

Mr Keith Besgrove
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Dear Mr Besgrove

Telework for Australian Employees and Businesses: Maximising the Economic and Social Benefits of Flexible Working Practices

Thank you for the opportunity to comment on the subject draft report of ATAC. We regret that a shortage of resources prevented us from meeting the 11 October 2005 deadline and trust that our comments can still be taken into account in the drafting process.

General comments

From the SETEL perspective the draft report is a good compendium of the research and the current state of play in the telework arena. It makes some valuable contributions to the debate, especially in identifying the needs for:

- cultural change at the workplace; and
- access to appropriate broadband and other relevant technology (at similar speeds and prices) by all Australians irrespective of location before telework will be able to spread.

Having said that though, we consider that the relevance of the report could be improved significantly if there was an abstract or vision statement at the beginning that indicated the context of the report and the contribution that it will be attempting to make to policy formulation by Governments and/or through implementation by employers and employees. Simply said the report needs to take a positive stand, and to provide Government and others with solid reasoning to act – even if this turns out to be in relatively modest terms.

Having achieved this, the report then needs to quantify as much as possible the benefits and costs of telework at the national, business and individual levels. Ideally this would then lead into recommended costed action points for Government with the appropriate timeframes for implementation.

The “definitional issue”

In our view the definition of “telework” is a vital precursor to the work and understanding of the report. It is not so important that the definition

attempt parity with definitions used in other jurisdictions, especially in overseas ones. This is because those definitions invariably have been worked up in local contexts that may not have Australian relevance. Any attempt at parity then is likely to be futile and to divert from the Australian focus of the report, which as we indicated previously needs to be provided very early in the draft.

What is important in settling an appropriate Australian definition of telework is that it will enable trends and associated benefits and costs to be established and assist in the quantification. In other words it is the trends that are most informative and not absolutes.

The issue of whether the self-employed, day extenders, or mobile workers should be included is not really important as long as information on all relevant market segments is recorded separately so that policy makers and their audiences are able to mix and match the data to inform their work. By way of example it might be considered that including the "self-employed" skews the results as often pride causes this term to mask unemployment or underemployment.

Management training

SETEL considers that the ability of managers to manage telework and teleworkers has a key role in expanding the relevant opportunities and the benefits that accrue to individuals, employers, communities and Governments. This situation is well documented in the report itself as an important cultural impediment to the wider use of telework..

The need to provide managers with the right mindset and the tools to facilitate telework cannot be overstated in our view.

That said, it needs to be specifically recommended in the report that institutions such as the Australian Institute of Management, TAFE and others need to develop and implement suitable telework management skills training. This telework training would appear to have close linkages to any current training that is provided to management on the use of virtual teams.

Given the Government's ability to act as a role model in the teleworking area within Government circles, it would help a lot if the Australian Public Service Commission developed, and rolled out to Departments, the necessary training and supporting material. This should include e-learning capability to spread the learning outside of Canberra to State and regional offices in timely and cost effective ways.

The preparation and distribution of case studies that clearly demonstrate the costs and benefits of telework need to be facilitated and used in any training.

Online resource centres and other teleworker support

ICT service providers, such as Telstra, may want to get involved. We are aware that many small, micro and home business operators currently either don't have the time or knowledge to source and implement the most cost effective technology for their purposes. This information gap seems to grow as the rate of technological advance accelerates.

One way of addressing this information shortfall may be through seeking the support of the technology providers themselves. If educational material about the availability of their technology and services was freely available both the demand for and the take-up of technology, including that associated with telework, should grow. So would the commercial bottom line making the education and information platform(s) sustainable.

The educational material should be user friendly from the perspective of the (possibly) technologically challenged teleworker, for example through the use of occupational specific drop down menus or templates with precise details of the relevant technology, its specifications, installation and user support, interconnectivity, and costs. In addition self-paced e-learning materials should be provided on line to supplement user manuals etc.

The educational platform should also contain a "chatroom" feature to enable isolated teleworkers to share information and network with their cohorts. This would further assist those who would otherwise lack sufficient support and help mitigate isolation.

