

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

Newhaven — 10 September 2013

Members

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Mr M. Green, owner, Drift Media.

The CHAIR — Welcome, Michael, to this hearing of the Rural and Regional Committee of the Parliament of Victoria's inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria. I hereby advise that all evidence taken at this hearing is protected by parliamentary privilege as provided under the relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. For the transcript, could you give your name and address, please?

Mr GREEN — It is Michael Green, and my address is 51 Cuttriss Street in Inverloch.

The CHAIR — Would you like questions as you go or at the end of your talk?

Mr GREEN — Yes, that is easy. These are just the notes. This is my new notepad that I work with all the time.

The CHAIR — Very good.

Mr GREEN — I rely on that to jog my memory.

The CHAIR — No worries. Would you like to lead off with a few introductory comments?

Mr GREEN — Yes, sure. My background is I have worked in film and television for approximately 20 years, mainly doing freelance camera work and post-production. Last year we bit the bullet and decided to move our business from the city down to Inverloch. It has been an interesting movement. Certain factors assisted us in moving or made our decision a lot easier. I think it is quite relevant to looking at telecommuting and those types of things, because that is where our business is moving. I can go into some context if you want.

The CHAIR — Yes.

Mr GREEN — There are the main drivers that we have got in my industry. We have undergone a massive transformation in film and television even in the last 10 years. If you think about the processes of making a film or making a production for television, it would have involved lots of people, lots of studios and lots of different roles, and in a lot of ways it is almost becoming a cottage industry again, where it is going back to being small operators working out of back rooms and out of smaller locations to still be able to deliver the product. Part of that has been that the technology has converged, so what I have in here is a full high-definition camera that can shoot, distribute and broadcast, whereas had you have come to me five years ago and said, 'Can you make me a program?', I would have backed a truck up with lots of gear and said, 'Open your chequebook and away you go'.

The CHAIR — You still have to ask them to open the chequebook, though.

Mr GREEN — Yes, but even that is changing. So all of the technology is converging, and in doing that it means we do not have the same requirements in terms of infrastructure, resourcing and those types of things. That has changed for us significantly, which means that it gives us an opportunity to look at other areas that we might be able to work in, and so the need to be in the city is not necessarily as important anymore.

The other thing has been that the internet has deregulated the industry, and by that I mean that in the old days I would compete against people in my region. So I might compete against other practitioners, other filmmakers and other craftspeople who work in film and TV. These days I compete against Bangladesh, India and any of these countries, all via internet. So people now subcontract and freelance out. One of the issues we have is that I do not know how we compete against those sorts of areas given that we have the regulatory requirements of GST and all of those types of things. The ball game has changed, and we have to try to adapt to that. That is our situation at the moment in terms of looking at what is that change that we need to implement.

The CHAIR — So in your business at Inverloch there is yourself and how many other employees?

Mr GREEN — The interesting thing about television now is that you are as big or as little as you need to be, so during the week it is just me. When I get called in to do, say, freelance work for filming a car ad, V8 supercars or something like that, suddenly I can swell up to 20 or 25 people. It purely depends upon the needs, and that has been the other big shift as well. Probably the third factor that affects our business is this overcapitalisation that occurred in the early 2000s, where people would go out and buy a lot of equipment and have great big edit suites, production houses and all of this other stuff that in the end you have to pay for.

Obviously with the industry getting tighter and tighter, we have scaled back a lot just in terms of actual assets and actual physical placements.

The CHAIR — And why did you pick Inverloch?

Mr GREEN — I have been going there since I was two. I am vice-president of the windsurfing club down there, so there was a little bit of a vested interest. But I also found that for a town that is only, say, 120 kilometres away, it feels like it is about 30 years behind. I say that not as a detrimental thing; it is to say that there was an opportunity there to utilise some of the skills I have and actually assist the community as well. So I am working with the local libraries and things like that to do some digital literacy and competency-based things, because it is quite astounding when you kind of scratch the surface to see where people are. This is going to be our new economy, and so I think it is worthwhile to get your foot in the door. I saw it as an opportunity.

I also saw that there was not a lot of competition; there were not a lot of production houses or producers working within this area. The ABC requires freelance producers to produce some freelance content within the Gippsland region, so that gave me the opportunity to be able to find a revenue stream as well. There were those sorts of factors. When you get to live your life by waves and wind instead of the normal grind, it is actually quite a nice change.

