

22 February 2020

Dr John McVeigh
Chair of Joint Standing Committee on Foreign Affairs, Defence and Trade
PO Box 6021
Parliament House
Canberra ACT 2600

Inquiry into activating trade and investment between Australia and Pacific island countries - Submission

INTRODUCTION

CONNECT DIRECT Pty Ltd, established in September 2006, is a software vendor providing both a Patient and Hospital Administration System to include the electronic medical record (EMR), known as Direct CONTROL (DC), across 500 locations and accommodating the needs of over 6000 providers in Australia to include integration with Medicare Australia. We now have installations in Fiji.

We provide training and support in business and clinical workflows.

DC is not a Software As A Service (SAAS). It is a Software As A Product (SAAP) being SQL.NET and also including Provider and Patient Portals. Each of our clients have their very own database for security. It can be installed on premise or on cloud.

The programme allows for one business, with one or many locations and with one or many providers (across all medical disciplines) and can be structured to allow for multiple businesses (ABNs) (TINS in Fiji) each exporting to their own accounting application for Accounts Payable, Stock Control and Payroll.

Being an open vendor, we integrate with other applications of choice, if required, to include Clinical and Accounting Applications. DC sits as the billing engine for ELEKTA's MOSAIQ (Medical and Radiation Oncology) at several sites in Australia as well as Philips HealthCare and others.

As we sponsor many conferences, we have been approached over the years to work with Medical Centres and Hospitals throughout the Pacific Islands. We did follow-up on these enquiries but nothing eventuated.

Late in 2018, one of our clients, a pathologist, had opportunity to setup in Fiji and introduced DC to Doctors here. We 'pounced' on this in January 2019 by travelling to Fiji and scoping requirements.

We followed up with another five trips to Fiji in 2019 and I am writing this submission now from Fiji, our 7th trip.

Our efforts here have resulted in:

- Our customising DC to meet Fiji requirements
 - Removing reference to Medicare Australia
 - Building in the Fiji Revenue and Customs Services (FRCS) mandated requirement of a Point of Sale (POS) system that transmits directly to FRCS on generation of an invoice, if accrual accounting, and on generation of a receipt, if cash accounting.
 - This mandated requirement has caused businesses in Fiji to purchase a separate POS system as accounting applications (Attaché, MYOB, ZERO, Oracle) are refusing to build this in
 - Direct CONTROL integrates with these accounting applications replacing their Accounts Receivable module and making available to these businesses the many other features that DC offers
 - DC generates Recipient Generated Tax Invoices (RGTI) that calculates payments to Providers detailing if VAT registered and withholding their Provisional Tax. This task took staff many hours to record and manage. With DC it is just a matter of seconds.
- Exhibiting at both the Fiji GP Conference and the Fiji Medical Association (FMA) Conferences in 2019 and committing to sponsoring the FMA Conference in 2020
- Several installations and training to include Zens Medical Centre (ZMC) in Nadi
 - ZMC is owned by Dr Zen Low
 - ZMC have four locations with GPs, Specialists, Pathology, Radiology, Allied Health and an Ambulance Service to include MEDIVAC
 - With DC, they now can open a hospital should they wish
 - ZMC have scanned into DC 140,000+ Patient Charts and moved from total paper to totally paperless
 - They now have one database that all four locations can access to track the history of the patient to include their electronic medical record
 - ZMC now have immediate access to statistics and financial reporting along with integration with MYOB for sales and stock control
- Meetings with many other medical centres and hospitals who are keen to install DC
- Following up with Aspen Medical who have signed a contract to manage two hospitals over the next two decades as part of Fiji's public-private partnership
- Other non-medical businesses in Fiji enquiring about DC
- Early discussions with the Solomon Islands, Samoa, Tonga, Tuvalu, Vanuatu and PNG

TERMS OF REFERENCE

The nature of Australia's existing trade and investment relationships with Pacific island countries and the potential that is presented by the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) for enhancing those relationships;

Background

We have the benefit of understanding and respecting Pacific island culture having lived and worked in PNG and the Solomon Islands and now working with Fiji.

- My family moved to PNG in 1969 when I was 12. I attended Rabaul High School and was last there in 1979 running my Father's logging company. We harvested the rainforests of New Britain and New Island exporting round logs to Japan. This continued through to 1986
- My husband, John, was contracted by the British New Guinea Development Company in 1980 to develop a cattle breeding programme on the Sogeri Plateau due to the PNG Government stopping expat companies from replanting rubber trees.
- John and I took up positions with Solomon Island College of Higher Education (SICHE) in 1992 under AusAID
- Our experience now in Fiji

Meeting needs

- China is investing much in the Pacific Islands and we have witnessed this in Fiji with their building and maintaining various infrastructures to include roads and hospitals.
- This past week saw the President of Israel visit. He announced the establishment of 100 new scholarships for Pacific Island students of agriculture to train at the Arava International Center for Agricultural Training in Israel. Also, in collaboration with the University of the South Pacific, Israel will open a centre for excellence and innovation for the Pacific Island states.
- Next week the New Zealand Prime Minister Jacinda Ardern is visiting to hold talks on climate change and trade.
- \$100m is available from Japanese Agency by disaster rehabilitation.
- We read that "the Australian Government will provide an estimated \$58.8 million in total Official Development Assistance to Fiji in 2019-20. This will include an estimated \$35.0 million in bilateral funding to Fiji managed by DFAT. *Note: this figure does not include Prime Minister Morrison's recently announced Pacific initiatives.*"

Scott Morrison writes:

"Our Government will establish the Australian Infrastructure Financing Facility for the Pacific, a \$2 billion infrastructure initiative to significantly boost Australia's support for infrastructure development in Pacific countries and Timor-Leste.

