

**Presentation of Keynote Address**  
**Working Communities Conference**  
**Tumby Bay South Australia**

Andrew Hunter  
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# **Information Technology providing opportunities for regional businesses and people.**

## **Introduction**

Its great to be here I always enjoy visiting South Australia. One of the great benefits of travelling around is that while I'm away my mother in law visits. I get on really well with my mother in law. She calls me her favourite son in law. Then again I'm married to her only daughter.

I have come to talk to you today about Information Technology. Before I start, I thought I should at least establish my credentials for you. There are after all many people who understand technology but the numbers drop off once you introduce the bush into the argument. I have lived and worked in regional Australia for the past 22 years. For the last 14 years I have lived in my present home near the very small village of Kentucky in northern NSW.

In the eighties I established a successful computer business which covered the entire north east of NSW. In early 1990 I sold my interest in that and decided to get into hospitality, buying a restaurant - guest house. I quickly learned that the hospitality industry is a great way to make a small fortune .....you just start with a large fortune.

In 1992 I noticed an advertisement for the part time position of coordinator of a new project to be called a telecottage. The job was perfect for me, I get to play with computers all day without the pressure of sales budgets and staff problems - or so I thought.

In July we opened and became Australia's first telecentre and I am very proud to say that the next six year that I spent there were probably the most rewarding in my working life. I already knew a lot about computers and I knew a lot about business but at Walcha I learned about the community. I learned about small town attitudes, rivalries, pride and I discovered the pain of youth migration and the great joy and warmth of the people who had to make their own entertainment and opportunities.

Few of my other experiences can rival the Walcha Musical Society, the town talent quest or the cricket final against Wollomombi. Janene probably wonders why I have to get back by tomorrow.....yep We play Wollo in the grand final. These guys are great their eye brows meet in the middle, you could stack books on their heads. I think they've been around for a long time.

The Walcha Telecottage became more than just a computer facility it became a rich resource owned by the community. Today it provides a range of services including training, Centrelink, business services, tourism promotion and the Aspley Advocate with which we took on Fairfax in 1995 and beat them at their own game.

Using technology we have been able to significantly improve the services and opportunities provided to the community. Naturally I practice what I preach. I live and work 550 kilometres from my nearest capital city and 35 kilometres from our main service town. This is my view from my office window.

I operate two totally internet based businesses. I participate and contribute to the implementation of Government policy, I communicate with individuals and groups around the world on a daily basis. My children have their own PC with unrestricted internet access - isolation and lack of communication skills are not an issue for them

although I get a bit worried when all of their friends have an @ in their names. Come to think of it they also describe going to the toilet as a "download".

## **What is IT**

So technology is a double edged sword and before I go any further I think that it is important that I clarify just what information technology means today and more importantly what it will mean in the very near future.

A few year ago I heard someone say that "the internet was only the CB craze for the nineties". And just like all fads it would pass. It is obvious to anyone who reads the financial press that the internet is not going to go away. A recent PriceWaterhouse Coopers survey has revealed that home access in the US has increased by 60% to a total of 43% of households. In Australia the figure is 23% which is right on par with Europe but we have a long way to catch up on the Americans. You might think we have an equity issue but lets put that in perspective, while we bemoan our access charges and bandwidth limits, half of the world's population, or three billion people, has never made a phone call. There are more telephones in the city of Tokyo than in the entire continent of Africa.

The internet is much more than a fad, it is more than just a new communications tool it is a new global infrastructure. And infrastructure can have unforeseen implications.

Let me give you an example. After the second world war governments decided that transport and particularly roads were a vital infrastructure requirement. Over the following 25 years thousands of kilometres of gravel roads were tar sealed. This combined with lower cost motor vehicles changed the way people particularly in regional Australia, went about their lives and started the decline of small towns. It became more and more convenient to spend the day in a large centre doing your business.

Government and corporate policy which has concentrated the provision of services into major centres has further compounded the drawing power of large centres. I think we all know that this trend is continuing.

To the visitor Walcha appears to be a vibrant and viable small town. And yet if you have a close look at the business that are operating and then ask an old timer, "what was there 50 years ago"? the answer is very telling. Electrical stores, bakeries, watchmakers, cinemas, specialist outfitters and many more. And worst of all is that so many of the people who live there don't realise the decline. It has happened so slowly they simply adjust. In fact one old resident suggested that the empty shops meant that parking was easier. The difference between intelligence and stupidity is that intelligence has a limit. The impact of improved transport was gradual but the technology we face today is not known for its gradual impact.

