who do not understand it to understand the opportunities?

**Mr STANTON** — The best push that people actually paid attention to was the NBN. It was a national project, and people here were starting to get quite excited about it. Those who were using computing in their business, at home and in between and also the education departments and what not were getting excited because they were able to utilise more cloud-based services. Being in Telstra for 10 years and looking after what I did and experiencing the unfortunate state of decay of the network, I know that we need a new national network throughout Australia and that there is no way that we are going to be able to provide particularly cloud-based services in the volume that people want without speeds in excess of 100 meg. You only have to go to businesses of five to 10 PCs. They are all siphoning off one internet connection, all their files are up in the cloud and it is just not going to work. They are already draining it now.

Home-based users are draining it. People in just a small family now have 5 to 10 devices at home. The TV is sucking the internet, their mobile phones are all on the wireless internet and all the kids have a computer for school and they have iPads — you name it. They are all wanting more and more, but the services in the street just are not up to speed to feed them, pure and simple. At the end of the day, it is hard to get blood out of a stone. I can tell you now that the current state of the cable of the copper network particularly in most of Australia is very poor. That was me servicing corporate clients, trying to maintain services for them. That comes down to cost, too. There is a three-way triangle — speed, reliability and price. They say you can have any two; in some situations in this area it is hard to get even one, because there is not a very high income base here. The cost of the internet at a decent speed is going to be out of their reach. The services in the ground just will not provide the speed. With the ADSL service, even though you are paying for, say, ADSL2+, which is just 24 megabits, you would be lucky to get 8 megabits — then you have all your computers sucking off 8 megabits. Also the reliability of ADSL and the copper network is an issue. Bang — it falls over again. We are between a rock and a hard place. If the NBN rolls in and we get 100-plus, beauty! There are some suburbs here that have it now.

**The CHAIR** — You have that. What would you recommend to businesses looking to relocate and — —

**Mr STANTON** — Relocate to this regional area?

**The CHAIR** — Yes.

**Mr STANTON** — It depends on the nature of the business. The cost of internet services or technology services is obviously high. It depends on what sort of revenue base you have. I often say to people, ‘You’re going to need to spend X amount on your IT to maintain the quality of service so you can minimise the effect to your business in the event of an outage or something’. Mobile services really do not quite cut it. We get a lot of latency and lag here, again because of the quality of the service. But we need to get them educated, as I said. It is all about education, because there are the consumer and commercial sides of things. A business is a commercial entity. It is about understanding the difference between the two and their separation, particularly in hardware, software and support. That is my struggle.

Every day I walk into a client and they say, ‘What do you do?’. As I said to Ms Topic, people thought I was a picture framer driving around, because of ‘Border IT’. They call me ‘Border it’. Go figure. Ironically they are not my clients. I will often pull up in the street and they say to me, ‘Border it: what do you do?’. Again it is about education and understanding. For the kids coming through, it is great. The business base here is fairly elderly. The younger kids coming through know what IT is because they use it at school.

**Mr TREZISE** — Do you think it is a generational thing?

**Mr STANTON** — It is a generational thing as well. Getting an IT costing added to their budget is my struggle, because they still do not think that IT should be there at all. They think they should be able to just buy it and then it will work like an EH Holden for the next 20 years. They do not realise that every two to three years they will need to upgrade. Then they start to ask me questions like, ‘Why do I have to upgrade? Why is it going wrong?’. So it is about education; it is always about education. But it is a struggle. That is why my client base is not necessarily here. I have a lot of clients in Sydney.

**The CHAIR** — But obviously Wodonga must be a good place to live for you to — —

**Mr STANTON** — It is a great place to live. It is a great place for a family to grow up in and what not. You have pretty well all the services here, from Myer down to most of the chain stores. It is great weather. That is why I moved out of Canberra and back here — the weather, pure and simple. You do not have the sleet, snow and rain. Here you just get seasons which taper in and out instead of the harshness. But obviously the money is in Canberra.

Just to give you an example, I fly out of Canberra instead of Albury. It is cheaper for me to drive for 3 hours and then fly to up to Queensland or over to Perth. It would cost me the amount it costs me to drive to Canberra on top. But I also have clients in Canberra.

**The CHAIR** — It would cost you 3 hours to drive there, so there is a day gone.

**Mr STANTON** — Yes. But I do it. It is more of a national airport. It is a bit easier and, like I said, I have clients there too, so I pick up the difference. I try not to travel much anymore. I have my family here, so it is best to try to satisfy them a bit more. Like I said, it is a struggle here.

For people to adopt cloud services in this local area you need the NBN. You cannot do it without it. Fifty megabits — no offence to whichever side of the fence you are on — does not cut it. I have services with 50 megabits now which are stretched. You need a vision for the future, not a vision for tomorrow. Basically that is what that is. Also, the cables in the ground cannot handle what they already have, let alone our expecting more from them. The area I live in right now is a small suburb, and we are hanging off fibre to the node and have been since it was put in. I can get 8 megabits, and I can see the thing. It is a RIM with a minimux in it. I used to support it, and I know I cannot get any more out of it, which is a bit sad.

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

**Mr STANTON** — Like I said, education is the key point here — trying to get the locals more educated in what IT is and what it can afford them, and the services you can push through it. There is more and more of a push obviously for the NBN, with fibre to the home, to do with higher bandwidths so you can actually push more through it. There is also a need to educate them on how much they can save, particularly in travel. The more businesses can diversify their business into an online business instead of having a window in the main street, they will have a window to the world and that sort of thing. That catches their eye; it catches their interest. Building websites and stuff like that is really not hard these days; it is very cheap. It has been driven

down by a lot of competition. It is pretty well education and incentive. It is always incentive. Do you have any more questions for me?

**The CHAIR** — No. Thank you very much for coming along and taking the time to come here today. What you have had to contribute has been very informative. In about two weeks time Ms Topic will send you a draft of the Hansard transcript. You will be able to make corrections to obvious errors, but other than that it will be as it is. Thank you very much for coming along today, Steve.

**Mr STANTON** — No worries. Thank you.

**Witness withdrew.**