



TELSTRA CORPORATION LIMITED

Response to the Australian Telework Advisory Committee

June 2005

Executive Summary

Telstra welcomes the opportunity to provide a submission to the Australian Telework Advisory Committee (ATAC) and applauds the Federal Government for placing teleworking on the national policy agenda.

Telstra's submission focuses on our experience as an employer of people that telework, as well as a provider of technology that enables businesses to adopt teleworking in their own organisations. Our experience to date suggests that while there are huge business, policy and social benefits to be derived from teleworking, take-up has failed to meet the predictions of the early 1990's.

Barriers to teleworking exist in many organisations and suggest that many businesses do not truly understand the bottom line benefits of adopting formal teleworking practices and policies. Those barriers include organisational cultural issues such as trust and team cohesion; organisational policy issues such as occupational health and safety; legislative issues such as taxation and liability indemnity; and even the cost/benefit analysis of individual employee teleworking take up.

Despite these barriers, there have been many social and technological changes in the past fifteen or so years that significantly strengthen the relevance and importance of teleworking today.

For example, concerns around the environmental impacts of commuter vehicle traffic have spawned a significant policy debate and action around cleaner, alternative forms of transport. By encouraging greater take up of teleworking, Governments could reap a significant environmental dividend.

Equally, the ageing of Australia's population has led the Government to introduce measures to encourage greater participation in the workforce to address the economic implications of an older Australia. Again, by providing businesses with the knowledge and incentive to formalise teleworking within their own organisations, an entirely new employment pool could be opened up that businesses can draw from.

Social change has brought with it technological change. People can now access corporate data bases and customer information at lightening fast speeds from almost anywhere in the country thanks to the proliferation of wireless and broadband technologies.

The benefits teleworking can offer have never been greater and the technology exists today to support it.

Our experience suggests that while many business and government organisations are becoming increasingly interested in teleworking, only 2% have a formal teleworking policy within their own organisations.

Telstra has made a number of recommendations for the Committee to consider and hopes they assist it in developing realistic and attainable outcomes. There is certainly a role for government to play if Australia is to make the most of what teleworking has to offer.

Recommendations

1. Telstra recommends that the Federal Government develop and market case studies shaped around specific industries and job types to educate business on the benefits of teleworking.
2. Telstra recommends the development of social, environmental and economic models to evaluate the advantages to be achieved from the introduction of Teleworking.
3. Telstra recommends further research be conducted to evaluate the cross agency advantages that teleworking may deliver, such as tele-medicine, tele-education and other online services.
4. Telstra recommends that the Federal Government conduct a feasibility study into the establishment of regional telecentres with a view to a formal trial within the 06/07 financial year.
5. Clarification of the legitimate ways in which an employer can differentiate between office-based and home-based employees regarding health and safety and other liabilities. For example, a legislative amendment specifying that the employer is not liable for incidents in the home that involve third parties/family members.
6. Telstra recommends that the committee look at the initiatives of other government departments, agencies and bodies to identify whether there might be some synergies between teleworking and other workforce initiatives.
7. Telstra also recommends that all programs, initiatives and legislation be reviewed to ensure that the 'home' is included in the definition of the workplace.

Introduction

This submission sets out the benefits and barriers of telework take up and makes recommendations on how they can be exploited and removed. As a user and supplier of teleworking products, services and infrastructure, Telstra is well placed to provide objective advice on what steps can be taken to encourage its use.

Teleworking means different things to different people, so any discussion on teleworking requires that it first be defined. In writing this submission Telstra has defined teleworking as any work normally conducted within a conventional work environment that, utilising information and communication technology, is conducted outside that conventional work environment. This includes working from home, working on the road, working from hotels, airport lounges etc.

Teleworking is a broad term. The boundaries of teleworking include among others:

- Telework
- Telecommuting
- Flexible work
- eWork
- Remote work
- Agile work
- Teleworker
- Mobile worker
- Home-based worker
- Virtual team
- Virtual office
- Telecentre

This submission looks at Telstra's own experience with teleworking, and also uses qualitative research conducted with our customers to shape our recommendations. From our own experience, and based on feedback from our customers, it is clear those employers that have adopted, or are considering adopting teleworking, are generally impressed with the level of productivity improvements that are possible, but remain cautious in its rollout.