For example PriceWaterhouse-Coopers suggest that the introduction of e-commerce into the automotive retail market could see the disappearance of more than 30% of Australia's new car dealers. The use of direct internet ordering bypasses the distribution network which now accounts for up to 35% of a new car price. This will force many franchise dealers to close or consolidate within the next five years.

The implications for regional Australia are even greater than for our cities. While niche products can sell successfully to the global market, the ultimate secret of e-commerce success is volume. Regional businesses will not only be competing on the global market, inter-regional competition and particularly regional competition from large centres against smaller rural towns may have some serious ramifications.

Internet business or e-Commerce is going to have major impacts on all business including yours. I can see the sceptical looks in some of your faces. Computers have nothing to do with my business or my customers. Well this is the fundamental flaw in your thinking because I am not going to talk about computers. I am talking about "Convergence".

Convergence is a term which describes the way in which computers and other devices are coming together. For several years we have seen the development of computers that function as televisions and games machines, play music and now DVD drives. More recently mobile phones are gaining real intelligence and full internet capability. You can buy a WAP phone today which provides full email and news facilities. If e-Commerce is the buzzword of the moment, M-commerce could well be its replacement.

### **Lets start by considering just what is E-commerce (electronic commerce)**

**E-commerce consists of the buying and selling of products and services over the internet. This includes businesses selling their products and services directly to consumers, as well as businesses buying and selling directly to other businesses, including their suppliers, distributors and customers**

Over 1.6 million Australian households now have access to the internet, a 28% increase over the previous 12 months. 652,000 Australian adults made purchases over the internet during the previous 12 months that is an increase of 35%, it is estimated 77% of internet shoppers pay for their purchases online.

Almost half of all Australian small businesses are now connected to the internet, representing a growth rate of 33% over the previous 12 months. The number of Australian small businesses actually engaging in e-commerce more than doubled over the previous 12 months.

This is not just a new advertising media. This is a major change in the way we do business. At the end of the 18<sup>th</sup> century business was carried out in much the same way as it was carried out in 1990. There were improvements in mail, then teletype then telephone and then fax. These improved the way businesses communicated but the internet will actually change the way most businesses operate because it changes the relationship between the buyer and seller.

Now I said earlier that the internet will fundamentally change the way we do business and I am now going to further explain some of the most significant developments.

The online auction appears to the novice to be just a new novel method of doing an age old thing. Sale Oh. Well, in it's most basic form it can be just that.

But let's add a new development, the broker. Now the broker is not a person its a program. You tell your broker what goods or services you want and it goes off and checks for who is offering and for how much. Your broker can also go to an online auction but its a reverse where it posts your requirements. Then instead of you bidding for what you want, suppliers actually bid to supply you. Your broker can complete the transaction on your behalf.

I spoke about technological convergence of what we understand as communications devices. We are also now entering the era of intelligent appliances. Common everyday household appliances are or will soon be equipped with chips and will be able to communicate with other devices in the home.

Imagine a fridge where you pass each item over a bar code reader as you take it out. The fridge now knows exactly what items remain inside. You get to the shops and ring your

house control system and ask the fridge and pantry what items are needed to refill the shelves. Your mobile phone then transfers that information to the shops orders system and your delivery is assembled while you wait.

Science fiction? The fridge is a reality now. Online grocery stores are a reality now. They even have intelligent shopping trolleys, although I bet they still can't steer straight. But just think it is only a small step for the broker to move in and negotiate your grocery purchases the delivery and the payment without any need for your intervention.

But convergence isn't just a technical term. It is a behavioural term because there is a convergence in the way that we, as individuals actually receive information.

Love it or hate the television is an integral part of our lifestyle. Even in developing countries there are more televisions than telephones. Technical convergence over the next decade will see the television totally integrated with radio, sound systems, computer, home entertainment and of course the telephone. You may be thinking Andrew's future gazing.

But the future is much closer than most people realise. In nine months time digital broadcasting begins in Australia. Digital broadcast means much more than just higher quality pictures. Digital broadcasting allows an enormous increase in the capacity and type of information that can be provided and one of these is of course the internet.

I am going to show you a short video from the ABC and I want you to understand that what is being discussed is the free to air tv of the future. It is based on broadcasting data along with pictures and having a simultaneous connection to the internet. The cost of internet access is plummeting, even in the bush. I currently pay 20cents per hour and we are trialing an unlimited free access provider Global Freeway. There are a number of free providers already in the cities.

Telstra admit that they are considering free or near access and many people believe that this is just a matter of time. So please watch this video with that in mind.

In their submission to the Federal Government's Scope of Datacasting Services review John Fairfax Holdings announced plans to datacast regionally tailored news programs through digital television 24 hours a day. Fairfax, said that the proposed news service would mesh short audio and video clips with text, giving viewers more choice than they have ever had before about when, how and in what depth and form they receive information about current events.

