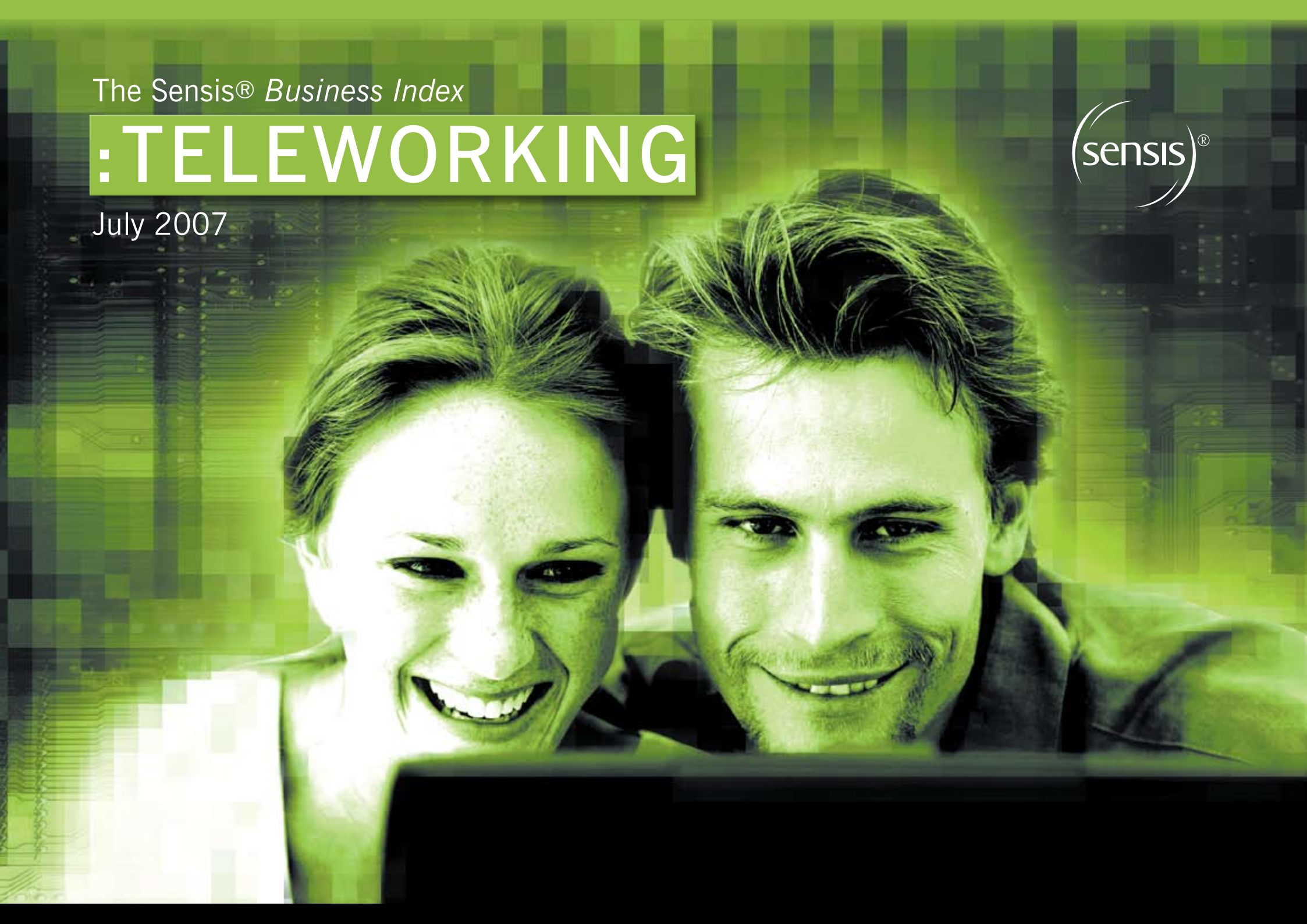


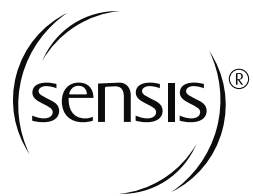
The Sensis® *Business Index*

:TELEWORKING

July 2007







The Sensis® *Business Index*

SPECIAL REPORT

:TELEWORKING

July 2007

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■ INTRODUCTION

THE Sensis® *Business Index* is an ongoing series of surveys tracking confidence and behaviour of Australia's small and medium enterprises (SMEs). These surveys have been undertaken quarterly since 1993.

The primary objectives of the Sensis® *Business Index* are to:

- track small and medium business activity over the past three months
- track expectations over both the current three and 12 month periods
- measure overall confidence among SMEs.

Another purpose of the Sensis® *Business Index* is to provide an independent, objective assessment of proprietors' experiences and attitudes on key issues.

The Sensis® *Business Index* is based on a sample size of 1,800 SMEs from metropolitan and regional areas of Australia. It includes businesses within the accommodation, construction, communication, health, community services, cultural and recreational industries.

The Sensis® *Business Index* enables broad scrutiny of the SME market, as well as an understanding of trends and issues relevant to this sector. It examines the differences in attitudes and experiences between regional and metropolitan SMEs and between small and medium enterprises. The aim of the Sensis® *Business Index* is to reflect the attitudes and behaviour of approximately 99 per cent of the Australian business sector.

“ The Sensis® *Business Index* enables broad scrutiny of the SME market, as well as an understanding of trends and issues relevant to this sector. ”

The Sensis® *Business Index* is an initiative of Sensis Pty Ltd as part of its commitment to this vital business sector. Sensis is Australia's leading information resource and is a wholly owned Telstra subsidiary. Sensis' popular information services make complex lives simpler by helping Australians find, buy and sell. These services include Yellow™, White Pages®, Trading Post®, CitySearch®, UBD®, Gregory's®, Whereis® and GoStay® Accommodation Guide. Sensis provides advertising services to 420,000 Australian businesses, of which 90 per cent are SMEs. ■

“ Since its inception in 1993, the Sensis® *Business Index* has been one of the most extensive and regular surveys of small businesses in Australia. ”



■ ABOUT THE SURVEYS

SINCE its inception in 1993, the Sensis® *Business Index* has been one of the most extensive and regular surveys of small businesses in Australia. Historically, the Sensis® *Business Index* has focused specifically on businesses employing 19 people or fewer. In November 2000 it was expanded to cover the medium business sector, while the regional and industrial sectors were also enhanced.