The Telstra Experience

Telstra's experience with teleworking probably mirrors that of the business world in general, in that apart from a few exceptions, it has not reached the levels predicted in the late 1980s.

Telstra does not have a comprehensive formal teleworking policy in place, but does have the basic policy infrastructure and technology in place to support it.

However, while there has been only limited application of formal teleworking, new technologies have enabled our very large workforces to become highly flexible and mobile. In middle and upper management it is very common for our people to use technology to catch up with work after hours or while travelling.

It could be argued that the absence of a formal teleworking policy could create a practical and symbolic barrier to the wide scale uptake of teleworking. In contrast, given the adoption of informal processes that have fostered forms of teleworking, it could equally be argued that the creation of a formal policy could introduce a level of bureaucracy and regulation that may stymie further progress. Telstra is currently considering these issues.

History of teleworking in Telstra

Industrial Agreements

In 1994 Telstra established three industrial agreements dealing explicitly with teleworking. Those agreements, known as the Telstra Teleworking Agreements 1994, remain in force today and apply to all Telstra staff employed under awards (excluding staff covered by the Telstra Salesforce Agreement 1993). There is very little evidence that the agreements are being actively applied on a wide scale.

The agreements cover topics, including:

- types of work that might be suitable for teleworking
- requirement for unions to be notified and involved in any substantial teleworking implementation
- conditions of employment including working hours and eligibility for overtime payments
- health and safety requirements
- provision, maintenance, use of and security of equipment
- management and union access to the employee at home
- grievance and dispute resolution processes.

Mobile Workforce

Telstra has some large mobile workforces that use information and telecommunications technology in order to remain 'on the road'. For these groups, teleworking is a formalised 'way of life' supported by Telstra's innovative technology approach.

The largest is the field workforce numbering close to 12,000 people, followed by the salesforce numbering more than 800 people.

For Telstra's field telecommunications technicians their van is the equivalent of 'an office'. They have very little need to attend a physical central office as their work is despatched to them via a centralised system and completed in the field or in customer premises. Similarly, Telstra's sales people spend most of their time travelling to the offices and premises of their customers. Traditionally such sales people have had a central office with their own desk but there is a strong move towards 'hotdesking' - having a limited number of desks available in a central office that can be shared by staff members when they are in the office. Sales people have access to the Telstra LAN, for accessing emails and other communications, via Remote Network Access or Blackberries.

There are also hundreds, if not thousands, of middle-managers and senior specialists who spend a lot time travelling and who frequently log into their LAN using remote access or a portable e-mail device (eg Blackberry) from hotels, airports and homes.

Long history of managing people remotely

Being a large geographically dispersed organisation Telstra managers have long been used to managing people remotely – across national and international time zones and state boundaries.

Telstra employees have at their disposal many types of technology that enable communication and the accessing/delivery of information while remote from a standard office. They include:

- Fixed and mobile telephones
- Video and audio-conferencing
- NetMeeting
- Remote Network Access (Remote Access). There are approximately 15,000 staff with Remote Access.
- Mobile technologies (Blackberries etc)

HR policy and practice

Telstra currently has a number of procedures and policies that either explicitly deal with teleworking or support the concept in a general sense. They are:

- health and safety procedures aimed to properly establish a workstation outside of the standard office environment
- 'Flexible work practice' policy options such as part-time work and job-share.

IT policy

Telstra employees who can demonstrate the need to work from home on an ad hoc basis are generally provided with the means to do so. This is normally provided via a lap top computer (although some employees use their own appropriately configured PC) and secure remote access to Telstra's e-mail and intranet servers via an employee's dial up or broadband connection.

To be eligible for remote access the employee must show via a business case the need for access to the network after hours.

Formal teleworking applied in exceptional circumstances

There is a well-established practice within Telstra of providing individuals in specific circumstances with the tools to telework. The circumstances generally relate to:

- 'return to work' cases
- staff with a disability
- women returning from maternity leave

The following is an actual case and representative of a common practice within Telstra:

We have an employee who finds it difficult to attend work regularly due to a rare medical condition. The line managers have supported his request to set up a workstation at home, completed the necessary Health and Safety hazard and risk assessments and provided an ADSL broadband connection. Productivity and quality of work are high, team contact is made on a regular basis and 'working in isolation' processes are in place to monitor the employee's wellbeing. The employee's doctor has reported that the current work arrangements are favourable to his long-term recovery prospects. This arrangement is working well for both the employee and the business.