Roll out of DTV is not enforced on regional broadcasters until 2004, however most pundits predict that competitive pressure will force most regional broadcasters to start digital transmission earlier rather than later.

There is going to be digital / analog simulcast until 2008 but realise that people don't have to throw out their old TV's in order to take advantage of some of the digital offerings. "Set Top Boxes" are already on the market. Many of you may already be on satellite digital systems. and use these devices which are not unlike a video player in looks and they provide many of the new digital features onto analog televisions.

Convergent technology delivers all this information through that wonder of modern science the TV remote control. And so I am not talking about computers or computer literacy I am talking about the TV remote. You don't have to be a computer whiz to use a remote, after all only 10% of VCR owners can actually program them.

Lets now look at the future and remember the future starts in nine months time. Television quiz shows take on a whole new angle because you can be the contestant without leaving your lounge room.

Now imagine an advert comes on the tellie and looks much like any other add except for a small click here icon. If you haven't already noticed many ads are already appearing with web look alike buttons. It may be travel, a new car, loans, appliances, real estate virtually anything. But without leaving your seat you can make a note of the contact details for later use or you can click on the icon and go straight to the advertisers site.

Once in the site you scan information or click another icon and within a few seconds you are connected to a customer service assistant. If your set has sound input you can talk to the assistant or you click a button and three seconds later your phone rings. You can select your goods and make a secure payment without having to put your coffee cup down. You can do all of this in the knowledge that the transaction is secure and the company you r are dealing with is reputable and that your goods are on their way. **That is a fundamental change.**

The implications for regional Australia are even greater than for our cities. While niche products can sell successfully to the global market, the ultimate secret of e-commerce success is volume. Regional businesses will not only be competing on the global market, inter-regional competition and particularly regional competition from large centres against smaller rural towns may have some serious ramifications.

I want to quote from a study from that other Kentucky called Twenty First Century Thinking for Small Town Living, which says:

"So let's contemplate for a moment which towns are going to the Ghost Towns of the future? Its an apt analogy, and important to consider. These ghost Towns will be created for reasons similar to those that have devastated communities in the past. They've either stopped producing goods important to the economy or their base of economic activity was depleted one way or another. Many historic Ghost Towns were created because the community was passed up by the means of participating in the economy of their day (maybe the railroad or interstate highway). Modern Ghost Towns may be created because a community has not adapted to realities and innovations of today's global, technology-driver economy where smart people create the bulk f new wealth".

### **Business to Business B2B**

Most large corporations are quickly adopting internet based order processing and many will make it a compulsory mode of business.

Big corporations are gearing up right now. Computer giants like IBM and Hewlett Packard no longer see themselves as PC manufacturers. They see themselves as e-commerce service providers not only providing the computer power and software but the actual processing.

Over the last 40 years, Australia has made a shift away from a dependence on primary, manufacturing and extractive industries towards service based industries. This employment base is now threatened as demonstrated by a recent announcement by Hewlett Packard of what they describe as the "Second Chapter of the Internet". A major component of this \$1 billion dollar "vision for a new generation of electronic services" includes the concept of " a dynamically brokered e-services marketplace -- where requests for services are automatically brokered, bid and transacted on the Net". This vision is discussing services. Everything from legal and business advice to secretarial support,

book keeping in fact virtually all administrative services will be available on a global e-commerce basis.

Imagine this scenario, a large doctor's surgery with a receptionist one or two filing clerks and bookkeepers and an administration manager. A service company comes along and offers to replace everyone but the receptionist. They provide every doctor with a small discreet online computer service including medicare terminal. At the end of the consultation the doctor swipes your medicare card and you sign the slip. The transaction is processed within minutes debited to the doctor's bank account. They can provide this service to the doctor at a fraction of the cost of running their own administration and in some cases can provide the entire service for nothing....How? By doing a deal on the transaction charges with the banks.

Let me read you an excerpt from a Stockholders speech made by IBM CEO Lou Gerstner.

"Services is the fastest-growing part of the information technology industry, and our services business is growing 20 percent a year -- and 50 percent faster than the overall industry. One of the things we like best about this opportunity is that it's big -- twice as big as hardware. So the potential is enormous. We started 1999 with \$51 billion worth of services contracts already on the books. And we added \$10 billion more in new contracts in the first quarter".

Researchers Gartner Group claim the worldwide B2B market is forecast to grow from \$145 billion in 1999 to \$7.29 trillion in 2004. Can you conceive what these figures mean. Australia's GDP in 97/98 was 564 billion or 564,000,000,000 compare this to the estimated 7.29 trillion 7,290,000,000,000 The figures are staggering.

