

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

Traralgon — 11 September 2013

Members

Mr D. Drum
Mr G. Howard
Mr A. Katos

Mr I. Trezise
Mr P. Weller

Chair: Mr P. Weller
Deputy Chair: Mr G. Howard

Staff

Executive Officer: Ms L. Topic
Research Officer: Mr P. O'Brien

Witness

Mr J. Calabro, director, The View From Here.

The CHAIR — Welcome to the public hearings of the Rural and Regional Committee’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 relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. For the benefit of Hansard, could you please give your name and business address.

Mr CALABRO — Certainly. My name is John Calabro. The name of my business is The View From Here, and we operate out of a small office in Traralgon. The address is 4a Seymour Street, Traralgon.

The CHAIR — Would you like questions as you go through your presentation or at the end?

Mr CALABRO — As much as anything I think an open discussion is the best way to get the point across. I have not prepared a formal presentation, as was offered. I think probably conversational banter is the best way to get it out. Most of the comments and thoughts that I have were really in regard to your terms of reference, which I have not jotted down but I do have on my phone, if you could allow me to just quickly turn it on.

The CHAIR — What would be helpful from our point is if you could talk a little bit about The View From Here and how telecommuting and e-business helps you and how the government could help grow that business.

Mr CALABRO — Sure. My history is that I grew up in Morwell and started dating a girl from Traralgon. After high school the two of us moved to Melbourne and studied and worked for around 10 years, and we eventually moved back to be closer to family. I was working as a designer in the city, in Collingwood and a few places around town, and we got squeezed out of the city. We could not afford property. We had young children. We loved it there, we loved it dearly, but we had family back here and all the options sort of made sense for us to move home.

When we moved home — and by ‘home’ I mean back to the Latrobe Valley — we bought a house in Traralgon at a very good price and I was able to set up a business. Given that we were from this area I had a very large network of friends and connections. My wife is from a big family, so we had a lot of family connections; a lot of her family members run businesses too, so I was able to network fairly effectively. That effectively got me going. That was in 2010, so three years ago.

In terms of telecommuting and e-business, at the time that I was starting to work for myself I was not sure whether I would start a company or whether I would just freelance. I took on some teaching work at Swinburne University in Prahran, so I was able to meet my income needs. Through family, friends and networks I started doing some design work for people interstate. In terms of working interstate I had some freelance work that I did for some people in Perth. I also did some work for a company in Brisbane. I designed an app for an app maker in Sydney, as well as doing some work for old friends and ex-colleagues in the city. I would sometimes drive or catch the train to Melbourne and do a bit of work for them. One of those jobs that I did for a friend in Melbourne was exhibited in Korea. He was Korean, and we were able to work for a big community project in the main central station area in Seoul. A percentage of that work was done out of my small office in Traralgon.

Some of the challenges that I faced early on were certainly access to transport and the internet. I think the cultural shift was probably one of the biggest things. Infrastructure is one thing, the internet and transport, but the cultural shift was the hardest.

The CHAIR — How do you change culture?

Mr CALABRO — It is a slow and steady shift I think. You cannot change a culture overnight, but you can encourage certain things. I know ‘culture’ is a broad term, but when I think of culture and what it means to be a designer, the culture I enjoyed in the city and where I lived in Balaclava and Collingwood included the gastronomic heights, which were excellent, the cafes, interior architecture and a lot of exhibitions and festivals — all those things that make living in Melbourne the world’s best city. It is said over and over again that it is one of the most livable cities in the world. I think sport, commerce and business are strong but there is also this cultural element that I have just described which makes it a thriving hub.

The Latrobe Valley is only 2 hours from Melbourne. A lot of our population travel to the city for work or they know the city pretty well or they have moved back similar to me, so why that cultural difference is so big astounds, shocks and confuses me. It is not that far away. I think the potential reason for that is education. One

of the challenges I have faced working here — and I know that this inquiry is about telecommuting — was convincing local businesses of the value of design or of the value of their brand and the fact that it was something worth investing in.

By natural causes I think a lot of people down here tend to want to invest in a really great Holden Commodore or a massive house, but they do not necessarily invest in their brand or their business in certain ways that they would not have seen. It is not their fault; it is just the fact that they do not know that that can be done, and that is an education issue.

By education I do not mean school or high school; it is business education. It is showing people how they do it in the city and how excellent businesses thrive in a really competitive environment. What is starting to happen down here is that a lot of small businesses are really feeling the pinch. Obviously online retail is taking over and bigger franchises have moved down here. They have marketing budgets and are doing all the right things. If the smaller businesses are struggling, it could well be because of that.