The May 2007 Sensis® *Business Index* results are based on telephone interviews conducted with 1,800 small and medium business proprietors. The sample size comprises 1,400 small businesses and 400 medium businesses (the latter defined as businesses employing between 20 and 199 people).

Businesses interviewed for the May 2007 Sensis® *Business Index* were drawn from all metropolitan and major non-metropolitan regions within Australia. Quotas were set for geographical location and type of business in order to produce the standard sample structure shown below. Where replacement businesses are recruited, this sample structure is maintained.

At the analysis stage, results were weighted by selected Australian New Zealand Standard Industrial Classification (ANZSIC) divisions within the metropolitan and non-metropolitan region of each state and territory. This ensured the sample reflected the actual small and medium business population distribution. The Australian Bureau of Statistics (ABS) Business Register, as at June 1998, was used to weight the sample to be representative of the total business population.

Interviewing for this latest survey was conducted from 24 April to 31 May 2007. The report covers experiences over the past three months (February to April 2007), and expectations for both the current quarter (May to July 2007) and the 12 months ending May 2008. ■

■ LOCATION OF BUSINESS

	Total	Metro	Non-metro
New South Wales	300	240	60
Victoria	300	240	60
Queensland	300	165	135
South Australia	225	195	30
Western Australia	225	195	30
Tasmania	150	90	60
Northern Territory	150	90	60
Australian Capital Territory	150	150	–
Total	1800	1365	435

■ DIVISION

Manufacturing	200
Building/Construction	250
Wholesale Trade	150
Retail Trade	250
Accommodation, Cafes and Restaurants	100
Transport/Storage	150
Finance and Insurance	100
Communication, Property and Business Services	300
Health and Community Services	150
Cultural, Recreational and Personal Services	150
Total	1800

“Overall, the study found an overwhelmingly positive impact for teleworking.”



EXECUTIVE SUMMARY

TELEWORKING

This report is based on data sourced from the Sensis® *Business Index*, which surveys 1800 small and medium enterprise (SME) owners. For this survey, teleworking was defined to utilise information and communications technologies to free staff from traditional office locations and enable them to work elsewhere.

THE EXTENT OF TELEWORKING

In summary, the survey found that 22 per cent of businesses reported that either they or their employees teleworked. Businesses in the Australian Capital Territory (32 per cent), businesses in the communications, property and business services sector (34 per cent), those in metropolitan areas (23 per cent) and medium businesses (47 per cent) all reported above average levels of teleworking.

Positively, in terms of business performance, SMEs that had teleworking employees reported significantly higher levels of confidence than those that did not embrace teleworking. Apart from business confidence, teleworking businesses also performed higher in most other performance indicators, most notably sales and profitability.

THE IMPACT OF TELEWORKING

Overall, the study found an overwhelmingly positive impact for teleworking. Coupled with the higher performance levels of businesses that teleworked, the case for introducing teleworking in the business environment is particularly strong.

Business owners cited improved flexibility for their employees, the ability to access information from anywhere, time saving and improved productivity as the top positive impacts of teleworking. Three-quarters of businesses that teleworked reported feeling that teleworking had no drawbacks.

THE FUTURE OF TELEWORKING

Despite the strong business case for teleworking, only an additional three per cent of businesses that did not telework were intending to introduce it. For those businesses that already teleworked, one-third were intending to increase the amount of teleworking in their business.

The main barrier to introducing teleworking was that it was not suitable for their type of work – this was mainly the case where customers needed to be served at the business premises, or staff needed to use equipment at the business premises. The main barrier to increasing the amount of teleworking in those businesses that already teleworked was time.

While most businesses had not looked for information on teleworking, internet search engines were the key source both for those that had looked, and hypothetically for those that hadn't looked if the need arose. Overall, most businesses would not change the way they had introduced teleworking in hindsight, but some suggestions included using better equipment, doing it earlier and having formalised policies. Businesses were likewise not likely to make particular suggestions for resources to help introduce or manage teleworking, with better information on the internet, access to resources and equipment and information on ICT facilities for teleworkers being the most popular responses. ■

THE INCIDENCE OF TELEWORKING IN AUSTRALIAN BUSINESSES

THIS report provides data on how teleworking is being used in Australian businesses, how they implement it and how they benefit from it. This snapshot uses data from the Sensis® *Business Index* to capture the attitudes of Australian business owners to teleworking in April and May 2007.

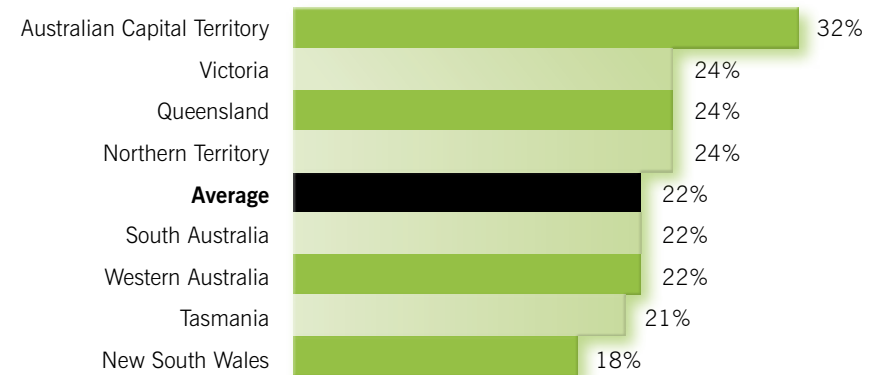
Teleworking is complex concept, and means different things to different people. For some businesses, teleworking can mean employees working from home or at a client's premises, for others, this is the normal form of work. It can be defined as broadly as using technology to work at any location, to having a formalised agreement to work within. In fact, many businesses embrace what some might think of as teleworking, without realising it. For these reasons it is important to define teleworking in the context of this data collection.

For the purposes of this report, teleworking has been defined as to utilise information and communications technologies to free staff from traditional office locations and enable them to work elsewhere. This definition varies slightly from that used in previous years and includes mobile workers, also taking out the previous linkage with traditional office hours.

As can be seen from the charts on the right, in May 2007 just over one in five (22 per cent) of SMEs reported have someone that teleworks. Looking at a state breakdown, those businesses in the Australian Capital Territory are most likely to have teleworkers (32 per cent), with those in New South Wales the least likely (18 per cent).