Isolated cases of work teams working from home

There are some isolated cases of formal arrangements being established for staff to work from home after hours in order to provide service. One example is a group within Telstra that tests new applications after hours.

Teleworking as a 'contingency plan' for Sydney Olympics

During the preparations for the Sydney 2000 Olympics, teleworking (staff working from home or 'satellite' offices) was identified as a primary contingency plan in the case that Telstra employees would be physically unable to attend work because of traffic and transport congestion.

Home-based teleworking was eventually discarded as being uncommercial (particularly given the short time span of application) due to the costs associated with establishing it in accordance with the 1994 industrial agreements and health and safety policy.

There was little pressure to resort to this contingency, as the much-feared traffic chaos did not eventuate.

Forces influencing teleworking in Telstra

This section identifies the various forces that are influencing Telstra's debate about teleworking. Some of the forces are 'driving' → while others are 'restraining' ←.

Forces external to Telstra

- Government focus – federal and state (the latter looking for solutions to reduce road and rail congestion).
- Corporate Social Responsibility – increasing expectations of community and other stakeholders.
- Labour Market dynamics – an aging population will lead to a reduced workforce. There will be a need to tap into currently underutilised groups such as mature age workers, people with disabilities, people with injuries, people with carer responsibilities and women (in particular mothers).
- Societal pressure for more family friendly workplaces – reflected in a large media focus on the issue.
- Generational phenomenon: young people entering the workforce are more technologically savvy and less wedded to the '9-5' ethic and in fact expect flexibility.

Forces within Telstra

The following points are forces within Telstra that are influencing the drive for establishing a teleworking policy framework:

HR Directions

- ➔➔ Diversity – flexible work practices; focus on opening up opportunities for women; people with carer responsibilities, people with disabilities and mature-aged employees.
- ➔➔ Employment branding – flexibility, choice and value.
- ◀◀ Policy simplification aiming to decrease the level of policy regulation governing the employment relationship.

Custom and Practice

- ➔➔ Extensive use of remote network access – currently 15,000 staff.
- ➔ Large mobile workforce – salesforce and field.
- ➔ Long history of managing staff remotely.
- ➔➔ Successful use of teleworking for ‘exceptional cases’.

Industrial agreements

- ◀◀ Agreements need to be complied with not just in the specific sense of how teleworking arrangements can be structured but in the overall need to involve external third parties in the implementation process.

Existing policy infrastructure

- ➔➔ Current policy and process infrastructure such as health, safety and environment procedures and formal processes for staff to request ‘flexible work’.
- ➔ Current approval processes for requesting Remote Access and other telecommunications equipment.

Commercial

- ➔➔ Customer-facing units wanting to drive the total customer solution for flexible working and use the internal Telstra experience as a demonstration of its impact.
- ➔ Telstra’s commitment to facilitating rural and remote development.

Focus on Innovation

- ➔ Telstra's focus on Innovation and connecting people. As a company we have left behind the idea that all we are selling is the 'black box' but rather a way of people connecting through technology.

Focus on balancing costs

- ← Balancing business costs associated with the provision of teleworking equipment.
- ➔ Increasing pressure on all Telstra staff to travel less (for business) and use technology as an alternative to meeting face-to-face.

Health and Safety

- ←← Need to establish a 'safe place of work' requiring a formal assessment of the home.
- ← Workers Compensation – lack of independent witnesses to substantiate claims – potential for compensable injuries from non-work related activities.
- ← Public liability issues arising from other people (eg children and visitors) being injured during work time.

Technology – we have the solutions

- ← Telstra call centres do not currently use VOIP technology that would allow the routing of calls to an employee's home.
- ➔➔ Remote Access provides an efficient means of staff undertaking work from home.
- ← Remote Access does not totally replicate the 'office experience'.
- ➔ The Disability Equipment program is a program that enables both customers and Telstra staff with a disability to use information and communications technology products.