The CHAIR — How do you grow your business?

Mr CALABRO — The way I tend to keep my business ahead of the pack is the fact that I look outwardly. I remember very clearly working in Melbourne for 10 years and some of the amazing things that other designers and businesses were trying to do to win over their audience or their consumers. One of the challenges down here — and this is certainly something that I am starting to feel now three years after leaving the city — is just keeping in touch with what the cutting edge is. I think that is where you get that cultural shift, in that if someone has been living down here running a business for 20 years and they have not been in touch with what the leaders are doing in the city or even internationally, they are going to fall behind.

If a franchise or another business moves in from interstate or out of town, a lot of the businesses down here just cannot keep up or are not even aware of what the new bar is, so how do they raise the bar that they did not know about until someone lands on the doorstep and does it better than them?

There is a very strong copycat culture down here, where if someone does something different you will see very soon, within a six-month period, four or five other businesses do something similar. That inspires growth, but I do not necessarily think it inspires world-leading growth.

The CHAIR — Do you have to go to the city to find all these things? Can you not just Google it?

Mr CALABRO — You can Google it. I definitely spend a lot of time on the internet. There was a period there where I would spend at least an hour a half a day just researching. Research is a huge part of education, like I said earlier. By 'education' I mean just opening yourself up and being aware of what is out there — so Google, yes, blogs, yes, Facebook, excellent, as well as networking with former colleagues. They would say, 'Have you seen this? Have you tried this?'. There are email networks, where you might email something to 20 people and go, 'Look at this great thing I've just seen'. I have subscriptions to some really great magazines. One of my favourites is *Monocle* magazine, which is almost like a global style guide, so to speak. In Melbourne there is a similar thing called *Broadsheet*, which I particularly like and watch and follow. I subscribe to its e-newsletters and those types of things. It does help to be aware and be in touch and have these things feeding in, but sometimes just dipping and immersing yourself in and being surrounded by an environment is hard to beat.

The CHAIR — You are a designer.

Mr CALABRO — Yes.

The CHAIR — Where are your clientele based?

Mr CALABRO — When I first started I would say it might have been 50-50 local and city or interstate based, whereas now I would say that our base is about 95 or perhaps 90 per cent local. We do the occasional job for someone in the city or the occasional follow-up work for one of my past clients, but now most of our clients are local. I think the impression we give to people is that they can get a city standard without having to go to the city. I think people really like the fact that I worked and lived and operated in the city for the period that I did; I

bring new thoughts and new ideas, and they see that in the work I do. Often the work we do is the best advertisement for the services we can provide.

Mr TREZISE — When you first moved back to Traralgon two or three years ago did you set up an office or did you work from home?

Mr CALABRO — Initially, for the first two months, I kept working in Melbourne. I actually retained my job and said to the guys, ‘Look, I’m going to try and do this commute’. I think it was 5.5 hours train travel. In that time I was really grappling with the idea, ‘Can I put up with this? Can I sustain this?’. I read a lot of self-help books, business books, those types of things, and I finally worked up the courage to say, ‘Look, guys, this is too much; I’ll start on my own’. Initially I just set up on the kitchen table, probably for a period of two weeks, but with the little kids — I only had one child at the time, Sebastian — it was too difficult.

So I went pretty hard searching for an office, and that was very hard to find. I did not know what I could afford; that was one thing. I had come off wages, and I was used to a fairly average or probably below average wage and was struggling to believe that I could match that. I have since surpassed that, more than I ever expected. The first challenge for me was just the belief that I could. I could not find spaces. The only space I could really find, and the space I ended up settling in, was an office, which I sublet with a couple of guys who do car and truck finance for local farmers and businesses. As much as I liked that space and liked the guys I worked with, coming from the creative environments I had been in — those open warehouses in Collingwood — suddenly I was in a glass cubicle, and it was hard to swallow.

Mr TREZISE — A traditional-type office?

Mr CALABRO — Very much so, yes, a traditional-type office from 20 years ago — the old decor, old smells and guys with old mentalities. I do not have any begrudging memories of that; I mean, it got me started, and I was very patient, and they gave me a really good price of 100 bucks a week, including the internet, and off we went. But had there been any other option I certainly would have been interested.