On a sectoral basis, not surprisingly businesses in the communications, property and business services sector were the most likely to have teleworking, with retail firms the least likely. Other business types that exhibited above average tendencies to have teleworking were those in metropolitan areas (23 per cent); medium businesses with between 20 and 199 employees (47 per cent); and businesses that were not family-based (26 per cent). ■

INCIDENCE OF TELEWORKING 2007 BY LOCATION



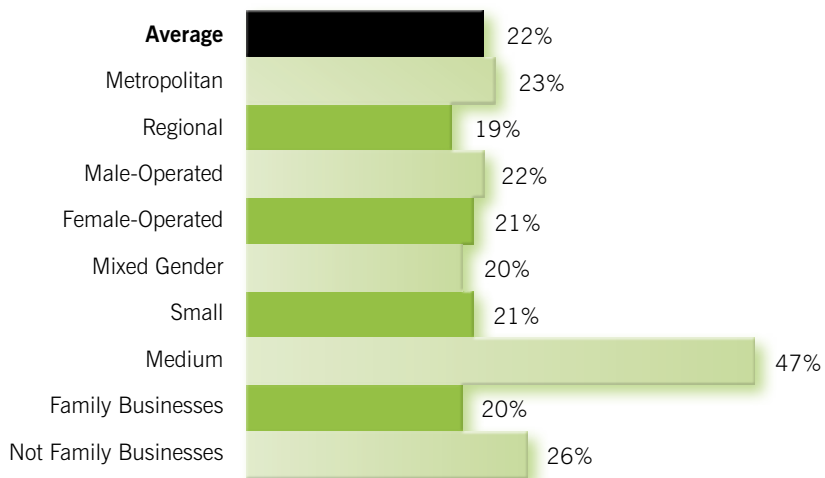
Q. Do you or any of your employees telework? That is, does your business utilise information and communications technologies (e.g. computer, telephone, BlackBerry, video conferencing, PDA, facsimile etc) to free your staff from traditional office locations and enable them to work elsewhere?

BASE=All Businesses

SOURCE: Sensis® *Business Index*
Sweeney Research - May 2007

“Teleworking has been defined as to utilise information and communications technologies to free staff from traditional office locations and enable them to work elsewhere.”

INCIDENCE OF TELEWORKING 2007 BY BUSINESS DEMOGRAPHICS



BASE=All Businesses

SOURCE: Sensis® Business Index
Sweeney Research - May 2007

INCIDENCE OF TELEWORKING 2007 BY INDUSTRY SECTOR

	Have Teleworkers	Intend to introduce
Manufacturing	18%	3%
Building/Construction	15%	2%
Wholesale Trade	26%	1%
Retail Trade	10%	2%
Transport/Storage	23%	2%
Business Services	34%	11%
Finance and Insurance	23%	3%
Health/Community Services	22%	4%
Personal Services	24%	0%
Hospitality	16%	0%

BASE=All Businesses

SOURCE: Sensis® Business Index
Sweeney Research - May 2007

TELEWORKING AND BUSINESS PERFORMANCE

THE Sensis® *Business Index* regularly tracks the confidence of businesses every quarter. In May 2007, the Sensis® *Business Index* found that net confidence among the Australian SME community was net 59 per cent. When one examines the confidence levels of teleworking businesses compared to those that do not telework, it can be seen that businesses with teleworking are significantly more likely to feel confident about their business prospects for the next year than those that do not telework (net 70 per cent compared to net 59 per cent).

Apart from business confidence, the May 2007 Sensis® *Business Index* found higher net balance results across the majority of performance indicators for SMEs that had teleworking. The gap in these performance indicators was most noted for profitability (32 percentage point difference); sales and exports (21 percentage point difference each). In addition to this, SMEs that teleworked were also twice as likely to export as those that did not (24 per cent compared to 12 per cent). The only performance indicators where SMEs with teleworkers rated lower than those without were prices, and capital expenditure.

In interpreting this data, it is important to keep in mind the context of the operating environment for businesses at the time. The May 2007 Sensis® *Business Index* found that SMEs were operating at the stage of the business cycle where confidence was strong and improving. Most indicators have reported strong increases over the past quarter, with the only exceptions being prices and wages, as inflationary concerns had been easing from the high levels that had been apparent in the preceding year.

In this context, it can be seen that those SMEs that teleworked had managed to record consistently higher performance, particularly across key indicators such as sales and profitability as well as general business confidence, than their non-teleworking counterparts. ■

“Businesses with teleworking are significantly more likely to feel confident about their business prospects for the next year than those that do not telework (net 70 per cent compared to net 59 per cent).”

■ **OVERALL SME CONFIDENCE**
MAY 2007

	SMEs with teleworkers	SMEs without teleworkers	All SMEs
Extremely confident	17%	15%	15%
Fairly confident	62%	54%	56%
Neutral	12%	18%	17%
Fairly worried	8%	10%	9%
Extremely worried	1%	3%	3%
Total confident	79%	69%	71%
Total worried	9%	13%	12%
*Net Balance	+70%	+56%	+59%

Q. Thinking about the next twelve months, how confident do you feel about your business prospects?

BASE=All Businesses

SOURCE: Sensis® Business Index
Sweeney Research - May 2007

■ **BUSINESS PERFORMANCE INDICATORS**
MAY 2007

	SMEs with teleworkers	SMEs without teleworkers	All SMEs
Sales	+34%	+13%	+17%
Profitability	+37%	+5%	+12%
Capital expenditure	-8%	0%	-2%
Employment	+17%	+2%	+5%
Exports**	+25%	+4%	+11%
Wages	+26%	+8%	+12%
Prices	+17%	+19%	+18%

*net balance of the proportion of SMEs reporting an increase minus the proportion reporting a decrease
**base – those that exported (24 per cent of teleworking SMEs, 12 per cent of those that didn't telework and 15 per cent of SMEs on average)

BASE=All Businesses

SOURCE: Sensis® Business Index
Sweeney Research - May 2007

TELEWORKING – WHERE AND WHAT?

AS part of this study, the Sensis® *Business Index* asked businesses about the way they telework into their organisation – where teleworking takes place and the types of tasks that their employees do while they are teleworking.

There were three places that SMEs were likely to report having people teleworking: their homes, while travelling and at client's premises.

