



3 June 2005

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Manager, Connectivity Policy
Australian Telework Advisory Committee
Department of Communications, Information Technology
and the Arts
GPO Box 2154
CANBERRA ACT 2601

Via Email: telework@dcita.gov.au

Dear Sir / Madam,

Re: Ai Group submission to Australia Telework Advisory Committee

Ai Group welcomes the opportunity to express its views to the Australia Telework Advisory Committee (ATAC) in relation to telework.

Ai Group

The Australian Industry Group (Ai Group) is one of the largest national industry bodies in Australia. Ai Group represents employers in manufacturing, construction, information technology, telecommunications, call centres, automotive, transport, printing, labour hire, and other industries.

This submission is made by Ai Group and also on behalf of its affiliated organisation, the Engineering Employers Association, South Australia (EEASA).

The changing nature of work

Australian industry is now, more than ever before, competing in a globally connected world economy characterised by high levels of competition and intense pressures on prices. Globalisation and competitive pressures require that employers seek the most flexible, efficient and productive methods of work organisation.

Simultaneously, workers are seeking more flexible work practices in an effort to garner a more balanced approach to work and life outside of work.

Developments in information and communication technology enable work to be organised in a more flexible manner, to the potential benefit of both employers and employees.

The Extent of Telework in Australia

Telework occurs when some or all of a person's work is carried out away from their normal place of business. The International Labour Organisation (ILO) defines telework in the following way:

"A form of work in which:

- (a) work is performed in a location remote from central offices or production facilities, thus separating the worker from personal contact with co-workers there; and*
- (b) new technology enables this separation by facilitating communication"¹*

ABS Statistics show that in 2000, approximately 1 million workers *regularly worked* from home. This amounts to approximately 11 per cent of the working population of Australia. Whilst estimates and statistics vary, teleworking is a valid and increasingly popular option in the modern workplace. One prediction estimates the number of Australians teleworking to be 3.4 million by 2008².

In Ai Group's experience, the implementation of teleworking in a formal way has been concentrated within larger companies, particularly in the ICT sector. For such companies, the technologies are readily available.

As noted in Discussion Paper II, the take up of telework varies between industry sectors. Some industries, such as education and property and business services have high levels of working from home, whereas hospitality, retail trade, transport and mining have low levels³. Some industries may not be suited to teleworking due to the inherent requirements of the job.

This reinforces the need for telework to be implemented only where there is agreement between the employer and the employee at the enterprise level.

Potential Benefits

There are a number of benefits which can flow both directly and indirectly from implementing telework.

Employees can often attain a better balance between their work and family responsibilities through telework and other flexible work practices. Reduced travelling time to and from work can relieve stress and facilitate an improved quality of life for some workers.

There are also potential benefits for employers, including:

- Improved business efficiencies;

¹ ILO *Conditions of Work Digest*, as cited in "Guide to Teleworking" Work and Family Unit, Department of Workplace Relations and Small Business, Canberra, 1997

² "Telework Review", Australian Telework Advisory Committee (ATAC) pg. 4

³ "Telework in Australia" Australian Telework Advisory Committee (ATAC) Paper II, March 2005, pg. 8

- Greater staff retention leading to:
 - Lower training costs;
 - Lower recruitment costs;
 - Preservation of skills; and
- Improved morale and commitment.

Further, there are potential community benefits which flow from increasing the incidence of telework including:

- A reduced reliance on cars;
- Lower pollution;
- A reduced need for additional infrastructure such as roads, car parks, etc.

Also, telework may enable operations to continue in crisis situations, whether man-made or a natural disaster⁴.

Factors that prevent the adoption of telework

The costs of increased flexibility vary widely between businesses. The costs vary, for example, according to business size, location, production methods and training needs. The costs of the technology required to enable telework are sometimes a barrier for businesses. Not all companies have the resources to implement and maintain the most efficient enabling technologies for employees who wish to telework.

Some employers have expressed apprehension regarding their ability to monitor teleworkers' performance and level of productivity if they are working unsupervised from home. As in any working environment, it is up to the employer and the employee to ensure they are aware of their rights and responsibilities. Ongoing performance evaluation of telework arrangements is crucial, as is the case with all working arrangements.

One potential negative aspect associated with telework is the potential for workers to feel isolated and not "part of the team" due to decreased levels of personal interaction. A recent study in the UK cited high levels of loneliness in employees who telework as they missed interaction with colleagues and managers⁵. This is also mirrored in various studies in Australia, such as the NSW RTA telework trial carried out in 1993 - 1994. Thorough management of the telework relationship and specific company policies may help to reduce the likelihood of this occurring.

There are also risks commonly perceived due to occupational health and safety (OHS) legislation, workers compensation legislation, security, privacy and insurance issues. Employers have a duty of care towards their employees, which generally extends to telework situations. Whilst Ai Group does not believe that further regulation or legislation is necessary there would be benefit in clarifying relevant issues and obligations.

⁴ ATAC Consultation Paper "Telework for Employees and Businesses: Maximising the Economic and Social Benefits of Flexible Working Practices" April 2005, pg. 8

⁵ The Flexible Working Study 2004 cited in Workplace Express "News in Brief, May 18, 2005" available at www.workplaceexpress.com.au

Policies to promote telework

As set out above, Ai Group believes that telework should only be implemented where the employer and employee agree. Industry recognises the importance of assisting employees to balance their work and family responsibilities and the role that telework can play in achieving increased productivity and business efficiency. It is important, however, that the working preferences of employees are not fulfilled at the expense of reduced competitiveness for Australian companies. An approach based on mutual agreement at the enterprise level is the most effective in garnering the benefits and reducing the risks.

Employers and employees should be encouraged to reach agreement at the enterprise level on flexible work methods such as telework, through awareness-raising and promotion.

To assist in the promotion of telework as a flexible work option, positive case studies and fact sheets would be useful. Providing companies with examples of what has been successful for other companies and how to implement such changes would be of benefit.

Fact sheets which clarify the rights and obligations of both parties in the telework relationship would be beneficial, particularly in regard to issues such as OHS, workers compensation, privacy, security and insurance coverage.

A voluntary Code of Practice may also be a helpful tool in providing companies with implementation guidelines for mutually beneficial arrangements. This should be developed in consultation with industry groups such as Ai Group.

Should you have any queries about Ai Group's position please contact Victoria Perry, Adviser - Workplace Relations Policy on 02 9466 5515 or myself.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Heather Ridout', is written over a horizontal line. A vertical line is positioned to the right of the signature.

Heather Ridout
CHIEF EXECUTIVE