The availability of readily accessible real time "help desk" and technical backup is also vital to underpin under-resourced and remote teleworkers. Without this support existing telework will not realize its full potential and potential teleworkers will balk at starting up without the necessary support. The ICT service providers could provide remote teleworkers with the necessary on line and local support, say through Telstra kiosks or a version of Vodafone's V-Room demonstration facility.

Some State Governments also provide some support, for example "road shows" through Multimedia Victoria. There would appear to be scope for the report to recommend centralized alignment or co-ordination of these resources.

The home business sector, like telework, is also growing rapidly. This business sector currently employs over 1 million Australians, and would also be able benefit ICT providers, and their own businesses, through the same approach to information and support.

OH&S and workers compensation

These issues are central to the long-term viability of an extended uptake of the telework concept. On current thinking, much time and effort will be needed to assess and upgrade the private homes of teleworking employees to meet legislative standards. This effort and cost to the employer, and possibly resistance by the homeowner, will eventually provide a break on the growth of telework.

Most OH&S legislation is designed for traditional workplaces and the teams of employees that are found within them. The concept of OH&S committees, to name one example, clearly has no application in the telework context. In any event OH&S arrangements do not apply to mobile work now, take for example working meals taken in restaurants, offsite retreats, and work performed in (non corporate) clients premises.

In any event the report suggests that most businesses currently ignore the application of OH&S arrangements in respect of their teleworkers.

Accordingly we suggest that Government should consider OH&S and workers compensation exemptions in respect of teleworkers working from their own homes.

An acceptable trade-off might be to require teleworkers to obtain suitable income protection insurance that would cover them for the financial consequences of serious injury. The cost of such premiums can be tax deductible under current arrangements.

Capital Gains on the sale of a home incorporating a home office

It follows that if OH&S and workers compensation issues are transferred from the employer to the employee that there is a case for exempting the taxation on sale of the home which incorporates a home office from capital gain on the home office in respect of recognised teleworkers. We consider that CGT issue, in its current form, has the very real potential to lead to suboptimal outcomes by providing another artificial blocker to the development of telework. This would be especially so in the large cities where capital gains have been large historically, and it is in these cities that the lower road and fuel usages teleworking induces are most noticeable.

If the home-based teleworker is not aware of taxation implications, and the situation is not remedied, a bad experience could lessen the future opportunities for teleworking in this context.

The Telstra Preliminary Draft Regional and Rural Presence Plan

Much is made in the draft report about the ability for telework to provide new employment and employment flexibility in regional and rural Australia. Nonetheless, the slow and/or expensive spread of broadband, wireless, satellite or the cost and coverage of mobile technologies present significant problems to meaningful rollout of telework outside of our main cities and towns.

These problems in their turn compound the population drift away from the bush and to the cities exacerbating infrastructure and pollution on the one hand and the loss of community and services on the other.

Given the vital role of the availability, cost and reliability of ICT to the viability of telework in regional and rural Australia, we think that, as the major carrier, Telstra should be required to consider the impact on telework in their planning and reporting.

Employment impacts

As we all know, in coming decades the aging of the population combined with a low fertility rate has important implications for the need to make the most out of all sources of future workers. While our current unemployment rate is low by historical standards our participation rate remains low as well.

Other aspects of policy seek to engage the mature aged, indigenous Australians, the disabled, parents, and the long term unemployed for social, political and cultural reasons. It seems obvious that the availability of telework has the potential to add value to the working experiences of each of these groupings. We consider that this impact needs to be addressed and reported.

As well, information needs to be provided to employers about Government and other assistance that is available when employing people from these target groups, for example under the Workplace Modifications Scheme in respect of the disabled.

State and Territory Government pilots

In addition to acknowledging pilots undertaken elsewhere, the report should provide some information about the findings that come from the NSW, Queensland and Northern Territory telework pilots.

Please don't hesitate to ring me on 02 6251 7823 if you have any questions and we look forward to being able to comment on subsequent drafts.

Yours sincerely

Ewan Brown
Executive Director
26 October 2005