

The Silicon Valley of Surfing

In the Australian coastal town of Torquay business is booming, but when the surf's up there's always time for the staff to head to the beach.

BY RON GLUCKMAN

From the rooftop of Rip Curl's headquarters in Torquay on Australia's southern coast, Steve Kay squints into the scorching Victoria sun, surveying his surfing empire. Down below are signs for various Australian brands: Quiksilver, Reef, Strapper, Gboards, plus dozens more surf-related shops in the bustling Surf City Plaza. Rip Curl began in the 1960s, helping to spark the rise of Aussie surfing at nearby Bells Beach and launching a wave of entrepreneurial energy, turning this town into the Silicon Valley of surfing startups.

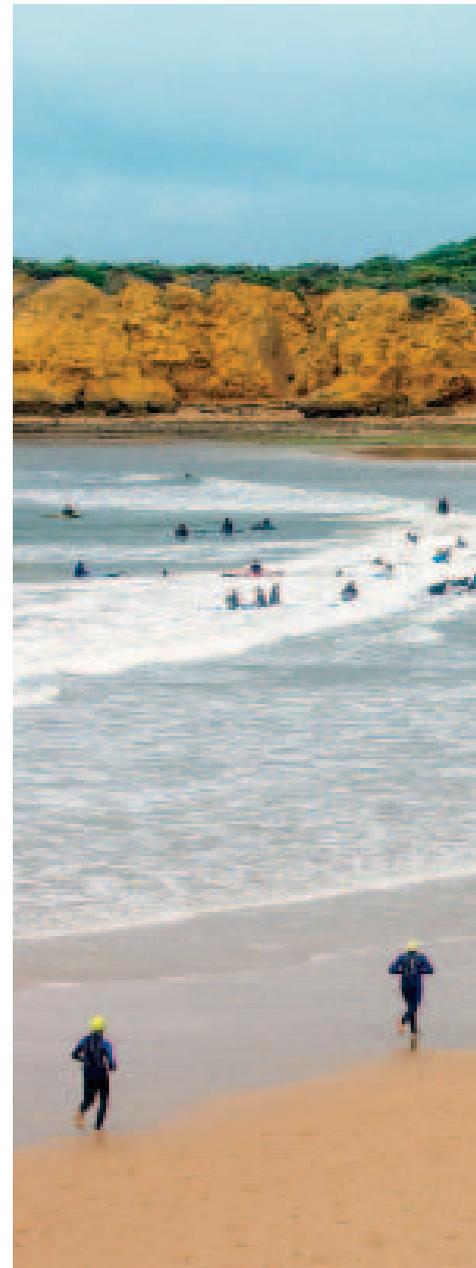
Torquay certainly isn't a town full of beach bums, at least not anymore. Michael Di Sciascio, chief executive of surfboard and accessory maker Strapper Surf, remembers arriving as a teenage dropout and hearing landlords say: "I don't rent to surfing scum." Today the surf business is booming along the coast around Torquay. "There's a strong entrepreneurial culture here," he says. "Surfing is competitive, also supportive. We chuckle over an earlier call. When FORBES ASIA checked in by phone, he postponed our meeting, the first time I've had a CEO reschedule an interview "because I hear the surf is really good."

Bells Beach claims the world's longest-running surfing competition and has provided the baptismal waters for some of the world's top surfing companies. At Rip Curl, famed for its surfboards, wet suits and branded clothing, the walls sport giant posters of surfing stars and historical exhibits. The staff swarms the beach whenever the surf's

up. "Nobody gets fired for taking a surfing break," says Kay, the CEO for Asia-Pacific. He just returned from Indonesia with his two teenage sons, both surfers. "The swells were enormous," he says fondly, favoring a wrenched knee.

Australia boasts nearly 3 million active surfers, more than 10% of the population. "In the U.S. surfing is more of a subculture," says Craig Baird, curator of the Australian National Surf Museum in Torquay, "but this is really a huge Australian sport." The museum isn't as big as those in other surfing hot spots such as California, but displays on legendary Aussie surfers and major surfing events put things in perspective. "Australia has almost as many champions as the U.S.; Australia punches way above its weight," says Baird, who grew up here and worked 26 years at Rip Curl painting boards. "One of the great things about surfing is that we're all the same club. You grab a board, paddle out, and it's the great leveler. The workers, the bosses, everybody is exactly the same on the waves."