Diversity of the Telstra workforce

- ➔➔ Many Telstra staff have family or carer responsibilities.
- ➔➔ Many Telstra staff have long daily commutes.
- ➔ Working from home can be an easier option for Telstra staff with a disability.

Workplace and managerial culture

- ➔ Telstra has multiple 'cultures' some of which are characteristic of 'early adopters'.
- ←← Parts of Telstra have more conservative work cultures and may be risk averse.

Disaster recovery and business continuity

- Like all large organisations Telstra needs to ensure that it has processes in place in the event of natural disasters, strikes, acts of terrorism or less dramatically, large and urgent customer demand.

Our Customers

Telstra is Australia's largest telecommunications carrier, providing the products and services that enable teleworking for our business and government customers.

To date, the widespread take up of teleworking solutions has been slow. However, the explosive growth in broadband adoption in the last 12 months and the parallel reduction in prices for such services has now made teleworking a viable option. Today there are approximately 1.6 million broadband services in operation in Australia.

Our experience points to a marked increase in businesses actively exploring technologies that create flexible working practices

Flexible working is being taken up by the following employee groups:

- Executive and middle management
- Field based sales and service staff
- Sea change / Tree change groups

Teleworking and our corporate and government clients

Telstra has reviewed the behaviours and experiences of our corporate and government customers in relation to teleworking.

The following outlines the views and experiences of our metropolitan based clients. The clients included major corporate customers, State and Federal government departments, often with very widely distributed workforces, and small to medium business (SME) customers.

Located across Australia, these businesses represent a wide range of vertical industry segments, including Financial Services, Media, Hospitality, Business Services, Retailers, Wholesalers, Manufacturers, Distributors and Technology companies. From Federal and State government, consideration has been given to key agencies such as the Australian Taxation Office, Centrelink, the Department of Employment and Workplace Relations, as well as the State Departments of Health, Education, and Emergency Services. The small to medium business customer segments we cover are as diverse as mining to pharmacy, fertilizer importers to fishmongers, couriers to motor vehicle dealers.

The information trends outlined have been generated from a variety of sources, including, our internal customer knowledge, technology take up patterns, and the results of customer research and customer interviews. By nature this material is primarily anecdotal but the trends seem very much in line with the vast majority of public teleworking research available.

Take-up of teleworking

Based on internal research, Telstra's best estimates suggest:

- approximately 15% of all employees engage in some form of teleworking.
- approximately 25% of all employees engage in some form of Mobile working.
- approximately 55% of all employment could be suited to some form of teleworking.
- less than 3% of all employees primarily telework.
- of the 15% of employees engaging in telework approximately 30% is to augment rather than replace traditional office based working. (This figure is much higher among traditional white collar workers where it is estimated over 50% would use teleworking to augment their traditional office responsibilities)
- approximately 60% of all business and government customers claim to have flexible work policies in place.
- less than 2% of customers claim to have a formal teleworking policy in place.
- 40% of customers claim to have an "informal policy" regarding telework, with over 55% suggesting they have no policy in regards to telework.

Some of the typical opinions of some of our key business and government customers follow.

"I take work home with me. Increasingly I have found many parts of my job are in fact BETTER SUITED to completion away from the office... fewer interruptions and I get much more done in much less time and the quality is better as I'm more focused"

Financial Controller – Courier Business customer – Perth WA

"Working from home is not really available to me. It is discouraged actually. Not really in an overt way, but frowned upon nonetheless. I don't think the Bank is ready to trust us yet even though they know how flexible they are..."

International Customer Director – Major Bank – Melb VIC

"Picking up my children at 4:00pm is important to me. I leave work at 3:45pm, collect them and until they go to bed it's family time. My computer and phone are switched on the whole time and I regularly check what is going on. Having worked like this for 18 months I doubt I would or could change... Not sure if this is teleworking or not, but it is completely natural and works extremely well."

Operations Manager – State Govt Agency – Brisbane QLD

“Being in a wheelchair and keeping regular office hours is extremely challenging. Many jobs and many employers are simply not open to me. Working from my home is not really a choice for me, it is the only way ...”

