# 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**

Ballarat — 17 July 2013

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<u>Witnesses</u>

Ms K. Chisholm, director, and

Mr A. Donnison, systems developer, Saki Computer Services.

**The CHAIR** — Welcome, Karen and Adam, and thank you very much for coming along today. Today's inquiry is 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 the relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. I ask both of you to give your full name and address for the benefit of Hansard, please.

**Ms CHISHOLM** — I am Karen Chisholm of.

**Mr DONNISON** — I am Adam Donnison of.

**The CHAIR** — With your presentation, would you like us to wait until you have finished to ask you some questions, or have questions as we go?

**Ms CHISHOLM** — Questions as we go would be great.

**The CHAIR** — All right. If you could lead off with a few comments, no doubt you will get questions.

**Ms CHISHOLM** — We sort of feel a little bit like frauds because we have been working from home, remotely, from the outskirts of Melbourne, from the suburbs of Melbourne, and now from the middle of nowhere, for over 20 years. To be honest, when we looked at the terms of reference we were a bit confused about why this is such a problem.

**The CHAIR** — Can I just say that we would like to hear how it has been so successful for you and how we could get others to do what you have been doing for 20 years.

**Ms CHISHOLM** — I will let Adam talk in a minute because Adam has a considerably more high-tech job than I do, but for us working from home was never a problem, because the structure of our employment meant that having an office was silly. We, 30-something years ago, started working for ourselves. Our client base has always been overseas, in the main, and to a certain degree a small amount in Australia. We have worked in that time in the open-source software environment — for a long, long time — so we have always worked with distributed teams. There just did not seem to be any point whatsoever in hauling into an office somewhere and sitting and talking to people in the middle of the night. When you come from an open-source environment you tend to work with a very eclectic bunch of very high-tech individuals, all of whom also tend to work from quite odd areas. We have had problems with one of our team members, who would occasionally get snowed in in the upper reaches of Germany somewhere and have to dig himself out from the second floor of his house. Those people are quite used to sitting in a dark room somewhere and working in the middle of the night.

The open-source environment also means that what we are talking about is not necessarily a high cost of getting into business, in terms of money; what we are talking about is high cost in terms of time. We do not pay any money for software to be able to run our communication hubs, we do not pay money for the tools that we use to manage our daily output and we do not pay money for the tools that we use to manage our staff; we use free open-source environments to do all of that. And we run a multitude of little businesses as a result of that. Adam works for a Finnish company, so I will shut up now and let him talk.

**Mr DONNISON** — The work experience that I have had recently, in the last seven years, is probably indicative of how well remote work can happen. As Karen was saying, we used to live in the Dandenong Ranges and work from there. In 2005 I joined a company called MySQL AB; you may or may not have heard of them. They are responsible for the database that drives the web. For instance, one of the early adopters of the MySQL database is a little company out of the US that is called Google. Another one is Yahoo!, another one is Facebook — you can see where I am heading. Most of those started off using MySQL, which is an open-source product, for free, and it was not until two or three years later, when they built themselves up to a business size, that they would then use the services and purchase support and things like that.

I joined MySQL, not having had any relationship to that company before, as a remote worker. There was no question about having a period working in an office, because they did not have an office in Australia. By the time that MySQL was sold to Sun Microsystems for US$1 billion they had 500 people working in 28 countries across 13 time zones, and 70 per cent of them worked from home. I was one of those. I worked through the purchase by Sun Microsystems; it was then purchased two years later by Oracle Corporation, which you have probably heard of. I lasted 12 months there. Their work policies were not as conducive to working from home. They are a very centralist company. At the same time, the people who started MySQL went off and started another company called SkySQL out of Finland, and I now work for SkySQL.

Regarding the role that I do, in MySQL I was responsible for more than two dozen physical servers in three data centres across the world — one in Sweden and two in the US. I was also the architect and lead developer for their website, which at the time was in the top 500 of websites worldwide. So we are talking about a website that got a fair amount of traffic.

**The CHAIR** — Just interestingly, how many websites are there in the world?

**Mr DONNISON** — At last count there were about 1.5 billion. For instance, most Australian websites are not — you are not going to find any Australian website, even the ABC — in the top 500 websites in the world. The BBC is; the ABC slips out to I think about 800, or it might even be down below 1000.

**Mr DRUM** — Adam, could I ask, if you are happy to have questions as we go: how did you handle the time zones when you were working with those US data centres? You had two dozen different servers, or — —

**Mr DONNISON** — It is fairly instructive. I have always worked in teams that have had members in different time zones. For instance, currently my direct manager is in London, England. In terms of the other team members, there is one in Toronto, Canada, one in Idaho in the US, and one in Helsinki. So with the time zones, what I tend to do — and this is one of the benefits of working from home and the reason I am able to be here now — —

**Mr DRUM** — It is 4 in the morning in London.

**Mr DONNISON** — Exactly. This is my down time because what I tend to do is get up in the morning and do my emails and all those sorts of things and deal with anything that is coming out of the US because in the US it is afternoon. I will then take a big swag of the day, so I have time to go outside and deal with slashing or whatever else has to happen — because we live on an acreage — and then in the afternoon and evening I will work directly with my manager, and we will work quite often until 11 o'clock at night.