I think I was probably a year too early in terms of having enough money to set up a complete office of my own or to take on a lease. I was offered a lease for a pretty good space for \$5000 a year, but at the time I did not think I could even commit to that — even to set it up and get desks, furniture and put on the telephone. You are looking at \$100 a month just for the phone. I just did not have the belief in myself and the faith that I had enough. That small step, that jump, from wages to being on my own, given that I could not work from home — the house was too small and the children would have made it hard — I found pretty hard. I literally just had to swallow my pride, swallow all my fears and just jump in and do it. The teaching job at the uni really helped, because I think it was \$600 a day I was earning for two days work.

Mr TREZISE — Are you still in the same office?

Mr CALABRO — No, not since November last year, when I finally managed to take on a freehold lease of my own for a space of about 75 square metres. I have worked my networks to decorate that. I did things like have the floors polished — I did a website for a concrete polisher, so I traded work; I did trades wherever I could, and now I have a really great space. It has brought us a lot of attention. Having that space of our own has been the best advertising we have ever had.

The CHAIR — Can you tell us a bit about the Made in Gippsland network and how that works and what it does, and the opportunities for people on it?

Mr CALABRO — Yes. Made in Gippsland is an interesting one. I wonder whether or not it is how you perceive it. Originally for me Made in Gippsland was a vehicle to share and I guess educate the local audience — and by local I mean the Latrobe Valley and Gippsland population. I just wanted to share the stories of people who are a bit similar to me, who had grown up here but could not necessarily fuel their passions and so they went elsewhere — to Melbourne or international positions — to take on their careers. All the people who have featured in Made in Gippsland are from Gippsland originally or at some time in their lives but are currently living and working overseas or interstate. These people have worked at very high levels.

I am not sure if you have seen the website, but Tim Jacobs, for example, is an event designer in Abu Dhabi and has hosted the Queen, Bill Gates and Gwyneth Paltrow, those types of people, anytime they have come to town.

Among some other friends of mine, John Petticrew, for example, went on to become a chef on private mega yachts in the Mediterranean for Italian billionaires. This is a guy who failed his VCE, repeated it, went to TAFE, took on an apprenticeship and finally found his passion as a chef. When he got his VCE results back, he did not even open them. The message I try to put out there to people locally is: if you do not succeed at VCE, it is not the end of the world; if you do have a passion, do not be scared to get out there and chase it. These guys are really operating at high levels. There is a perception, here in the Latrobe Valley particularly — and I am sure you guys know what the stereotypes are — that world-leading success or levels of achievement just are not possible if you are from somewhere like this. But a website like that proves that that is not true.

In terms of telecommuting and e-commerce, there are opportunities there in that these people I have featured have all said that they are willing to participate with local businesses or return back to speak at conferences or potentially even be open for mentoring programs. I have flagged with a lot of people the idea, ‘Wouldn’t it be great to send some kids on a scholarship over to spend two weeks or a month with these people?’.

However, in terms of doing business with these people it is a fairly long bow to draw, I think. Is the council going to get Tim Jacobs back to run an event — for example, to host CEOs to drive investment in this arena? I doubt it. I just find it a bit tricky. One of the guys, for example, was a ballet dancer; he worked in Moscow. He worked for the Royal Danish Ballet company. He danced for Princess Mary and other celebrities. He has come back to Traralgon and teaches at a small dance studio. What kind of fanfare is there for a guy like this? For him to put on a performance at the local performance hall, which is probably 30 or 40 years old and perhaps under standard, I just do not know that there is room, unless something big happens. We do not have that great performing arts centre that we all wish we had. There are a few other things like that, where I just do not know what the connection will be. It would have to take something fairly monumental. But having said that, Made in Gippsland is drawing attention. It is raising awareness.

The CHAIR — The Made in Gippsland network is of people who are from Gippsland but are all over the world now?

Mr CALABRO — Currently, yes. Up until now I have not had the resources or the time or the energy to make it anything more, but it could be. Certainly finding like-minded people locally, getting them on the register and telling people what else is possible is something I have not been able to massage any further, given the constraints of running a family and trying to run a business with four or five staff.

The CHAIR — How many people are on the network?

Mr CALABRO — There is me at the helm, there are a handful of volunteers who help with interviews or help to get the website up and running and then there are the people who have been featured on the website — there are about eight, I think, at the moment. I have got interviews and requests out for an extra 15, who I am waiting to hear back from. So very slowly it is expanding. It certainly has a lot of interest. But for that to go any further or to really exercise its potential I need funding and some staff. I can direct it, but I just cannot drive it; personally I am worn too thin to keep it going further. But yes, there is big potential there.