Gerstner goes on to discuss other important areas of the business and says "The first manifestation of "pervasive computing" will be a proliferation of computing "appliances" providing access to the Net. Cell phones, screen phones, Web-TVs, computers you carry in your pocket, computers you wear -- all connected to the Net.

But we will also see that pervasive computing will extend into all the things around us -- the infrastructure of the world -- in everything from cars to houses to machine tools. The applications stretch the imagination.

Refrigerators or even garbage cans that read bar codes, and then place wireless orders to stores and ensure your shelves are restocked.

I recently read that, in Paris, botanists are putting computer chips in the city's 90,000 trees, so they can continuously monitor their health.

IBM sees an enormous opportunity in being the entity that processes all of this information. They call it their "Deep Computing" strategy.

IBM, Hewlett Packard, Compaq -Uncle Tom Cobbly and all are getting in for their slice of the action. And why not? This is going to be the biggest cake in history.

### **What does it mean for Australia.**

Initially we are going to have enormous trouble competing. Our local giants such as Telstra PBL are very small fry when you put them into the global Big Pond. Our corporate giants are also inhibited by strict anti monopoly and foreign ownership laws. Our traditional Blue Chip companies have been slow to recognise the impact that e-commerce is now having and may well have missed the early boat. And our investment

community is structured by tradition and constraint to ignore venture investment in higher risk technology companies.

Global e-commerce is destined to dwarf even the largest national economies and already Australian services are going off-shore at an alarming rate. The implications for our balance of trade and directly for employment opportunities in Australia are very disturbing. Many of Australia's leading companies are more than willing to compound this

Only last week I was talking to Elders in Adelaide in the hope of being able to offer them the services of some of our experienced IT people. After all it's quite conceivable that our teleworkers could also be Elders clients. I was disappointed but not surprised to be told that although all of their internet system was currently done locally. They were concerned that locals would not be able to handle the growth and they had engaged an American consultant and expected to shift their entire internet service system to IBM or similar. Of course IBM's e-commerce business is based in Chicago.

It all sounds a bit bleak and unfortunately I think the short term outlook is not so good. But there is hope and there are many opportunities. For starters a lot of what is happening and many of the projections are based on hype. Let's face it, most of this revolution is being driven by the people who have the most to gain out of it. I believe that many of the claims will fall short in their actual performance. You only have to look at the latest Iridium satellite phone fiasco.

Nonetheless there will be a period of enormous readjustment where many people in traditional employment will require retraining and alternative employment.

### **Investment**

One of the first things we have to do is generate and maintain investment in the bush. I believe that less than 1% of all superannuation that is sourced from regional Australia is returned in form of investment. This must be turned around and some forward looking funds are starting to do this. The NSW Local Government Superannuation Fund has recently established a Regional Investment Trust aimed at providing venture capital type investment funds in regional Australia. Far from being a risk the Local Gov't fund sees venture as a highly profitable form of investment, lets face it all boils down to risk management. The Regional Investment Trust will have approximately \$130 million dollars which is still only a small proportion of their \$3 billion asset base, but it is an important start. The Australian pension fund asset base is over \$350 billion dollars while life funds are over \$170 billion and its time some of this was invested in productive regional enterprise.

### **Portals**

The development of portals or multi-purpose information and service search engines is having a major influence on the development of e-commerce. Most portals are designed for specific areas, services or markets. Like a virtual shopping complex, these portals offer businesses an opportunity to become part of an e-commerce community. The portal usually offers an e-commerce enabled site without the need for vendors to arrange their own shopping cart and transaction facilities. The potential benefits are for:

exposure to greater market coverage,  
lower transaction costs and/or higher transaction security,  
lower running costs.

The reality may well be different for many businesses. Just as large shopping complexes have had deleterious effect on many downtown shopping areas. Portals could have the ability to force many businesses into expensive virtual rental and transaction arrangements, purportedly justified on the basis of increased customer volume.

For regional businesses, national portals may reproduce the "Yellow Pages Syndrome" where no matter how much money they spend on local exposure their advert will always be overshadowed in size and placement by large national advertisers.

Regional business communities should be encouraged to develop local portals which can negotiate Internet Service Provider (ISP) storage, bandwidth and access charges.

Regional portals should also be able to negotiate with financial institutions for improved transaction rates, credit card verification and security procedures. Small and medium businesses cannot afford the up front cost of full e-commerce solutions which can cost well over \$100,000 to establish. A regional portal allows this cost to be amortised over a number of businesses. If successfully implemented regional portals should help to arrest business leakage.