Business Analyst – Technology Company – Adelaide SA

“Having worked full time in an office and then moving to full time teleworking I can tell you it is a mixed experience. The flexibility at first is terrific, but it becomes both lonely and stressful at times... I wanted to go into the office for a break! Now I’m used to it and have built a specific workspace in my home it is much better, but I don’t think it is for everyone.”

Creative director – Publishing company – Sydney NSW

Mobile workers on the increase

2.8 million Australians are mobile workers and this will increase to 3.4 million by 2008, according to IDC's recent report "Australia Telecommuting Services and Equipment 2004-2008 Forecast & Analysis." International Teleworkers Association Council. ITAC predicts that the number of teleworkers in the U.S. will increase by 6 million a year for the next three years.

The workforce has officially gone remote. The business case for telecommuting in the past twenty years has been focused around soft benefits for the employee, including life/work balance, increased employee satisfaction and cost cutting benefits for the employer, such as reduced overhead costs, and office/parking space savings. These are all valid reasons to encourage telecommuting in the enterprise, but only represent part of the whole picture. *(Australia Telecommuting Services and Equipment 2004-2008 Forecast & Analysis)*

Barriers to take up

Flexible working benefits are largely available to senior managers and executives. As a result, flexible working options have not been available to a significant number of workers, particularly those in entry level white collar positions. For example, technology exists today which would allow contact centre staff to operate from “virtual” offices but very few companies in this sector are adopting such an approach.

Through our extensive experience with customers, there are two types of barriers preventing widespread take-up of teleworking. Firstly, many job types simply don’t allow for teleworking and therefore cannot be considered as part of the teleworking “ecosystem”. For example:

- Workers are required to be on site for manual work such as machinists, maintenance and transport operators among others.

- Face-to-face interaction with customers is required such as retail sales and other customer service roles.

The second type of barrier is best described as 'organisational' and impacts those workers whose role could well include flexible working practices. Those barriers include:

1. Resistance to changing to a new management style—by results, rather than "line-of-sight management"—overcoming telework myths such as: "Out-of-sight means out of control."

"If I'm not there, how do they know I'm actually doing anything, plus I'm worried that I'm missing out of things..."

Sales Representative – Parts Distributor – Melb VIC

2. Technology advancing ahead of worker familiarity and acceptance highlights the increased need for technical support and training.

"We use an order entry system that works fine if you are on the LAN, but try getting in remotely and you just enter a world of frustration... much simpler to just go into the office early and get it over and done with..."

Business Development Mgr - FMCG Company – Brisbane QLD

3. Consistent use of data security measures and procedures.

"Having audit staff onsite with clients or working from home with sensitive information is simply not possible at this stage. Policy dictates that if the approved security and backup procedure cannot be maintained, the work practice must be changed to suit..."

CIO – Federal Govt Agency – Canberra ACT

4. Equitable selection of teleworkers vs. non-teleworkers

"About 65% of our business is still done in the shop or over the phone... I would love to work from home but what do you propose I do about my clients?"

Store Manager – Franchise operation – Melb VIC

5. The need for continuing research of the incidence, challenges, trends and application of telework—leading to establishment of best practices and certification both of telework managers and teleworkers

“Governance issues, Occupational Health and Safety challenges preclude us from pushing more emphasis onto teleworking. We have many people who do some degree of work from home but we have yet to address the policy issues... it is an exposure for us...”

General Manger – Business Services Practice – Hobart TAS

Businesses today are not ignorant to the benefits of teleworking. However, the issue is not regarded as a business driver for most compared to revenue growth and cost reduction programs, risk management and asset utilisation.

It could well be argued that telework adoption could be linked back to all of these traditional drivers, however at this stage the business cases for adoption have not been fully developed or not yet considered to be an appropriate priority for many of our clients.

Recommendation 1

Telstra recommends that the Federal Government develop and market case studies shaped around specific industries and job types to educate business on the benefits of teleworking.