The CHAIR — You spoke before about the businesses down here all being 20 years behind or set in their ways and all that. Is there an area where there need to be forums or education courses or whatever for the businesses here about bringing their businesses into the new century or whatever and the opportunities with the internet?

Mr CALABRO — Yes and no. First of all I want to I guess just rephrase that comment. There are a lot of leading businesses down here still. I do not want to blanket stereotype everyone. There are some people down here who I look up to tremendously. They are very forward thinking and they are doing their very best. On the whole, though, there are probably 5000 businesses down here, and how many of those really push themselves?

When I started my business in 2010, there was the Small Business Festival, which is on currently or has just finished. That had a few events here in town, which really got me inspired. I think there was a great sales speaker who came, Rob Hartnett, and he really opened up my eyes to how to put myself out there and how to really push things along. That was very useful for me, but there were only 20 people in the audience and probably every business in town could have benefited from being there. It is probably the same with the current Small Business Festival. This year I found myself wanting to go to events but I am just too busy, so I cannot go.

That is not a failing of government; it is just a failing of my own organisation that I could not get my staff to support me so that I could go.

Having said that, though, there would definitely be forums where you could open up to people ways to improve their business and ways to improve their structure. I think it could be an uphill battle because with a lot of people — you guys are from regional areas, so you understand — there is often a reluctance to hear or to take on advice from people from the big smoke. You do get opinions like ‘We do it our way here’ or ‘We’re happy with the way we’re going; don’t try to make us be like people in the city’.

The CHAIR — It would not necessarily have to be people from the big smoke. They could be successful people from — —

Mr CALABRO — Regional areas, yes. That is a great idea. Again, having said that, you will get a polarised audience. Some people will be totally for it and some people will not be. In the end, every business is vying for the same customer’s dollar, and the people who succeed are the ones who, I guess, have taken the initiative or have tried something out and led the way. If natural attrition happens, so be it. A lot of businesses down here do not need to push themselves any harder, because they have a 20-year customer base, they have loyal friends — it is relationship based. They are happy where they are; they do not need to push and exceed themselves. That is completely fine, too. A lot of those businesses are very well known in the community. They really support the community, so they get support back without having to operate at a similar standard or with similar methods that businesses in the city have to.

Having said that, as designers, we do logos and we do brand development. We will help a business create an image for itself. In the past three years we have probably helped something like 40 new businesses or 40 new initiatives, and most of those are run by people who are fairly young. I would say 40 and under or even younger, 30 and under, so the younger generation are looking for new ways to create excitement with their customers and engage customer experience. That is why they use someone like me, because I speak their language and I am from a similar area. I guess if we are looking to the future, new businesses are only going to try to do the same. The younger generation is visually literate and they want excitement and they want to be engaged, so probably any initiatives might be geared towards new businesses and young people trying to be entrepreneurial, because that is probably where the main differences will come and will have better effect, I think.

Mr TREZISE — John, you talked before about accommodation and having to move into the traditional type of office. Over the past couple of months we have heard a lot about the establishment of hubs. What are your thoughts about hubs, and do you think that a provincial city such as Traralgon could support a hub into the future?

Mr CALABRO — Absolutely, wholeheartedly, definitely yes, on all counts. I was looking for people with like-minded thoughts when I started and I was looking to find a space to share. The studio I used to work in was a loft apartment in Collingwood, and there were three businesses running out of that. We would help each other, support each other, give each other work occasionally and at least be just a sounding board for each other. Friends of mine have done a similar thing in Kensington, in old factories and warehouses there. They have set up there and what they find is that you get micro-economies happening within the one building, in that they give each other work, they support each other and they are there for each other. When I moved back as a creative business, there was not a lot to find.

At the time I did start, though, there was a gallery in Morwell called the Latrobe Contemporary Gallery and I befriended those guys. The lady downstairs ran a small gallery upstairs and she had spaces for some artists. That has since folded and collapsed, but it was the type of thing where if they had had a bit more space I would have liked to have moved in there. When that was going to collapse and I was looking for my new space, I made an offer to the artists. I said, ‘Look, guys, let’s find a space together. I’ll take the front half, you take the back half’. Those kinds of issues would be great. I totally miss having various people around with various ideas — artists and industrial designers.