You were talking about productivity and how you measure that, and one of the things we have found is that there is a big problem in Australia. I cannot get the same job that I do or any sort of job of even a comparable level with an Australian company, because they do not understand how to deal with remote work. One of the problems is that level of trust. They do not trust their employees. They treat employees like children. European companies tend to treat their employees like adults, and as such you tend to have a much better relationship. For instance, the company works on the principle of an old Russian saying, 'Trust but verify', and that saying forms the basis of the remote work because you have to have a level of trust, but that trust is backed up. For instance, I have weekly targets, monthly goals, quarterly goals, and I have KPIs that I have to keep. I have a weekly fixed call with my manager, which is a catch-up call. Often he will want to chat daily as well, but that is not a fixed arrangement. Once a month the entire team has a call, so one of us will be inconvenienced. It is my turn this time. It is a 7 a.m. call, and I am not really good at 7 a.m.

**Mr DRUM** — You poor thing!

**The CHAIR** — You should try dairy farming!

**Ms CHISHOLM** — Not again.

**Mr DONNISON** — No, there is a good reason why we do not have cows. To get over the problem of the sense of isolation that some people feel, the company hosts a yearly full company meeting somewhere in the world. The last one I was at was in Lisbon, Portugal, and the one before that was in Athens, so we are sort of chasing the Euro crash to get the cheapest hotel rooms. So I will let you know which country is going to crash next.

**Mr DRUM** — You probably bought a couple of Greek isles, did you, while you were there?

**Mr DONNISON** — Not quite. So it can work but it does require a certain level of maturity between both management and staff and a certain level of enlightenment with management because you are dealing with people who tend to be on the edge of society anyway.

By the same token not everybody is suited to remote work. When I started at MySQL I had a three-month trial period, which was under full pay. The whole thing was: are you going to be suitable for remote work? Are you going to deal with that? I would urge any company that is looking at remote work to have an expectation that you are going to have failures but that the benefits that accrue from remote work are dramatic. For instance, the company I am working for now is a 70-person company; only 5 people work in an office. Everybody else works from home, and that includes sales staff, administrative staff, technical developers, QA people — the lot. In fact our support manager works from home. So it goes from management all the way through. It is possible.

What that means for the company is that they do not have to have a corporate office that they have to pay rent or heating on, they do not have to buy office furniture that sits around for 16 hours of the day not being used. But what you do have on the other side of that, is that when I started I got an allowance to set up my own office. At the time I think it was €2500, which was very close to $4000 at the time, which allowed me to get a decent laptop, get an ergonomic chair and set up my things.

The other thing was that they also gave you guidance in terms of a shopping list from Ikea on the sorts of furniture that was suitable for remote work and setting up your own office. So that covered the health and safety issues as well. An interesting point on the health and safety was that when working for Oracle they said, 'We need to do an occupational health and safety inspection of your premises'. I said, 'That's fine. You do know where I live?'. They said, 'Yes, we'll do it anywhere'. I am still waiting for that inspection.

**Mr DRUM** — So your telecommunications are strong, where you live, is it? You said Redbank.

**Mr DONNISON** — Redbank, yes.

**Mr DRUM** — And where is Redbank? I should know that.

**Mr DONNISON** — Redbank is 101 kilometres north-west of Ballarat.

**Ms CHISHOLM** — It is between Avoca and St Arnaud.

**Mr DONNISON** — Yes, it is on the Sunraysia Highway.

**Mr DRUM** — So obviously your mobile is fine, and your internet is fine.

**Ms CHISHOLM** — We are in a tiny little cell where it kind of works. We were originally, when we went out there, on a satellite link. That is not good enough for the sorts of things that Adam does. I could cope on the satellite, but it was problematic. We ended up switching across to a 3G wireless modem, which we have to use an external antenna for, and we also back it up with 3G access on our mobile phones. There is a fair amount of 'panic driving' if the whole thing falls apart, and we sit in the main street of Avoca and work in the car. So you have to be prepared to be a little bit flexible about some things. We do use a lot of Skype calls and a lot of Google hangout sessions, and sometimes they can be a little bit in and out, but if we know that there is something seriously major going on that we need to do something about, we will drive to Ballarat and park in the car somewhere.

**Mr DRUM** — It is still frustrating though, isn't it?

**Ms CHISHOLM** — It is annoying.

**Mr DONNISON** — The silly thing is that just 2 kilometres up the road, in the township of Redbank itself, you cannot get mobile reception, which is insane in this day and age.