The major impact of current and impending technology is to lower the barrier or isolation. The chance to compete and participate in the new global economy introduces opportunities and threats that could never have been contemplated even ten years ago. If we are going to be active participants in this brave new world, we must stop talking down our ability to participate. If we wait for equity of access, we will wait forever. Some regional Australians are doing it now and they are doing it very well with some traditional country traits: determination, innovation and motivation. The following two case studies are good examples of this.

#### **Ruddweigh International Pty Ltd**

Ruddweigh is based in the small town of Guyra in the Northern Tablelands of northern New South Wales. The Ruddweigh weighing system for livestock and agricultural produce was conceived in 1974. Bruce Thomson, currently Managing Director of the company, identified that all rural produce including livestock was traded on a weight and specification basis, yet at that time an accurate system for weighing agricultural product was not available.

It was not until 1980, some six years later that the concept became a reality and the first electronic weighing system for agricultural commodities was launched. The origin of Ruddweigh was as an engineering business in Guyra, which at that time was a repair shop for agricultural machinery and a retailer of engineering supplies.

It was an ideal location to create the demand for agricultural weighing as the area is a focal point of animal production, especially cattle. It was about the same time that the Australian Meat and Livestock Corporation decided to introduce a new method of marketing livestock. Based on an electronic auction where buyers did not have to attend the sale but simply made bids using their computers.

The concept was well received and although the expert agents described the animals accurately, the buyers did not support the system. The main reason being the weights were estimated and proved unreliable. Ruddweigh then developed the "Accurate and reliable livestock scale" that was used in the first electronic livestock auction system. The scales gave the buyers confidence in the weights.

The system known as CALM (Computer Aided Livestock Marketing) is now established in many countries and Ruddweigh systems are an essential part of the assessment

protocol. Ruddweigh also designed the first Cattle Crush (Shute) that had an electronic weighing system built in. This was the forerunner of the modern steel crush used throughout the Australian cattle industry.

Today, the staff numbers have grown to 27 while sales have grown from 1 in 1980 to 27,000 in 1998. They have developed the patented 'Weigh Bar' which is ideal for niche markets such as livestock yards, factory floors and field conditions where accurate weight is needed in adverse environments. Ruddweigh are now exporting to 37 countries including the U.S.A, Europe, South America, South Africa and Asia.

Ruddweigh adopted the Internet several years ago and standardised on e-mail as its main communication platform for remote and overseas customers. The Internet has provided Ruddweigh with an enhanced marketing presence as well as the ability to provide cost effective communications and on-line support to their world-wide distribution network. See [www.ruddweigh.com.au](http://www.ruddweigh.com.au)

### The **Aboriginal** Art and Culture Centre in Alice Springs

The Pwerte Marnte Marnte Aboriginal Corporation has established The Aboriginal Art and Culture Centre in Alice Springs. The centre was established in 1995, as an enterprise that could be developed to help finance operations on their homelands and provide employment, housing, and infrastructure such as water and power. Purchased with ATSIC assistance, the business has grown 300% in that time. It employs 16 staff and exports to over 75 countries.

The corporation has had outstanding success in developing tourism packages and is now providing services under contract to AAT Kings and part of a retail outlet joint venture with the Aurora Red Centre Resort.

In April last year, they established their web site <http://aboriginalart.com.au>. This site is an extensive gateway not only into their commercial ventures, but their cultural, historical and political goals.

From an e-commerce aspect, the web site is a great success. The site includes a stunning virtual art gallery with artist's profiles, the Didgeridoo University of Central Australia, a full shopping cart facility and an international sales section complete with currency converter. The site has recently been featured in the U.S. Yahoo! Internet Life magazine, and is listed by Sofcom as a pick of the net. Manager Paul Ah Chee estimates that the Internet site is generating up to 800 hits per day. Imagine what you could do with 200,000 extra customers a year coming through your door. It's not surprising that the site was recently bought by Aboriginal Australia.com and Paul now expects traffic to grow even more.

### **Telework**

For the past eight years I have been trying to develop employment opportunities for rural people using technology as a tool rather than a limitation. When we started the Walcha Telecottage, with initial federal funding of only \$22,470 "My friends told me I was gullible...and I believed them! Walcha is town of 1800 people with a shire population of 3300. It lies 70 kilometres south east of Armidale and 90 kilometres north east of Tamworth.

The Walcha Telecottage is unique in that it has remained fully functional and largely independent of government funds since 1995. When I say largely independent from

government funding, Walcha does receive a fee for service payment for the provision of Centrelink and other government agency services. But by and large it maintains its viability on its own commercial operations. It currently employs four permanent part time staff and casual staff as required. And this is what Walcha is probably most famous for in Australia. Telework.