Mr TREZISE — So, Michael, having moved to Inverloch, do you work from home or have you set up an office?

Mr GREEN — It is a combination. I have an office with my edit suites at home, and then I also have a facility. I have hired some storage space that I have converted, and it has all of my production gear. We have a couple of different elements in our business. One is specifically a media engineering business, so we develop different sorts of mounts and rigs and things, depending on what we are filming. So that engineering component has moved into an industrial area. Then my post-production and editing and graphics facilities are all just in my house. That has been a significant change. Five years ago we were in South Melbourne in a converted barn and stables. There was quite a large overhead, and it was quite a large building. We moved to Docklands and found that was like a ghost town, so that did not really work for us. Now we have moved back to being almost the old bedroom business again, which is interesting.

Mr TREZISE — So the new technology has really enabled you to move to Inverloch but also reduce your overheads dramatically?

Mr GREEN — Without a doubt. So there is a significant reduction of overheads and no loss of quality. All of these things are the catalyst. Also the nature of our business interactions have changed. You would probably be aware of the media process — that is, that normally there would be a lot of toing and froing, so if you wanted a program done, there would be the initial meetings, the shooting, then you would come in on the edit and then we would go into a final. The only time now I deal with clients is on that actual shoot component, and the rest of it is done via Skype conferencing. The actual connection is different, and in a lot of ways it works more effectively, too, because to draw someone out of their normal working day and have them come down to an edit suite and sit around, that is actually time demanding, whereas we can just sit in Skype and I can be in the edit suite making the changes on the fly, as you are seeing them. So I do a lot of work in that e-conferencing type of environment as well.

Mr TREZISE — Is there a downside at all? I will not say you are isolated in Inverloch, but is there a disadvantage in being located in Inverloch?

Mr GREEN — I would have thought that there may have been, but the downturn in the industry is such that it is hard to gauge. Across the industry there are a lot of businesses that are hurting, and I do not think the isolation has made any difference to my business. It is just that we are going through a monumental change. The businesses that are going to survive are the ones that can adapt to it. The ones that think that the old way of doing things are going to be the news ways or the same ways of doing things will probably perish, and that is just the way it goes. It is funny, because we pick up work from so many different diverse places, so we cannot think too far ahead in terms of where we are at. All you can do is go, 'What have I got now, and what can I do at this point?'

Mr TREZISE — So from Inverloch are you working with companies overseas?

Mr GREEN — Yes. As a background, we specialise in underwater and water-based filming. Recently my projects have involved me working for the European cable networks doing programs like competitive sailing, where we produce the programs and get them up overnight for them to screen on the satellite broadcasters over there on their daytime schedule. That is one of the advantages.

Mr TREZISE — You can do that from Inverloch?

Mr GREEN — The amazing thing is I was beaming out a program to the Netherlands the other week sitting down there at Inverloch and thinking that it is going to Inverloch, then out on the backbone and across the world, and then in probably 3 or 4 hours it will be up on the satellite and then two days later I can watch it on Fox Sports or ESPN. It does this great big loop and comes back again. The technology and infrastructure are there to do that type of thing. You have to be a little bit innovative. In a lot of ways the fact that I am doing it through Europe assists me, because I am working in off-peak times with internet. When I need high speed and low demands, I am getting it because it is late at night. I can imagine that could vary in our peak times when we have an influx of 10 000 people into the town; obviously the infrastructure would take a bit of a battering there, and it will be interesting to gauge what that does. But then again I am never normally using it at the times when there is peak, so you have to be a little bit smart with that type of process.

Mr TREZISE — How does that go personally? How do you balance your hours when you are working late at night?

Mr GREEN — We have always done that. The irony with good films is that you shoot all your daytime scenes at night and all of your night-time scenes during the day, so you are always used to working weird hours.

There are pros and cons with the smaller business model. Obviously you are your business, so you are there 24/7. There is not the ability to be able to remove yourself from that process. It is about being really efficient, so I think the fact I always have to consider is that I need a fast and reliable internet connection, but that has always been the case.