Indeed, in Torquay, with a population of 17,600, surfing





Surf school at Torquay, population 17,600: “Surfing is our number one industry, employing over 25% of the workforce.”

is, like softball or soccer, the community bond. Across Asia, greetings typically revolve around food, such as: “Have you eaten yet?” In Torquay coffee shops, you constantly hear: “You been out surfing today?”

The local government long ago jumped on the bandwagon, renaming the area Surf Coast Shire. “Surfing is our number one industry, employing over 25% of the workforce,” says Kate Sullivan, the shire’s general manager for environment and development and, naturally, a passionate surfer. Acquiring land around some of the original surf shops in the 1980s, it built Surf City Plaza as a surf-themed shopping center and incubator for surfing startups. It’s home to the





Steve Kay of Rip Curl: “Nobody gets fired for taking a surfing break.”

surfing museum, along with the offices of Surfing Victoria—which coordinates events such as the Bells Beach competition in partnership with Rip Curl, drawing 35,000 people to the area each year—as well as surfing clubs and youth activities.

In a colorful historical display at Rip Curl’s headquarters, Kay points out two scraggly youths in a vintage picture: company founders Brian Singer, or “Sing Ding,” and Doug Warbrick, or “Claw.” “Both were total surf nuts,” he says. Then he reverently shows me an ancient sewing machine, a surfing artifact comparable to a newspaper’s first primitive printing press.

Claw grew up here, launching one of Torquay’s first shops making and selling surfboards, then opening the first Rip Curl surf shop in 1969. Soon, nearly every surfer on the scene was shaping boards to finance another endless summer. Sing Ding was a teacher in town who soon became a surfing buddy.

The pair—along with a surfing buddy, Alan Green—began tinkering with diving suits, modifying them to provide mobility for cold-water surfing. Shivering boarders begged for the custom wet suits, so the three set up the pre-World War II-era sewing machine in Sing Ding’s backyard garage and cut the rubber on the floor. As business soared they enlisted women up and down the coast to sew the wet suits. The company name came from a slogan Claw had scribbled on a



Peace out: “Everybody here is always happy to help others.”

board: “Rip Curl Hot Dog.” The meaning? “Ripping was groovy; surfing the curl was groovy; we wanted to be groovy—so that was it,” he explained, according to Matt Warshaw’s *Encyclopedia of Surfing*. The two stepped down from the company in 2013 but still surf daily.

Other entrepreneurs caught the wave. Green worked for Rip Curl for a while before setting off on his own to make wet suits and beach gear such as sheepskin boots. Then, the brainstorm: custom boardshorts for warm weather. With surfing pal John Law he began production in his basement that grew into billion-dollar apparel maker Quiksilver.

Across the street from Rip Curl, surfboards hang above the entrance and pack the aisles inside Strapper. When CEO Di Sciascio arrived 37 years ago it was one of the first surf shops in Torquay and the town was little more than sand paths and surf dreams. He had dropped out of school at 15, then briefly worked in the gold mines. “But all I really wanted to do was to surf,” he says. So he left for the coast from the Victoria country town of Bendigo and began constructing surfboards at the original Strapper, a mom-and-pop beach shop.

Eventually Di Sciascio, 52, bought out the owners, expanded and shipped Strapper boards to Japan, Taiwan and the U.S. At one time Strapper was probably the third-largest board maker Down Under after Rip Curl and Quiksilver. Later he caught the wind-surfing boom, then added surf gear, selling in 23 countries at one point. “It was never really about business,” he says. “It was aspirational and a lifestyle decision.”

Everywhere you wander in Torquay you hear similar tales. Russell Graham is one of the national chairmen of the boards. He’ll be 69 in February, wears his silver hair in a ponytail and still surfs weekly, except when recovering from heart surgery. He dropped out of school at 14 and has been making surfboards ever since. Originally producing for Rip Curl, he went independent and peaked in the 1980s and 1990s, churning out 2,000 surfboards a year.