Benefits of take-up

Teleworking provides many benefits. Many of these appear in the literature and research surrounding this topic. From the assessment we have made across our customer base, the key consensus points and priorities appear as follows:

Benefits to the employee

- Improved quality of work life: morale boost, personal controls, work/family/personal life balance
- Increased productivity
- Reduced stress
- Commuting costs and time reduced
- Increased ability of non cash benefits to be part of total employment cost

Benefits for the employer

- Improved competitiveness and service levels at both the individual and at the organisational level.
- Improved ability to recruit and retain workers.
- Stronger ability to compete for talent within the constraints of strict and rigid pay scales
- Ability to retain employees where a partner is relocated out of the area.

- Reduced recruitment costs
- Reduced real estate costs
- Improved management practices: management by results, rather than line-of-sight management.
- Reduced absenteeism, caused by maternity, medical and personal leave.
- Potential employment of underused segments of the workforce such as retirees, the disabled, workers in outer urban areas and geographically remote areas.
- Support of a Disaster recovery plan

Social/Community Benefits

- Traffic volume stabilization & decongestion to reduce street level ozone (orange/red ozone days) and runoff of oils & chemicals from highways into waterways.
- Environmental conservation of scarce resources, green space, preserves and to reduce the dependence on imported oil.
- Increase in dual wage earner and single parent families are providing increased pressure to balance work and family life.
- Greater retention of business activity in local community
- Local employment generator due to greater economic activity
- Facilitates decentralisation of population
- Ability of parents to spend more time with their children (single or multi parent families)

Government

- Welfare to Work program benefits
- Reduction in assistance costs to disabled workers (able to work from home)
- Reduced road/rail demand/usage/spend
- Environment benefits
- Increased capability to use infrastructure to provide cross agency tele-services, such as tele-medicine, tele-education and other online services to people in regional and remote locations.

Recommendation 2

Telstra recommends the development of social, environmental and economic models to evaluate the advantages to be achieved from the introduction of Teleworking.

Recommendation 3

Telstra recommends further research be conducted to evaluate the cross agency advantages that teleworking may deliver, such as tele-medicine, tele-education and other online services.

Steps to teleworking

In looking across our client base and customer segments, there seems to be variety of approaches to teleworking implementation within organisations. Below is an outline of the factors that an organisation needs to consider to make teleworking work.

Have tools that will work – the technology must be both an enhancer and enabler while being as unobtrusive as possible. Before a company begins to telework it must ensure the workers have the tools to do their trade – that is, the hardware, software, access to networks, mobile data and technical support.

Educate the employees to the reasoning behind telework. Specific training of both managers and staff is necessary – communication outlining the benefits of teleworking, the bottom-line to business, and what it means for staff and co-workers needs to be done regularly. It will take time, and proof, for an entrenched mindset to change.

All involved parties, especially government and service providers should educate their constituencies about the benefits of teleworking. In order to do this further, and more up-to-date research may be necessary, since the technology advances has changed the teleworking picture dramatically in the last couple of years.

Pilot it – start slowly. Trial it with a handpicked group of people and address problems early. The first few months will typically uncover technical teething problems and highlight practical problem areas which may have been overlooked previously.

Be realistic – not all people, roles or tasks are suitable for telework. Be selective and realistic as to who and what will work. Roles or tasks that have clear productivity outputs can be easily managed and monitored remotely.

Apply a flexible approach – as every role is different, flexible work arrangements require a flexible approach. Where one role might work well 100 per cent remotely, other roles, particularly management or client-facing roles, may only work with partial flexibility, or not at all.

Manage expectations – make sure everyone in the organisation, and those joining, understand what is suitable and what is not suitable for this type of work. Identifying those

roles that clearly cannot be performed remotely, and why, will reduce the pressure of trying to offer a teleworking solution to all job roles

Address policies – both formal and informal – while most companies have the technology to undertake telework, the policies in place are often inadequate or not in existence. This introduces a risk. Standard procedures and policies need to be established, and regularly updated, so all constituencies know the ground rules. As the line blurs between work and the mobile office, clear guidelines for a range of issues are crucial to success i.e. occupational health and safety, security, expense reimbursement, office setup costs, technology support and so forth.

Need to involve all workers, especially teleworkers in team activities - teleworkers need direction, personal contact and feedback just as an office based worker would. Keep in contact by phone, email or instant messaging. Also arrange regular times for them to come into the office, be it for work social functions or a dedicated day each month/week to reduce feelings of isolation and for interaction with office-based staff or managers.