I know there has been lots of bandying around of broadband, NBN and all those sorts of things, but it just needs to be fast, reliable and efficient. I can work around that. It would be awesome to have faster speeds, and that translates in terms of time for me: the faster I can get something up and out, the faster I can move on to the next one. With our industry unfortunately it is not a situation where I can send multiple files all over the place; I have to send one at a time, methodically. I have to wait until it is sent and get confirmation of that being uploaded to that server before I can move on to the next one. I am restricted at that point. Obviously if I can get something that is doing that 10 or 20 times faster than it is now, that is going to benefit me.

Mr TREZISE — It is time for you.

Mr GREEN — Yes it is; it is time. At the moment that is my down time. My down time is: files finished, files getting uploaded. That is the chance that I can get to do my office admin and things like that.

Mr TREZISE — Yes, and go windsurfing.

Mr GREEN — Yes.

The CHAIR — So with you moving to Inverloch and others doing the same, have you seen an increase in the community's capacity down there?

Mr GREEN — It is on the verge. At the moment I am working with the senior citizens and the historical society about digitally archiving their content. There are some really interesting things happening where the local library is actually providing equipment. The local library has provisions, with iPads and things like that, for the community to use, and so you are starting to see an uptake with people realising that this is probably going to be the way it goes. It is an interesting mix of people down there. The average age in the Inverloch area is 47, which is 12 years above the state median. So we do have an elderly population. The irony is that most of that elderly population is very quick to adapt to technology, if they are given the right opportunities. I can see that down the track there will be a greater uptake of this type of technology, once the resources and things are there for them to use.

The CHAIR — When it is used by the elderly is that just in retirement for entertainment, or is it for doing business?

Mr GREEN — It serves a purpose, most definitely. I do not think it just retirement. I have just been doing a little bit of work with some in the dairy industry. Look at how IT-dependent that is becoming. Even things like tagging cows to have a look at the yields and all this stuff becomes trackable data that you can use in some way. That is going to be the basis of how we work, I think. We cannot just sort of say, 'IT is always going to be something separate to our business'; it actually has to be integrated into the business. It is all across the board.

Like I said before, we may be a little bit behind down here in terms of where we are at, in terms of content delivery and those types of mechanisms, but it is just around the corner. I can see that there are opportunities where I am to actually help that movement a little bit as well.

Mr HOWARD — I am interested to know how you promote yourself. Do you have a website in order to get more jobs and so on? How does it all work?

Mr GREEN — Yes. We run a website. We run a web log, and normally with the blog we update where we are at. We are very lucky because we are in a very picturesque type of industry. I can put up a photo and say, 'Hey, look at this; I'm hanging out of a chopper shooting on the Derwent River', or, 'Have a look at these whale sharks. How cool is that?'. There are always some interesting things to put up. So we mainly use a web log, and we use a TV channel. We create our own TV channel, which is open for subscribers, so people can actually see the content that we produce.

What is also very interesting now is that there has been a great big shift in the way television is delivered as well. Recently there was a program, *Game of Thrones*, that was produced only for syndicated web. So rather than it being that you tune in at 7 o'clock on a Wednesday night, you download a serialised episode. The actual delivery platform is changing as well, which means that we can all be television stations if we want to be. It does allow some opportunities within a region for people to start to say, 'We could actually combine and produce content for that region that is specific to that region and have subscribers, and that is our broadcast mechanism, rather than relying on a traditional method of throwing it up to the satellite and spinning it out'. It is an interesting model. We promote via that channel mainly, and then in a lot of ways it still gets down to that reputation and word of mouth. You still have to press the flesh, make those contacts and forge those networks, I think.

Mr HOWARD — But then with those international contacts have you physically had to make those?

Mr GREEN — Most of them start from references, so from having produced a program before, particularly in, say, a sailing environment. Obviously at the moment that is very popular, with the America's Cup, but previously we were producing lots of content for certain sailing classes. Once we would do one, we would get a reference for then doing another. You start with national classes, and then you find yourself doing your Sydney-Hobarts and things like that. Then you move into international classes.

Once you step out of that national class to international, it is a totally different ball game. You start to realise that there are budgets for productions overseas instead of how we have always been doing it — on a shoestring. Then that reputation just keeps moving on, so you have to deliver a high-quality product, and obviously your time lines are quite critical. It is an industry that has always been based on reputation and contacts, and I think it always will be. I do not think you can avoid that at all. So you have to stand behind everything you do; that is a good thing, I think, not a bad thing.