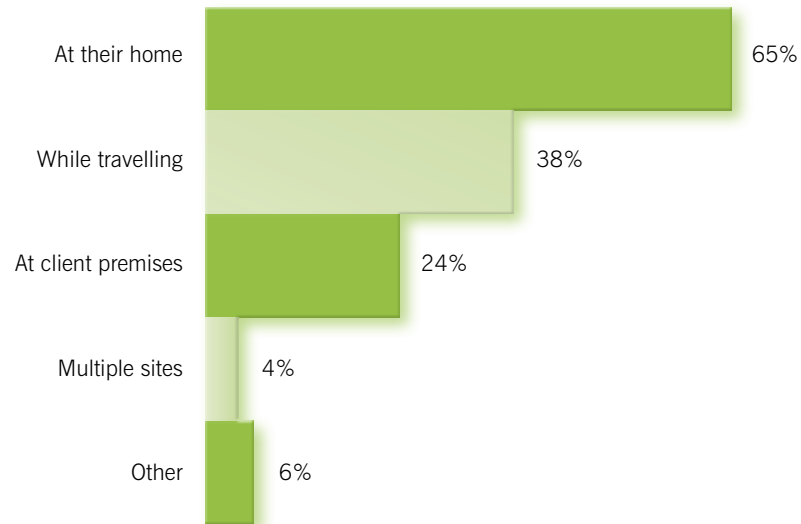
The most popular place that teleworking was performed was in their homes. Almost two-thirds of businesses (65 per cent) reported that either they or their employees teleworked in their homes. Following this response, many SMEs (38 per cent) reported that either they or their employees were teleworking while they were travelling. The other key place that teleworking was being performed was at a client's premises. Apart from these main responses, businesses also reported teleworking being used to enable staff to work between multiple business locations, as well as other less frequent responses including working interstate, overseas or at remote locations.

The key tasks that were being undertaken by teleworking were extremely diverse, and encompassed the broad spectrum of business tasks. Servicing customers was the most frequent task performed by teleworkers, with 30 per cent of teleworking businesses nominating this as one of their main teleworking tasks. In addition to servicing customers, administrative tasks and financial management tasks were key areas performed by teleworkers. However, beyond these broad categories, a multitude of business activities were mentioned by businesses as tasks performed by teleworking staff, ranging from sales, quotations, orders and customer support to research, report writing and technical work.

The extent of tasks given by businesses demonstrates that teleworking can be incorporated into most parts of the business operation from “back of house” functions like management, administration and production to “customer-facing” roles such as sales and customer care. ■

“ There were three places that SMEs were likely to report having people teleworking: their homes, while travelling and at client's premises. ”

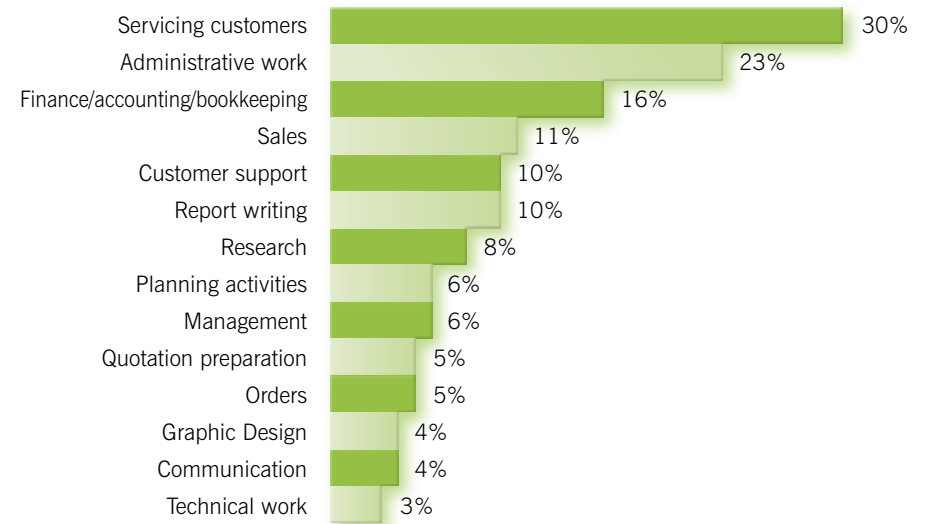
■ WHERE EMPLOYEES TELEWORK



BASE=Businesses with employees who telework

SOURCE: Yellow Pages® *Business Index*
Sweeney Research - May 2007

■ MAIN TELEWORKING TASKS



BASE=Businesses with employees who telework

SOURCE: Yellow Pages® *Business Index*
Sweeney Research - May 2007

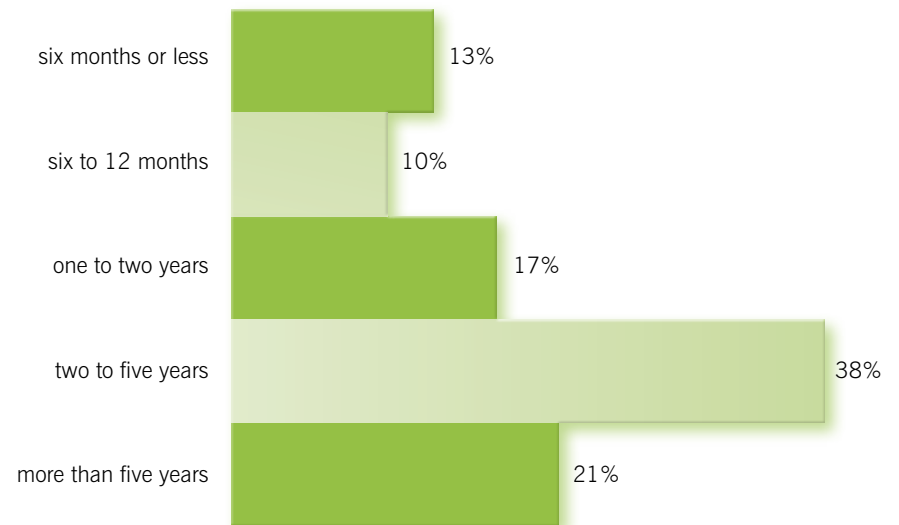
THE EXTENT OF TELEWORKING

LOOKING at the extent of teleworking in the organisational context, the Sensis® *Business Index* found that most businesses that teleworked had, on average, some 52 per cent of their workforce teleworking. It was most frequent to have between one-third and one-half of employees teleworking, which was reported by some 40 per cent of businesses. After this, the next most likely proportion of teleworking employees was up to 30 per cent, however it was almost as likely for businesses to report having over 80 per cent of their employees teleworking.