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At the same time, we will deliver an extra \$1 billion in callable capital to Efic, Australia's export financing agency. This will complement a new, more flexible infrastructure financing power to support investments in the region that have a broad national benefit for Australia.

The ties that bind us to our Pacific family extend beyond security and economic cooperation."

Australia's development assistance to Fiji aims to achieve three strategic objectives:

- Objective 1: Increased private sector development
- Objective 2: Improved human development
- Objective 3: Tropical Cyclone Winston recovery

Fiji and PNG are not members of PACER Plus. They have refused to join. Possibly due to their fears they would miss out on development assistance?

Exploitation

We cannot change the past, however, it must be acknowledged that these islands have been exploited over the past 200+ years by many harvesting their timber, fish and minerals. We need to 'give back'.

The opportunities to strengthen trade, investment, aid for trade and employment links between Australia and Pacific island countries and how they can be captured;

DC is currently being installed in the Private sector in Fiji but no reason it cannot be taken up by Public sector.

People from Pacific Islands travel to other countries, mainly New Zealand and Australia, to study. Some do not return and of those that do, some eventually migrate. Pacific Islands need to retain a skilled workforce and offer services equivalent to those offered in Australia.

People in Fiji are encouraged to travel to India for medical services not provided here. Understandable for those with Indian heritage. An example is Radiation Oncology treatment.

We have offered DC, at no cost, to Fiji educational institutions and to their MV Veivueti Hospital Ship.

Hopefully, Scott Morrison's Pacific Initiatives will assist.

The barriers and impediments to trade and investment between Australia and Pacific island countries and how they can be mitigated;

Infrastructure - Technology

We have found that businesses in Fiji need to upgrade computer systems in order to meet DC specifications. (which in Australia are regarded as the norm). This will be no different in other Pacific Islands. Upgrading is a substantial cost to them, so we have very much reduced the cost of DC waiving licence costs and reducing the annual support cost.

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The internet is unreliable here so a SAAS is not sustainable. Even if it were, a SAAS solution will still fail during cyclone season or other disaster. Just as it will in any other country.

On premise installation is recommended with backup generators for power outages and disaster management.

Change management

Acceptance of change is no different here in Fiji, as in Australia. This has to be managed well by encouraging people to take ownership of new systems and processes. We have been told, and our experience confirms, that in the Pacific Islands that you must have a long term physical presence here for any chance to succeed and to be trusted to complete the job.

Exporter's investment

Travel and accommodation costs are high and we have been absorbing these.

Australia does offer the Export Marketing Development Grant (EMDG) and we have applied for this. However, we have been informed that for a family business such as ours my husband's travel costs may be rejected as he is my husband.

John has been CEO of CONNECT DIRECT Pty Ltd since 2016 working in the business. Should EMDG reject paying his costs, we intend to appeal and hopefully assist other SME family owned businesses to take advantage of this EMDG grant.

Cultural understanding

For many Australian Exporters, there could be 'culture shock' if they have not previously worked in a third world country.

Internal politics

Respecting and understanding the 'internal politics' of a country will certainly assist intended trade.

The role and effectiveness of support structures and networks, including government, business, sport, Pacific diaspora communities in Australia, and areas of civil society, and how they can assist with identifying and capturing trade and investment opportunities for Australia and Pacific island countries;

Many Doctors do their training and fellowships in Australia or New Zealand utilising software used in Australian Medical Centres and Hospitals. They then return to their homeland where all records are paper based. Medical Providers are keen to implement an electronic medical record such as DC.

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The views, norms and cultural practices relating to trade and investment in Australia and Pacific island countries and how differences can be accommodated.

One must be mindful and respectful of each country's customs and traditions, the same as we need to be mindful of our next door neighbours in Australia.

Just as Australia is a multi-cultural nation, the Pacific Island countries are possibly more so, having been populated by indentured workers from India, China and other Pacific islands over the years.

Dr Zen Low's family migrated from a communist China 50+ years ago in order to setup life here in Fiji and offer their children opportunities they did not have in China. These people have a strong foothold in these countries, in all sectors, with ties back to their homelands.

Thank you for the opportunity of this submission.

[Redacted signature]

Robyn Peters (Mrs)
Director
CONNECT DIRECT Pty Ltd
ABN 98 121 700 605

[Redacted contact information]