As I speak here today Walcha has 5 casuals working on a data extraction job from the University of New England. These people don't have their own equipment and so they come in every day and use the computers and other office equipment at the telecottage. This particular job will last for approximately one month that may not sound much, but I can very much attest to the enormous benefit that even such a small job can make to the community and the individuals involved.

In 1996 we were caught in the worst drought on record and the community morale was at its lowest ebb. We had already successfully tendered for the National Church Life Survey data entry contract and once the work commenced we were able to employ up to 35 individuals for up to three months. The job involved people collecting boxes of survey forms, taking them home or into the telecentre PC room and punching the raw data responses into a database which we developed for the purpose. The work was returned to us on floppy disk and we then quality checked, compiled and transferred the finished dataset as an email attachment on a weekly basis.

The survey is conducted every four years and prior to our contract the job was done in India and 1996 was destined for Melbourne. But with a combination of competitive pricing and some pretty fast talking we managed to swing that job to Walcha. We had to guarantee quality and delivery and we performed well above our client's expectations. So much so that we have again been asked to quote on the next job later this year.

The money was really insignificant, about \$55,000 in total. But the effect on the people of our community was profound. Women who had never worked or hadn't worked since starting a family found new confidence in their abilities. It's interesting that when the time came to consider our ability to perform the next NCLS project we realised that all of our key operators from 96/97 have all gone on to full time employment and yet for many of them it was their first job for many years.

Our experience in gaining, coordinating and completing work from remote locations led to the establishment two years ago of TeleTask. TeleTask was funded under the Federal government's Networking the Nation initiative to establish teleworking opportunities for people throughout rural Australia. By telework we mean you don't have to be in your employers office to get the job done. After all work is what you do not where you do it.

TeleTask currently has 200 people on the database and the services that TeleTask offers are a reflection of the skills of the people that we have already recruited

Teleworking is a rare new opportunity for regional Australians, the only real barriers are not technical, they are attitudinal. Teleworking is considered a new innovation while rural teleworking is considered "very" innovative. Over the years I have approached senior officials in government departments and corporations. The response is always "good luck, it's a great idea". But you can't bank moral support.

I wish I could claim that we have achieved what we set out but that's not the case. I could offer any number of excuses but if you want the real reason, I think it is best explained by the response I quoted earlier from Elders. You know in a ten maybe fifteen minute conversation with Elders they used the term we (Elders IT) are badly under resourced at least five times. In fact they only had a team of four people.

Even a cursory glance at our TeleTask online skills register shows that we could provide over a dozen professionally qualified IT people with another dozen highly experienced web and IT developers.

The solution for Elders is to engage an American consultant and place the work with a corporation based in Chicago but who will almost certainly outsource the work to Mexico, India or the former USSR as these are cheapest skilled labour sources.

Last year we conducted a small survey on the attitudes of business managers in Sydney to outsourcing work. When questioned on their confidence in the performance of outsourced work being performed within their own metropolitan area, 53% of respondents were very confident. Using workers based in other metropolitan areas shows 21% very confident. Attitudes to using overseas workers reflect 26% very confident. However, when it comes to using regional workers only 16% were very confident.

The Elders syndrome is all too common and growing.

But let me show what we can do.

### ***Malcolm Murray***

In some ways, Malcolm is typical of most workers registered with TeleTask. He lives in a regional centre, in his case Mt Gambier in South Australia. He is technically well equipped and has a wealth of experience and qualifications including B.Sc.Spec.Ed., Dip.Ed., Grad.Dip.Educ.Couns. As his qualifications indicate, Malcolm was a school teacher with almost 30 years experience.

Malcolm describes those 30 years as his past life. Following a series of strokes, four years ago and a resultant two years in an institution being rehabilitated, Malcolm now describes himself as "a functional quadriplegic". On his return home, his students, their parents and his colleagues raised funds and bought him a computer armed with access programs plus specialised hardware which enables him to be productive again.

He then participated in a research project conducted by the Centre for Telecommunications at the University of Adelaide, on the development of work opportunities for people with disabilities in rural areas. In this project he gained further invaluable experience in data entry work with a stated accuracy of 99.7%.

When Dr. Julie Summers of GrantSearch in Western Australia approached TeleTask for a web researcher with a tertiary or scientific background and data entry experience. It was hardly surprising that Malcolm's name came at the top of the list.

Malcolm was selected on his own merits and he was able to work from his own home, setting his own work hours.

In Malcolm's own words "having a job means I and others perceive me in a more positive light. We look beyond my disability and see a worker. Somebody who can pay taxes and make a financial contribution to his family and community. In truth, whether we like it or not, in our society, we are mainly judged and valued on an economic basis. Our worth and self image are in accord with this. I sign myself Malcolm Murray - Teleworker, and it feels just great".