For those businesses that had employees teleworking, the average amount of time spent teleworking was 18 per cent. Most teleworking businesses though had employees doing relatively small amounts of teleworking as a proportion of their total work hours. Only eight per cent of businesses reported that their employees spent the majority of their work time teleworking. The most likely block of time that businesses reported was between five and ten per cent of their employees' work time.

Most businesses that had incorporated teleworking into their organisation reported that they had been doing so for a significant amount of time, most frequently between two and five years (38 per cent). It was next most likely that businesses had had teleworking arrangements for more than five years (21 per cent). In total, six out of ten teleworking businesses had had teleworking arrangements for more than two years. However, there were significant numbers of businesses that had relatively recently adopted teleworking – some 23 per cent, almost one in four, had brought teleworking arrangements into their businesses in the past year, with more than half of these having adopted teleworking in the past six months. ■

LENGTH OF TIME BUSINESS HAS HAD TELEWORKING ARRANGEMENTS



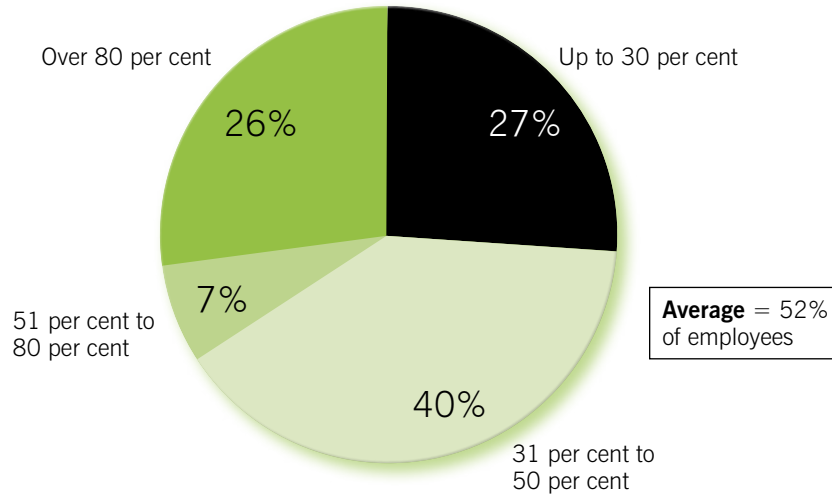
Q. How long have telework arrangements been in place in your business?

BASE=Businesses with employees who telework

SOURCE: Yellow Pages® *Business Index*
Sweeney Research - May 2007

“ For those businesses that had employees teleworking, the average amount of time spent teleworking was 18 per cent. ”

■ PROPORTION OF EMPLOYEES WHO TELEWORK BY BUSINESS SIZE

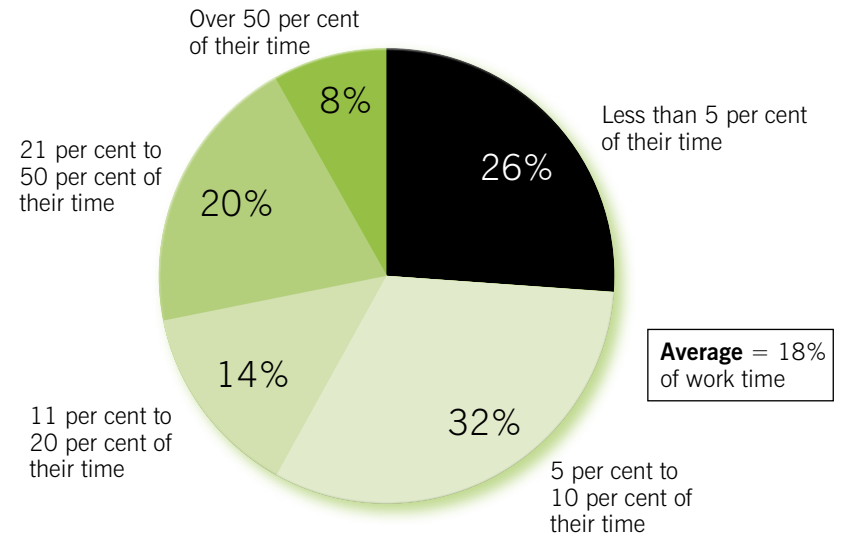


Q. How many of your employees telework?

BASE=Businesses with employees who telework

SOURCE: Sensis® Business Index
Sweeney Research - May 2007

■ PROPORTION OF WORK TIME SPENT TELEWORKING



Q. On average, what proportion of their work time do teleworking staff spend teleworking?

BASE=Businesses with employees who telework

SOURCE: Sensis® Business Index
Sweeney Research - May 2007

THE IMPACT OF TELEWORKING – BENEFITS AND DRAWBACKS

OVERALL, the Sensis® *Business Index* found that 81 per cent of SMEs who had teleworking employees reported that, on balance, teleworking had had a positive impact on their business. A further 19 per cent reported that they had not noticed any real impact from teleworking, and less than one per cent reported having had a negative experience from having their employees telework.

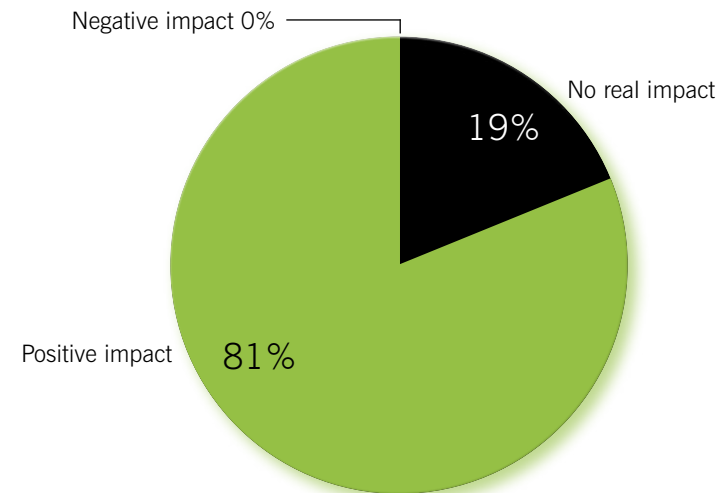
The main positive impact that businesses reported from teleworking was that it had given their employees more flexibility. This response was by far the most frequent positive impact cited, given by some 37 per cent of businesses that had introduced teleworking arrangements.