**Ms CHISHOLM** — The Moonambel township is just over the other side of the ridge from us, and we were saying before that on Friday nights the Moonambel pub is a great place because there is no mobile reception, so nobody can ring you. So we have been known to hide there for that reason.

**Mr DONNISON** — But we have been able to do work just about anywhere we can get an internet connection. I can remember being at the Melbourne Writers Festival one day when I got a phone call that the main system was down. At that stage I was on call 24 hours a day, 7 days a week. That was not related to working from home; it was simply the job I was doing. I ended up sitting in the green room at the Melbourne Writers Festival, pinching their internet connection to solve the problem.

**Mr DRUM** — I would suggest that the Russian saying mentioned earlier holds the key to a large proportion of this.

**Mr DONNISON** — It does. And the other thing is that you need an enlightened management, and it is that 'trust but verify'. It is a leap of faith putting somebody out there. When I joined MySQL nobody in the company had ever met me before, and another key factor used in the recruitment was that you always had at least three interviews: one with the person who was going to be your manager, one with another person on the same team and one with a person from a completely different team. The reason for that is that you got three different perspectives on the potential employee, but you also, as a potential employee, already had contact with people outside your group. So it worked both ways. It is those sorts of little things that you can do that can actually make or break the way it works.

We have a monthly CEO conference call with the entire company. If you have more than 10 people on a conference call it is just a complete and utter disaster, so our conference call was really a monologue by the CEO with everybody else using IRC or instant messaging to ask questions and to put up their thoughts, and at the end, there is always the ability to have a voice question if needed. But by the same token, because those questions were coming in all the way through, the CEO was able to deal with them in the call, so it was a very effective use of technology to enable a very effective meeting that did not descend into a cacophony. It did not hurt that the CEO would always finish the call with a Swedish drinking song.

**Mr DRUM** — What about video? Do you ever go up into Ballarat or drive somewhere and take part in a video link?

**Mr DONNISON** — Never. We have, on occasion, used Google hangouts to good effect. Skype video is way too intensive in terms of the resources, and none of the video solutions work on satellite. This is going to be a problem when NBN comes in, because they are still proposing to use satellites. The big problem is that everybody sees the download speed as being great, and it is all the same, but there are download speeds and there are download speeds. The big problem is the latency. It takes half a second for a signal to go to the satellite, back down to earth and back again, so you are looking at half a second delay at the best.

We found on our satellite link that we were getting close to 2-second, round-trip delays. When you are sitting in a situation where you have multiple people on a video link and one of them is sitting 2 seconds behind everybody else, it becomes frustrating, and you tend to therefore use other things, or you do not have the video call with that person because it is just too problematic. That is easily resolvable. There is probably an opportunity for businesses to look into it. Where you have a node that comes in and you have, for instance, decent internet access in, say, Avoca — I think they have got ADSL in Avoca — there is no reason why a company could not set up small 3G towers outside that area to provide coverage for those areas. So there are ways of doing it. The technology is relatively cheap to be able to do that, despite what Telstra says.

**The CHAIR** — It is an interesting story, but how do you connect someone in Redbank with a job in Finland, and is there a way that we can replicate that across the state — not necessarily Redbank, but think of Sea Lake or Omeo. Is there a role for government to help grow the number of cases like that?

**Mr DONNISON** — I think there is certainly a role for government in getting involved with other government telework programs and perhaps looking at ways of cross-promoting. By the same token, the reason I got the job — and this is another benefit that has not been addressed in the terms of reference — is that telework, especially for global companies, allows the company to hire the best person for the job, no matter where they live. So it increases the pool of resources that you have available to you. I take your point in that it is sometimes difficult to know how you connect this person in Australia to that person, but that comes down to industry associations, it comes down to keeping an eye on what is going on and, as I said, perhaps government has a role in promoting those industry association links, because virtually every government around the world at the moment is looking at telework. Every government has a telework website.

I was just looking at the UK's one the other day, and each of those has links to companies that are quite willing to provide telework. Those are the sorts of ways that you could do that. It does not have to be a global company. It could be, as we were hearing before, a company in Adelaide looking for people, or a company in Melbourne looking for good people. There is a benefit there that is untapped. There is also no need for somebody in the regions to have to move, to have to relocate, in order to get a job, despite the recent — —

**Ms CHISHOLM** — There is also a cultural thing. Andrew, you touched on it before — that idea that if you are in the front yard gardening at 2.30 in the afternoon, you are not working. One of the things that we actually need to try to build as a society is an understanding that people do things differently. In Redbank we are freaks. They think we are mad. They think we are nice freaks, but they do not understand what we are doing. They are not scared of us, but they do not understand what it is that we do because there is a sort of subtle feeling that if you are doing something that is not producing a thing, you are not really working, and that seems to be a societal thing that we have going on in Australia, where if you are doing something that is high tech, you are just a little bit odd. If we could maybe convince people that if your 12-year-old wants to get a job working for a Finnish company, that is not a weird thing. That would go a long way towards helping with that sort of stuff.