The CHAIR — What could the state government and Bass Coast shire do to encourage more people like yourself to move to and base themselves at Inverloch and have businesses that are working around the world?

Mr GREEN — I wrote a few things down because I was thinking about this. There are a couple of factors, I think: promotion of the fact that you have got a lifestyle and environment, and you have still got proximity to the CBD. The idea is to bring people down to this area. Once you bring them down and they see what it is like, it is very hard for them to turn around and go back. I think there is also the local opportunity not to just passively observe content but to produce content. That is saying that we have got these facilities and we have got these resources, but we need to be thinking about how the community becomes digitally literate. That generates people to come in; it generates people who have an interest.

I think the technical infrastructure is an issue, but it is not the no. 1; it is not the game changer. As we develop we are always going to get faster speeds. We can sit there and go, 'Oh, it would be great if we had 100 megs or 100 gigs straightaway', but really we can make do. It has always been that we have had to have technology in our business, so it is not the be-all and end-all. It is not about saying, 'As soon as I get a big, fat, fast pipe it is suddenly going to change'. If I have got archaic business practices, then I am probably going to fall over anyway.

The CHAIR — You talked about the community becoming digitally literate. What could the state government do to help more people become digitally literate?

Mr GREEN — In the Gippsland region there were some sessions that were run specifically to try to increase the competency and skill base of the community. They were just simple things like learning to work with an iPad, to make a movie on an iPad and learning the basic technology. Once you empower people with that, it generates its own momentum. Suddenly they say, 'Hey, I know how to make that. I'm passionate about fishing. I might make something about fishing'. That then allows them to publish that content. Once you generate the content, it draws people in.

For my business that is what I need. I need a digital literacy base to work with, because that is what I do. Then once businesses start to see, 'Hang on, there is a bit of a groundswell', I can come in as a professional. It is more just about building that skill level, and who knows where that goes? I find it fascinating in a little town to see that. There is a divide, and if we are thinking about how we retain our young people in a community, then we have to give them career opportunities that are relevant to what they know. They are digital natives, so they know this stuff inside out already, and providing a job opportunity for them will have to be along those lines.

At the moment it is just a basic literacy thing; it is about building a literacy skill. It is certainly happening in the schools, and it is really positive to see some of the projects that are going on in schools with music creation, video creation and film creation. All those things are going to be the new skills that I think should be held as highly as numeracy and literacy in the future.

It is a hard one to answer, because I think we are kind of getting there already. We are doing it right. It is a black art; there is no rule in this new technology and this new frontier about, 'Here's a set way to do it'. It is not like previous infrastructure projects that we have worked on. It is very different. We are opening themselves up to something totally new, and I do not think we will have all the answers. I think we just have to experiment and do those types of things.

The CHAIR — Michael, do you have any other comments you would like to leave us with?

Mr GREEN — I think it is fantastic that the community gets to be consulted about where it is headed. The only thing I thought about would be a little bit more work on the development of businesses within the community. Admittedly, Bass Coast does that reasonably well, but to expand on that to say, 'I am not quite sure if everyone knows who I am and what I do in this space, and likewise I am not sure what exists around me to be able to work in closely, so that if there are jobs like promoting the local tourist area — —

Mr HOWARD — I see. Just local networking opportunities.

Mr GREEN — A little bit stronger than the business networks that exist. We have one now. We meet about once a month and that is all good but to be able to say, 'Hey, I need a graphic designer. Look, there is someone on the island I can use'. That is going to work for me a lot more than just hearsay. To have some sort of structure and to think about it at a council and government level when it comes to looking at that type of contact, so if there is tourist content that needs to be produced on this area that we look at local businesses in the area to at least provide some of the content. In that way you are working with people in their own space. I cannot say that is always going to happen because obviously there are other factors. Great. Fantastic.

The CHAIR — Thank you very much, Michael, for taking time out of your busy schedule to be with us today.

Mr GREEN — No worries.

The CHAIR — In about 14 days you will receive a draft of the transcript. You will be able to make corrections to obvious errors, but other than that it will be as it is. Once again, thank you very much and all the best.

Mr GREEN — Thank you.

Witness withdrew.