Train managers – unless managers have had to oversee salespeople or staff in other states/territories, many will be unfamiliar with the best means to manage remote workers. Providing training on simple tools and techniques will equip managers with a better ability to manage their workforce, regardless of where their employees are based.

Manage by results and reward accordingly - evaluation metrics which measure outputs against identified and agreed performance indicators make it easy to track any employee's performance within an organisation. Those teleworkers not meeting expectations will quickly demonstrate their unsuitability for remote tasks. Conversely, those that perform well should be rewarded accordingly and not hindered by their teleworking arrangement.

Simplify – Rather than treat teleworking as some form of special work option, it must rapidly become part of the fabric of the organisation. It must appear increasingly as the standard way certain work is performed rather than something unusual.

Regional Telecentres – an opportunity

One of the largest potential benefits of teleworking could be its impact on the reduction in capital expenditure on infrastructure such as roads and rail. One of the possible solutions to help facilitate this is the creation of regional telecentres in areas of high population growth, such as the NSW Central Coast or the Gold Coast in Queensland.

The development of this type of facility would need to be reviewed, however the concept would be to create a facility that offers an office away from the office experience. The facility would be equipped with a variety of key infrastructural enablers – high speed network services and options. The facility would offer a variety of workplace environments such as shared facilities, customer specific suites, shared office service facilities such as administration support, shared printers, and common staff areas. The facility would also be subject to a variety of security models and commercial arrangements.

The benefits of such a centre would be enormous, both for the people and companies that use it as well as the region where they are established. Telstra's very early discussions with local government stakeholder groups indicate favourable interest in this type of scheme.

Recommendation 4

Telstra recommends that the Federal Government conduct a feasibility study into the establishment of regional telecentres with a view to a formal trial within the 06/07 financial year.

The role of government – policy recommendations

Given the potential benefits of telework to society, there is a significant role for government in encouraging wider take up. This can be broken down into four broad areas – infrastructure, workplace liabilities, education and incentives.

Infrastructure

The infrastructure required to provide teleworking is already available to most Australians. Competition in the telecommunications market and increased demand in the last 12 months has seen a significant expansion in broadband availability in metro and regional Australia. In addition, both State and Federal governments have taken credible steps to ensuring that broadband access is available in those areas where competition does not make commercial investment practical.

The Commonwealth Government's HiBIS scheme and recently announced Metropolitan Broadband Blackspots program are key examples of this, as is the Victorian Government's recently announced SmartOne initiative.

Telstra believes that government, in cooperation with the private sector, has a continuing role to play in ensuring that adequate infrastructure is in place to enable teleworking for all Australians.

Liability relief

Health and Safety and other liabilities

Telstra has a strong commitment to ensuring that all of its people are assured a safe place to work. Backing up this commitment is a robust set of health and safety policies and practices. Despite our experience in this area, meeting the current legislative requirements as they would apply to teleworkers remains a challenge. Documentation addressing safety standards for home-based employees clearly states that the standards apply as they would for office-based employees. These standards even address such issues as air quality. Telstra has no desire to shirk its responsibilities in relation to health and safety but clearly there is room to clarify what should be the responsibilities of employers in relation to providing a safe place of work in the employee's home. Similarly, the presence of other people in an employee's home (eg children or visitors), who may also suffer injury due to the work activities being conducted presents risks for employers and inhibits the adoption of teleworking practices.

Recommendation 5

Clarification of the legitimate ways in which an employer can differentiate between office-based and home-based employees regarding health and safety and other liabilities. For example, a legislative amendment specifying that the employer is not liable for incidents in the home that involve third parties/family members.

Labour force initiatives

The Federal Government has clearly stated its intention to encourage people to enter or remain in the workforce. Teleworking may be an attractive solution that offers many people an opportunity to participate in the workforce via non-traditional means.

For example, The Department of Family and Community Services (FACS) administers the Workplace Modification Scheme (WMS). This scheme provides financial assistance up to \$5,000 to help employers make workplace modifications, including the lease, purchase or hire of equipment. Teleworking could be encouraged if FACS broadened their definition of 'workplace' to include the home.