Malcolm completed the project and has been retained by the client in an on-going data maintenance capacity.

Another example even closer to home is ***Felicity*** from Wirrabara. She has recently completed a writing job for Telstra's Brisbane office. This required her to read existing

technical and marketing material on 45 different products then contact and interview the relevant Telstra product managers, who are spread throughout Telstra's nationwide empire. She then had to prepare a series of documents describing the products in terms that you the consumer will understand.

In Telstra's own words, "Felicity did a terrific job".

There is a really important message here.

Malcolm in Mt Gambier working for a client in Perth and Felicity in Wirrabara working for client in Brisbane. We know it can be done because we have been doing it

Rural people are usually independent, motivated and committed, all ideal attributes for teleworking. It's interesting that studies of urban telecommuters (employees who work from home a few days per month) state that if teleworking is the issue, isolation is a problem. Whereas for rural teleworkers isolation is the issue and teleworking is a solution.

People live in regional Australia for a number of reasons. Certainly some were born there but many married in or simply opted for lifestyle over income and settled in the bush. The rural doctors shortage could be dramatically improved if there was more opportunity for their spouses.

Unfortunately we have been too successful in ensuring that the government and all Australia knows that we have lousy telecommunications in the bush. We have also been good telling everyone how much we lack in services and even in education. The problem is they believe us and they now consider us too inadequately serviced to be capable of working for them.

Do we need better telecommunications? Yes.

But is this a barrier to work or business? No not really.

### **Telecentres**

Largely the "traditional" role of a telecottage as they were first conceived in Europe in the 80's has been superseded by the introduction of widespread computer use and Internet access in the home. This is not to say that telecentres no longer have a valid role, however, it does again raise the question of viability.

Over the last eight years, approximately 130 telecentres have been established around Australia. Unfortunately very few have been able to sustain financial viability without some form of on-going government support. While the Western Australian telecentres are prolific and provide vitally important services to their communities, how many of them would survive without the substantial level of State Government support they have received since their inception?

Although there are some exceptions, the experience of telecentres in the eastern states shows that very few manage to continue with much more than a minimal, voluntary level of service after their funding ran out.

However, there is a business opportunity available today that could offer Australian telecentres a viable core around which all of their other services can revolve.

### **Virtual Call Centres - A Viability Solution for Telecentres**

Employment in call centres and in customer service centres is growing at an enormous rate. Current estimates are that 60,000 people are employed in Australia's call centre

industry. This is growing at 20<sup>1</sup>% per annum and can be expected to reach 250,000 by 2007.

Traditionally these centres have been based in major cities and more recently in regional centres. Call centres and virtual call centres require infrastructure which, by and large, is already in place. The trend is towards large centralised, highly managed centres. However, it can be argued that bigger is not always better and that small rural call centres can provide comparable service at competitive costs and deliver enormous social benefits.

### The Concept

The concept is based around the following components:

a community centre such as a telecentre which provides a training and support facility.

customer service agents based in and around a township

the existing intelligent telephone network using off the shelf solutions such as Telstra's Spectrum combined with sympathetic call zone link charges.

### *The Benefits*

Dynamic staffing – remote agents are not required to travel to and from a fixed location. Therefore during periods of peak demand additional agents can be brought on-line in minimal time. Staff can also be multi-trained to handle more than one client portfolio. By managing the portfolio distribution we further improve the systems ability to handle individual client peaks.

Minimal infrastructure costs – many telecentres are already in place and fully equipped. This therefore maximises the leverage use of government funding for developmental purposes. Furthermore, each remote agent normally supplies their own office and equipment at their own cost. By utilising the intelligent network there is minimal infrastructure costs.

Few recurrent costs.

Highly scalable – new agents or new telecentre groups can be brought on-line with little additional infrastructure costs.

Intranet/Internet platform – being already internet/intranet based allows for seamless introduction of new services including VoIP or Click and Speak services.

Minimal travel costs or time loss for agents.

I was very happy to see that the recent House of Representative Standing Committee on Primary Industries and Regional Services report titled Shaping Regional Australia's Future has suggested that the government fund trials on this concept.

### **Leadership**

If we are to develop with the future that technology offers then regional Australians can no longer afford to carry a Crocodile Dundee image. The stereotype of the slow talking, slow thinking and slow working bushy, must be shed for something closer to the reality of smart people living a smart lifestyle.

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<sup>1</sup> Call Centre Research June 99

I often hear rural people say "the people in Canberra don't understand us and we don't understand the people in Canberra. Well it may be a lack of understanding but at least on this we have some common ground to build on.