I grew up outside Ballarat, and when I was 17 I ran to Melbourne, because in those days — we are talking a long time ago now — you could not work in IT in Ballarat and be normal. You were a freak. Coming back all these years later, that has changed, but not in Redbank. So it is that idea that because you are doing unusual things, that is not necessarily a bad thing. If we can somehow or other normalise that people work differently, that people do different things and that there are strange things happening that you do not have to understand, but they are not necessarily bad, that also helps some kids get into the game, stay out in the regions and work somewhere unusual. They are not working on the farm, but they are not a freak. If we could build that up, I think that would be of enormous assistance to people.

**Mr DRUM** — Adam, how do you maintain your position in the upper echelon of what you do — your knowledge base? How do you keep your professional development up when you are just working by yourself? You are dealing with people's problems overseas, I imagine — helping them and putting out some little spot fires — but as the technology improves, increases and becomes more complex, how do you maintain your standing in the industry to make yourself valuable?

**Mr DONNISON** — It is vital that I do, so I do. You have all these resources available to you on the web. In fact I have not bought a textbook in probably 10 years, because textbooks, by the time they are published, are out of date. So everything is on the web, and you keep up-to-date with everything on the web. We mentioned earlier that we are involved in open source. Apart from working for a company that deals with the open source, we are also administrators, and I am a key developer on a number of open-source projects. These are things that we do in our spare time, but they allow us to explore technologies, to play with things, to find out new things and to see just how far we can take things.

We were talking about C++ programmers. I have been a C++ programmer for 12 years or more. When did C++ start? Anyway, to me it does not matter what the language is. I program in C, C++, PHP, Python, Perl — pick it; those are the languages I program in. It is not the language; it annoys me — and it has nothing to do with this — that people call themselves C++ programmers. You are either a programmer or you are not. It does not matter what the language is, because everybody can learn a new language very quickly on the web these days. That is the thing. You have the world's resources at your fingertips now.

**Ms CHISHOLM** — I help run a small micro publisher with a friend of mine who is based on the Mornington Peninsula. She works at home, and I work at home. We communicate via a little application I built up that we use to manage our files backwards and forwards, and we publish genre fiction. When the end of publishing happened and electronic books started, we thought that was really exciting, because that gave us an opportunity to take Australian writers to the world, which you cannot do in paper. It just physically cannot be done. When we decided that it sounded like a really good idea and we could convert our entire line across to electronic books, we had no idea how you did that, but we thought somebody must know. I just went out, found some references somewhere on the internet that sort of said roughly this is what you did, and we poked and we prodded until we were generating e-books.

We now generate 120 a year. We sell them everywhere. Anywhere that will allow us to upload our e-books we sell them. We now have authors whose books are being published by us sitting in all sorts of places all over Australia, who would never have had the chance to get anything out there before. There is a whole new way of doing stuff, and we had better find out how it works; it is easy — you just get out there, give it a go and then you work it out as you go. So those sorts of opportunities for a microbusiness in particular are really exciting. You see something like that coming, and it is very difficult not to giggle. We have had a ball, and it has been moderately successful.

**Mr HOWARD** — Why Redbank? Was it the lifestyle? You saw a place that you just liked, and you thought you could work from there?

**Mr DONNISON** — Working for MySQL AB meant that I could work from anywhere in the world. We decided that we did not like the outer eastern suburbs of Melbourne anymore; it was getting too crowded. Both of us have lived on the land before, so we looked around and thought, 'That looks nice'. We live next door to a winery. What more can you want?

**Ms CHISHOLM** — A winery that let us cut a hole in the fence and put a gate through so we can go backwards and forwards!

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

**Ms CHISHOLM** — My main thing is that the opportunity is huge. Perhaps the problem is that we do not think outside the box enough and we are not brave enough, but the opportunity is huge. There are some technological problems, but you can get around most of them, and you just have to be prepared to hit the ground running and go for it.

**Mr DONNISON** — I would only add to that that it is not expensive to do. It is actually cheaper than the alternatives, and the key is do not trust it, verify it. It is having that mature relationship between management and an enlightened relationship between management and staff.

**The CHAIR** — Karen and Adam, thank you very much for coming along and sharing your very successful experiences with working from home, working remotely and working right across the world. It has been very enlightening. Can I just remind you that you will receive a copy of the Hansard transcript in about a fortnight's time. You will be able to make corrections to obvious errors, but other than that it will remain as it is. Any corrections will have to be approved by the committee. Once again, thank you very much for your time here today.

**Ms CHISHOLM** — Thank you.

**Witnesses withdrew.**