Another example is the Indigenous employment programs and initiatives such as the Corporate Leaders for Indigenous Employment and the Community Development Employment Program, which might be considered for the potential to embrace teleworking.

Recommendation 6

Telstra recommends that the committee look at the initiatives of other government departments, agencies and bodies to identify whether there might be some synergies between teleworking and other workforce initiatives.

Recommendation 7

Telstra also recommends that all programs, initiatives and legislation be reviewed to ensure that the 'home' is included in the definition of the workplace.

Education

While big business has taken preliminary steps along the teleworking journey and are probably aware of the many issues involved, small and medium enterprises are yet to discover the benefits on offer.

Large corporate and government organisations, serviced by dedicated account teams, have access to information on new products and technologies and the benefits of their adoption. It may be more difficult for time poor SMEs to seek out this information.

The Gartner Group (http://www.gartner.com/DisplayDocument?doc_cd=114001) has identified insufficient support structures as one of the top 10 reasons why telework programs fail.

Telstra sees a role for government in promoting telework as a business enhancement tool, and in a more macro sense as a creator of jobs and population stability in rural, remote and disadvantaged (including urban) areas. The outcomes of the Australian Telework Advisory Committee investigations will hopefully be the first steps in this regard.

This could include the development of, in cooperation with the private sector, an off the shelf telework solution kit to make it easier for small to medium businesses to make purchasing decisions.

Government Initiatives

In addition to the recommendations made in this submission, Telstra believes the federal government could consider further steps to encourage the take up of teleworking, including:

- Incentives for telecentre development
- Incentives for companies to implement flexible working for their staff
- Incentives for employees to take up flexible working
- Provide accelerated tax allowances and/or tax credits on telework enabling investments - hardware, software & office furniture.
- Remove tax authority bias against persons taking home-office deductions/allowances – employer issued TAX form to confirm that tax filer is a bona fide teleworker.
- Remove Fiscal Bias against telework – remove GST levied on the sale of teleworker home if home office allowances have been taken.
- Confirm tax status of teleworker – employee, not independent contractor
- Continue moratorium on Internet taxes to encourage the wider use of computers, the primary tool of teleworkers.
- Provide grants to encourage the use of telework to create jobs in rural and disadvantaged (including urban) areas
- Provide matching grants for approved telework training programs.
- Mandate that 20% of the government workforce, that is "telework eligible", will telework – Lead by Example.

- Position teleworking as a vehicle for providing increased deployment of Information Technology -- continuing to maintain the productivity gains that have driven the prosperity of the world economy since the early 90's
- Recognise that widespread availability of cheap access to technology through wider use of telework can help to lessen the various "Digital Divides".
- Provide incentives to encourage the use of flexible/time-shifting of in-office hours to reduce traffic congestion during peak travel times.

Technology

As discussed previously, what can be constituted as telework fits into broad parameter. As a result, and due to the varied nature of work types that constitute telework, there is no single technology that provides the consistent basis of telework. At the most simple level, a fixed telephone service in a home could well provide the entry level to telework. This line may be used to connect an employee's computer to their corporate network, e-mail and important business applications such as accounting programs and customer information. In Australia, the quality, performance and breadth of this fixed network is such that the majority of homes in this country are in a position to support and enable base level telework.

In addition to the fixed network, wireless networks are also available and are accessible to the majority of Australia's population. Telstra's two mobile networks (CDMA and GSM) represent the second and third largest Mobile networks in the world. They can be utilised above and beyond or in conjunction with the fixed network for the teleworking. This is further enhanced by the availability of satellite communication services in remote parts of the country.

Internet and data services can also be delivered to support teleworking via a number of technology platforms nationwide.

In all of these cases, the technology platforms in place start from very simple, limited performance, low cost models progressing though to sophisticated, high performance and intelligent networks that deliver a wide range of network services. The network delivered services available currently include backup facilities, firewall and security options, and delivery of video conferencing functionality through to Voice over IP (VOIP) applications. Services such as these further enhance the experience of teleworking making it as seamless as being located in a traditional office.

Market experience suggests that in the near future the telework environment will address three core questions.

- How much performance do I need?
- What network features do I need?
- How much support do I require?

The answers to these questions will largely determine the most appropriate technologies to facilitate and enable teleworking.