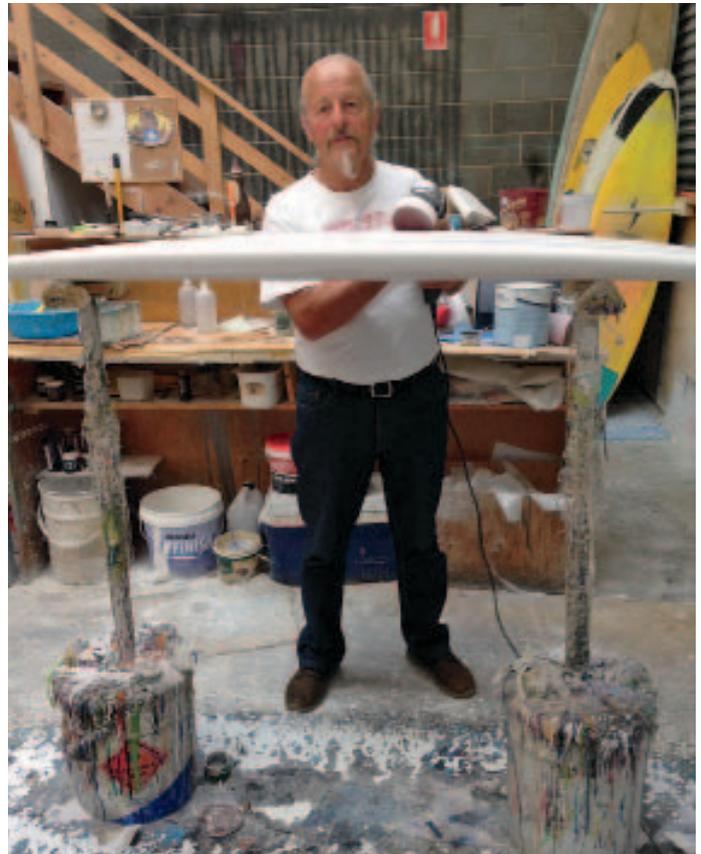


Michael Di Sciascio, CEO of surfboard maker Strapper Surf.

Nowadays cheap boards from Taiwan and China fill aisles at discount stores, but serious surfers still turn to masters such as Graham, who handcrafts around 15 boards a week. Prices range up from \$520, depending on the detail and number of fins. “In the old days there were dozens of shops like this,” he says. “Now there are maybe a handful in Torquay.”

After the boom years of the 1980s and 1990s came cuts in the face of the cheap Asian production. Firms such as Quiksilver were overextended and were forced to restructure. Rip Curl, which had been contemplating an initial public offering, did its own belt-tightening. “We all had to refocus and think about our core business,” says Kay. For Rip Curl that meant sticking to surf gear. Sales rebounded, topping \$400 million last year, and it’s the area’s biggest employer. “We’re a brand,” he says. “Our business is about never growing old.”

Today the next generation of entrepreneurs such as Jack Perry and Paul Garrard is expanding the local surf business. Perry reckons that he was 2 years old when he first surfed,



Russell Graham, 68, handcrafts about 15 boards a week and still surfs.

with his father, Steve Perry. The older Perry relocated to Torquay for the surfing; he ran the Australian operation for hip sunglass company Oakley. A passionate surfer, his son became a champion. Now Jack, 32, runs Modom, a surf-accessories company, with Garrard, 40.

Garrard also runs Gboards, making smaller, lighter surfboards popular with beginners. Like Perry, he’s a surfing blue blood. His grandfather was an Olympic wrestler who saw people surfing in Hawaii, then founded the Torquay Surf Club in the 1940s. Boards then were bulky, solid timber, like canoes. Surfing took off as boards got smaller and could be tossed in cars. One of the big local surfing companies dabbled in production of even smaller foam boards. A family friend asked whether Garrard, then working in construction, would rather get into a surfing business. Garrard took over the friend’s small-board startup, expanded production locally and with a plant in China, and now Gboards turns out 10,000 boards annually.

Modom sells board bags, leg ropes and travel accessories, largely online. “We market to youth,” says Perry. “They don’t want to be wearing what their dads are wearing to the beach.” Yet, both credit Torquay’s pioneers—many in their 70s and still surfing—for help with marketing, branding and advice. “Everybody here is always happy to help others,” says Perry. “We’re a tight community. We’re all surfers.” **F**



The Australian National Surf Museum in Torquay.