Last years Regional *Summit* received enormous publicity and I clearly remember the elation of the South Australian contingent when at the Summit dinner the PM announced the Alice to Darwin rail link. The outcomes from the Summit are yet to be announced but earlier this month Deputy PM John Anderson gave us some pretty clear clues when he said;

Therefore, you can expect a measured and staged response to last year's Regional Australia Summit – an event that delivered some very clear messages about the relationship between governments and the bush.

I would summarise those messages as follows:

Country people want governments of all levels to work cooperatively with them

Country people want genuine opportunity for input into government decision making processes – in short, they want to be participants, not just recipients;

They want government programs to be flexible enough to meet local needs – what works for Nyngan or Karratha does not necessarily work for Blackall. One size does not fit all.

Country people want a long term commitment; and, of course,

They want us to continue making real inroads into the service deficits they experience in essential areas such as health, education, telecommunications and infrastructure.

Country people also want the chance to share in the general economic prosperity that seems all too much concentrated in the major capital cities of the east coast.

And if regional Australia is to secure its fair share of national economic prosperity and jobs growth, new industries will have to emerge – and I am confident they will.

A promising sentiment and some may say overdue but to be honest Canberra has been providing funding and services for some time. I mentioned the Walcha Telecottage started with \$22,000 of funds and this came from the DPIE Rural Communities Access Program. This program now called Rural Communities Program is still run and continues to provide funding for a wide range of purposes. Grants for community planning, conferences, telecentres, government information services and rural counselling services all come out of this project.

The Regional Transaction Centre program under the Dept of Transport and Regional Services was originally intended to return banking services to the bush. However the scope for this program has broadened widely and now includes such projects as telecentre or community centre services as long as transactions such as Centrelink and/or Medicare easyclaim services are involved.

The Networking the Nation program provides another source of significant funding to communities to improve their access to services such as telephone, mobile telephony and internet. NTN has also funded the establishment of a large number of telecentres throughout Australia.

In the aftermath of the anti- Kennet backlash government and opposition parties now realise that the bush can no longer be taken for granted. Therefore, I believe that there is every reason to expect that these and other programs will continue and grow. The

important thing is that you must chose to use them and this raises the critical question of leadership.

Some communities are very good at sourcing government funds while others just down the road never apply. It is probably the case that the communities who need it most are the least likely to apply, simply because they don't realise their need.

All of the programs I mentioned before have planning assistance available. This planning process can be a great community building and leadership fostering process. Unfortunately, all too often communities miss this opportunity by engaging consultants who are not inclusive in their planning approach.

Don't automatically assume that your community doesn't have the skill to carry out a good planning process. Speak to local professional people, other community groups and you will be amazed by how many young undergraduates understand the process.

The internet itself has a wealth of resources on how to go about planning. I personally used an online site from Canada when preparing my business plan for TeleTask.

Furthermore, my colleagues in the other Kentucky say "leaders can help their community develop and authentic understanding of itself. Understand its economy, history, strengths and weaknesses and what are the real opportunities of the future.

If you do need to use a consultant, look for someone who is going to include you in the process. It's not unusual for me to ask communities "how are you going with your application"? Only to be answered with "it's in the hands of the consultant". This is YOUR plan and you should stay involved. There is no point getting a report that will find you funding if there is no commitment and ownership by the community of the concept. Leadership is about ownership, This is MY town, This is MY future, what am I going to do".

### **In conclusion**

It may be true to argue that many regional communities have inferior access, however with the exception of some remote Aboriginal communities it is not true to say that they are information poor. Personal and business networking is a relatively new phenomenon in metropolitan areas. However, it is now and always has been a fundamental part of rural life. The CWA, farmers and growers associations, rural fire services, P.A. & H. societies, these and many others play an enormous role in the life of regional Australians. If there is one major benefit of the information revolution it is the empowerment of people through access to knowledge, combined with ability to communicate with others of similar interest. The burgeoning growth of women's online networks has had an enormously beneficial affect on women who are isolated by distance, social circumstances or disability.

It is fair to assume that regional Australia will never have true equity of access. Supply and demand, economies of scale and concentration of market will always ensure that technology and therefore services will be rolled out in metropolitan areas long before they are even considered for regional areas.

Small communities are disadvantaged in so many ways and now more than ever are under threat from inter-regional e-commerce competition. However, I heard this analogy and want to share it with you.

There were two kinds of dinosaurs. The lumbering large dinosaurs and the small ones that were constantly in danger of being eaten or trampled by the big ones. When the

world changed it was the ability of the small dinosaurs to adapt quickly that allowed them to survive and further evolve. Small towns have to be like small dinosaurs.