Mr HOWARD — Obviously the fact that you have been able to build your business here means that people are open to the sorts of designs and new ideas that you are bringing. It suggests that people in the area down here are prepared to move forward.

Mr CALABRO — Yes, I totally believe so. It is interesting, again, that the difference at a micro-economic kind of level between, say, Warragul and the Latrobe Valley is often mentioned. Most of my clients are from Traralgon; I would say 60 per cent or maybe 70 per cent, with say 30 per cent being from Warragul. There is this talk that Warragul is more backward than the Latrobe Valley, that people from the Latrobe Valley are more cosmopolitan, there is more of an immigrant base and perhaps they are more forward thinking. Personally I do not know if that is true, because I guess I do not know Warragul enough.

I do not feel ostracised here at all; I feel respected. I am here running a creative business in an industry which is not particularly well known down here, but I feel respected. I feel that people seek out my opinion. We certainly have enough work to keep us going, and I think there is room in this local economy for more creative industries. I do not think any of that has been a hindrance. This has been one challenge to overcome, but I think it really poses opportunities for the future for sure.

Mr HOWARD — Has the quality of the internet connection down here been a source of frustration with some of the people you deal with?

Mr CALABRO — For some of the people I deal with, yes. For example, I have a photographer who lives in Yinnar South. If you do not know the area, Churchill is the next major town, where the university is. You can imagine the internet connection for the university is top line. Yinnar South is probably 3 or 4 kilometres deeper into the bush. He has ADSL, but he finds that it is about as fast as dial-up on a good day. For him to be transferring 500 megabytes for Photoshop files, it is very limiting. Photographers are the kinds of people who often do work out of their small studio and they will email files, that type of thing.

Left, right or centre, whatever party you follow, a stronger internet connection for the future is a no-brainer. Fibre to the home and not fibre to the node — all this kind of talk is just ludicrous. I am on the internet 90 per cent of my day. My whole server is backed up on the internet, so I need a good connection for that to be constantly updating. The files we deal with are 3 and 4 gigabytes at a time when we do video work. How do you upload a 3 gig video if your internet is slow? Internet is the new telephone. Without great internet, businesses will not be able to push forward. I just cannot understand the new government's plan to limit that.

Mr TREZISE — You cannot understand it?

Mr CALABRO — Not at all, no. I mean, fibre optics to the home or to the point just has to be it. I have Cat 6 cable running through my house and in my office. It gives us gigabit file transfer. We have a really great server for me to be able to transfer files to my clients, to printers or to TV networks — things like this. If I ever do television ads I need to send those up. If we have to wait three or four hours for that to upload, it is just very limiting. We often do things and send them off overnight, thinking that hopefully when we come in in the morning they will all be done. If you get a dropout or if your computer crashes, it puts you back. If you cannot deliver deadlines on time, there goes your credibility as a business. Customers expect things and they want them fast. So, yes.

If the federal coalition is now planning to create this internet system which is really only at spec as it is at the moment, then my hopes are that hopefully someone like a Telstra or an Optus come out with an equivalent to 4G or 5G, which surpasses that shoddy old infrastructure. The technology is going to surpass it. All other policies aside — I do not care what side of politics you fall on — that is a no-brainer to me.

The CHAIR — Right. Do you have any last comments, John?

Mr CALABRO — I just congratulate you guys. I think this type of work is exceptional, and speaking to as many people as you can is really important. Personally, whether it is because I am a designer or whether I am just an optimist, I really like to look to the world. I really like to raise the bar. I am really about trying to push standards and raise standards. A couple of days ago I spoke at Latrobe City Council for one of their business breakfasts on the theme, 'What does it take to make Latrobe a world-leading regional city?'. I think progress is important. I think raising the bar and having high standards helps society in general. I certainly try not to consider myself an elitist, but I think that when the highs are higher it helps people aspire to higher heights. Latrobe Valley is a place where aspirations have been pretty low, and I think if people can aim to reach higher then they will improve and the town will improve. We reach higher by trying to improve our businesses — better businesses and better standards. I think the benefits flow on. Again, I congratulate you guys. I hope it really provides some excellent results.

The CHAIR — Thank you very much, John. In about 14 days you will get a draft transcript from Hansard. You will be able to make corrections to obvious errors, but other than that it will be as it is.

Mr CALABRO — Okay, thank you.

The CHAIR — Once again, thank you very much for taking time out of your very busy schedule to be here with us today and leaving us with very interesting thoughts.

Mr CALABRO — My pleasure.

Witness withdrew.