Other key positive impacts given by over ten per cent of businesses that had teleworking employees included being able to access information away from the office (17 per cent); time savings (16 per cent); greater productivity or efficiency (13 per cent).

As already mentioned, the proportion of businesses that felt that teleworking had had, on balance, a negative impact on their business was negligible, being reported by less than one per cent of those SMEs that had teleworking employees. It is not surprising then that the most frequent response given when asked whether they felt there were any drawbacks to teleworking was that there were none. This response was given by three-quarters (75 per cent) of businesses that had teleworking employees.

Drawbacks that were noted by some businesses were mainly related to people-issues including difficulties managing staff, needing face to face contact, a loss of control, feelings of isolation or working longer hours. Other issues that were raised that were not people-related included the technology issues and the cost involved. Overall though, whilst some businesses did raise some drawbacks that they felt teleworking had, on balance very few businesses felt that teleworking had a negative impact on their business overall. ■

IMPACT OF TELEWORKING



Q. On balance, has the introduction of teleworking had a positive impact, a negative impact or no real impact on your business?

BASE=Businesses with employees who telework

SOURCE: Sensis® *Business Index*
Sweeney Research - May 2007

“The main positive impact that businesses reported from teleworking was that it had given their employees more flexibility.”

■ BENEFITS OF TELEWORKING

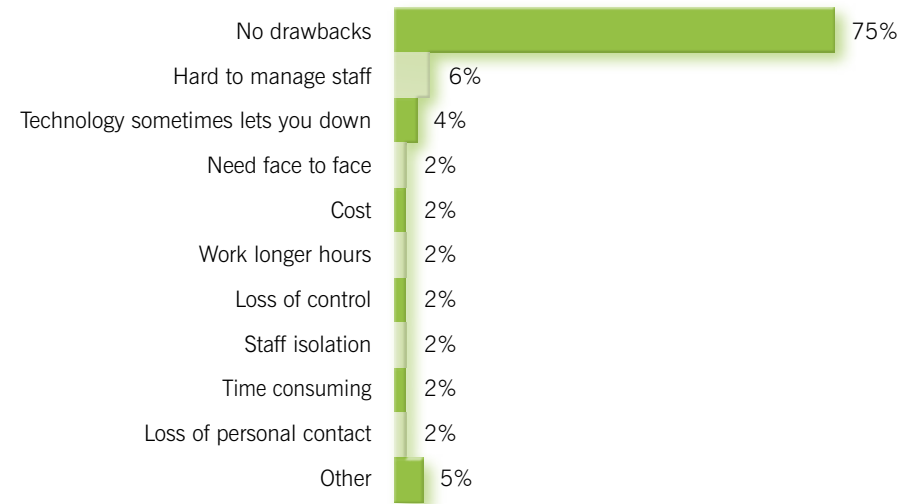


Q. What do you perceive to be the main benefits of telework for your business?

BASE=Businesses with employees who telework

SOURCE: Yellow Pages® Business Index
Sweeney Research - May 2007

■ DRAWBACKS OF TELEWORKING



Q. Are there any drawbacks for your business created by telework arrangements?

BASE=Businesses with employees who telework

SOURCE: Yellow Pages® Business Index
Sweeney Research - May 2007

FUTURE INTENTIONS OF TELEWORKING BUSINESSES

DESPITE over four out of five businesses that had teleworking believing that it had a positive impact on their business, the Sensis® *Business Index* found that only one-third (33 per cent) were intending to increase the amount of teleworking in their businesses.

Businesses in Tasmania were most likely to be intending to increase the amount of teleworking in their business (49 per cent), with those in Western Australia least likely (21 per cent). Businesses in metropolitan areas were more likely to be intending to increase the amount of teleworking (36 per cent) than those in regional areas (27 per cent).

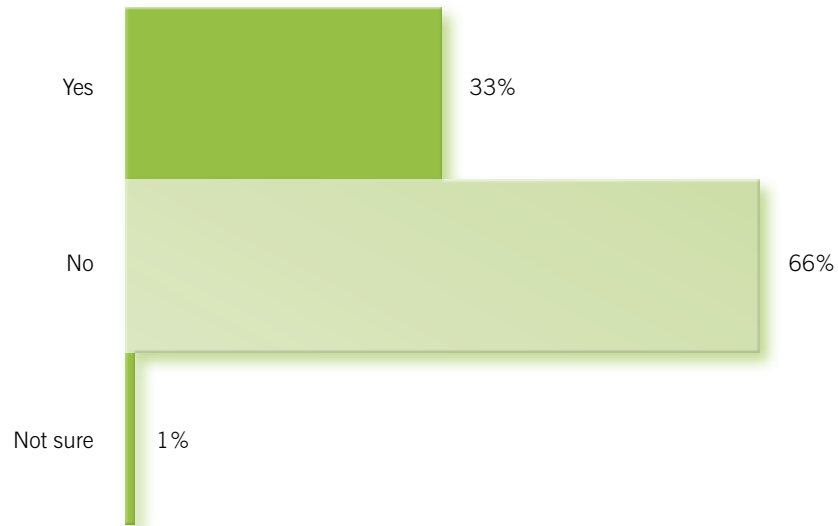
Businesses in the transport and storage sectors were the most likely to be intending to increase the amount of teleworking on a sectoral basis (66 per cent). Businesses in the accommodation, cafes and restaurant sector, a sector with already low incidence of teleworking, were the least likely to be intending to increase.

Considering the strong linkages between teleworking and business performance, it is not surprising to find that businesses that were planning for significant growth were most likely to be intending to increase the amount of teleworking in their businesses (51 per cent), with those that were not aiming for growth the least likely (23 per cent). Small businesses were also more likely to be intending to increase telework (34 per cent) than their medium counterparts (30 per cent).

Of those that were intending to increase the amount of teleworking in their business, most were intending to increase it fairly soon, with 37 per cent intending to increase it in the next three months. Only 18 per cent were looking at increasing with a timeframe exceeding twelve months. ■

“Businesses in metropolitan areas were more likely to be intending to increase the amount of teleworking (36 per cent) than those in regional areas (27 per cent).”

■ INTENTIONS TO INCREASE TELEWORK

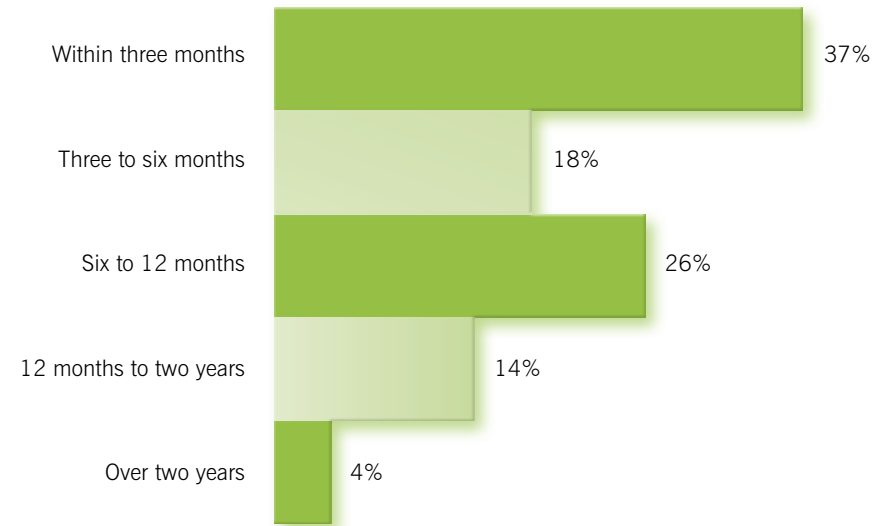


Q. Are you intending to increase the amount of teleworking in your business?

BASE=Businesses with employees who telework

SOURCE: Yellow Pages® Business Index
Sweeney Research - May 2007

■ INTENTIONS TO INCREASE TELEWORK - TIMEFRAME



Q. When do you intend to increase the amount of teleworking in your business?

BASE=Businesses that intend to increase teleworking

SOURCE: Yellow Pages® Business Index
Sweeney Research - May 2007

BARRIERS TO INCREASING TELEWORKING

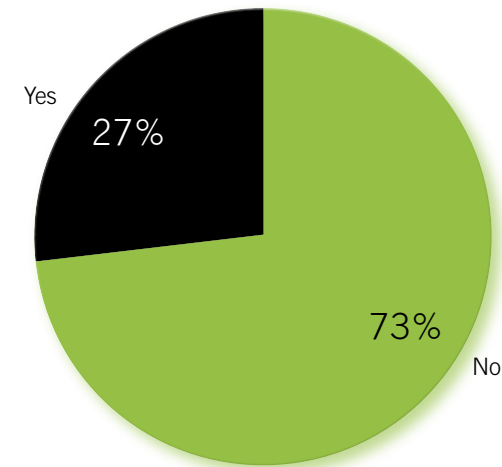
DESPITE the positive perceptions of teleworking, the lack of intention to increase it did not seem to be related in any significant way to businesses feeling that there were barriers preventing them from doing so. Overall, only 27 per cent of businesses with teleworking employees felt that there were barriers to increasing the amount of teleworking in their businesses.

Businesses in Tasmania were the most likely to feel that barriers existed (45 per cent) with those in the Australian Capital Territory least likely (five per cent). Interestingly, businesses in the transport and storage sector, the sector most likely to be intending to increase the amount of teleworking, were also the most likely to believe that barriers existed to doing so (41 per cent). Conversely, businesses in the accommodation, café and restaurant sector, the least likely to be intending to increase teleworking, were also least likely to believe that there were barriers to doing so (five per cent).

The main barrier to increasing the amount of teleworking in a business was the perennial issue of time (14 per cent). This was followed by a lack of staff (eight per cent), needing face to face contact, lack of skills, slow internet connections and suitability of work, all reported by seven per cent of businesses that felt barriers existed. A lack of staff was the main barrier cited by businesses in the transport and storage sector.

Two of the key barriers that are often mentioned in the literature are the type of work being unsuitable and concerns managing teleworking staff. For those businesses that already had teleworking, management of staff was not perceived

EXISTENCE OF BARRIERS TO INCREASE TELEWORKING



Q. Are there any barriers preventing you from increasing the amount of teleworking in your business?

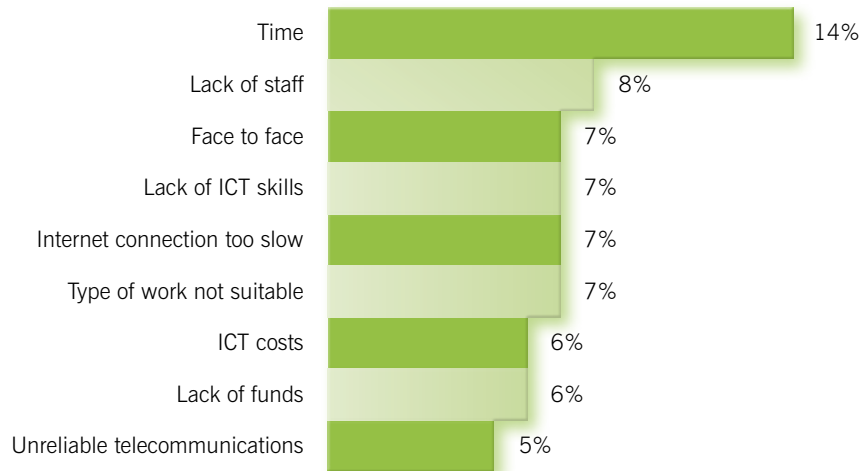
BASE= Businesses with employees who telework

SOURCE: Yellow Pages® Business Index
Sweeney Research - May 2007

to be a significant barrier to increasing it, being mentioned by only two per cent. The key issues raised about management concerns were the security and confidentiality of information and reduced direct supervision.

The type of work was seen to be a more significant barrier by those businesses that already had teleworking and believed barriers existed to increasing it, being raised by seven per cent. The key issues to do with the type of work included the need to serve customers at the business premises, the need to have face to face staff meetings and employees needing to use equipment at business premises. ■

■ BARRIERS TO INCREASING TELEWORK



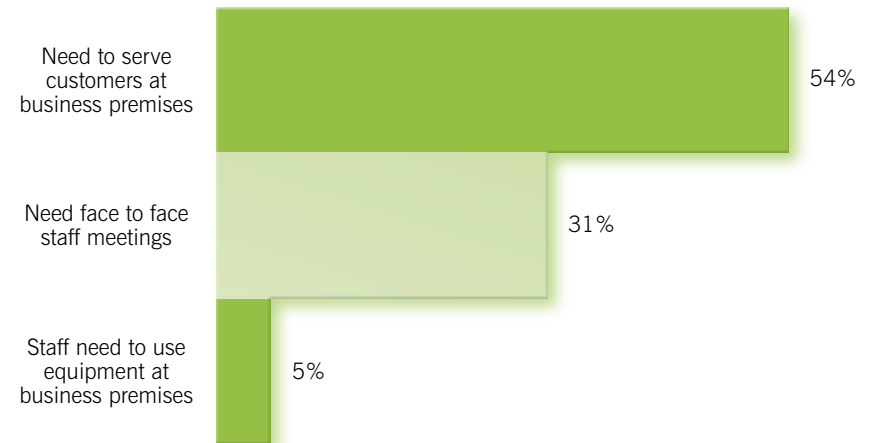
Q. What are the main barriers preventing you from increasing the amount of teleworking into your business?

BASE=Businesses that had teleworking but felt there were barriers to increasing it (27 per cent)

SOURCE: Yellow Pages® *Business Index* Sweeney Research - May 2007

“Overall, only 27 per cent of businesses with teleworking employees felt that there were barriers to increasing the amount of teleworking in their businesses.”

■ TYPE OF WORK AS A BARRIER TO INCREASING TELEWORK

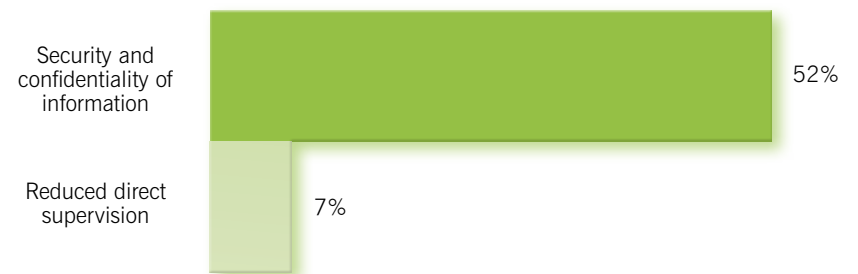


Q. What characteristics of the work your business conducts make it unsuitable for increasing the amount of teleworking?

BASE=Businesses that felt the type of work was a barrier to increasing teleworking (seven per cent)

SOURCE: Yellow Pages® *Business Index* Sweeney Research - May 2007

■ MANAGEMENT BARRIERS TO INCREASING TELEWORK



Q. What are your main concerns relating to the management of teleworking?

BASE=Businesses that felt management concerns were a barrier to increasing teleworking (two per cent)

SOURCE: Yellow Pages® *Business Index* Sweeney Research - May 2007

FUTURE INTENTIONS OF BUSINESSES THAT DON'T CURRENTLY TELEWORK

DESPITE the positive experiences of those businesses that had adopted teleworking, the Sensis® *Business Index* found that only three per cent of those businesses that did not currently have teleworking were intending to adopt it in their businesses, with 95 per cent having no intention to adopt, and a further two per cent unsure.

Businesses in Queensland and the Northern Territory were most likely to be intending to adopt teleworking in their business (six per cent each), with those in New South Wales and the Australian Capital Territory least likely (two per cent). Businesses in regional areas were slightly more likely to be intending to increase the amount of teleworking (four per cent) than those in metropolitan areas (three per cent).

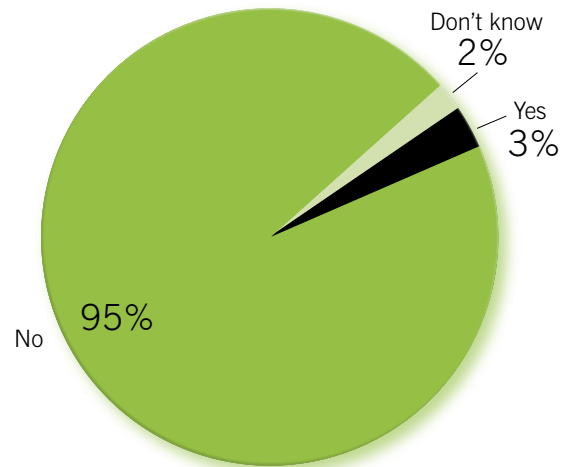
Businesses in the transport and storage sectors were also the most likely to be intending to adopt teleworking on a sectoral basis (14 per cent). Businesses in the health and community services sector were the least likely to be intending to adopt (less than one per cent).

Again, with the strong linkages already demonstrated between teleworking and business performance, it is not surprising to find that businesses that were planning for significant growth were most likely to be intending to adopt teleworking in their businesses (nine per cent), with those that were not aiming for growth the least likely (one per cent). Medium businesses were twice as likely to be intending to increase telework (six per cent) as their small business counterparts (three per cent).

As was previously seen, those businesses that had already adopted teleworking and were intending to increase it were likely to do so in the near future, which is not surprising considering their overwhelmingly positive experiences with it. However, those businesses that did not currently telework and were intending to adopt it were more likely to give longer timeframes, with over half giving a timeframe for adoption over 12 months away. Despite this, almost one quarter (23 per cent) were looking to adopt teleworking in the next three months. ■

“Medium businesses were twice as likely to be intending to increase telework (six per cent) as their small business counterparts (three per cent).”

■ INTENTION TO INTRODUCE TELEWORKING

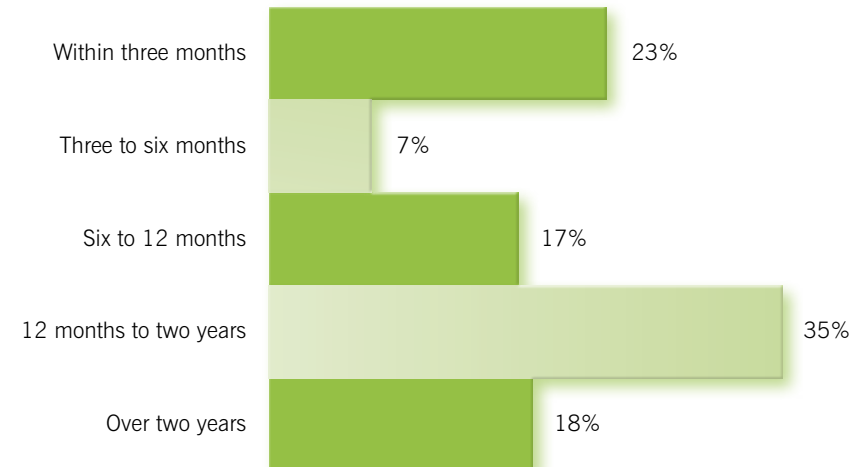


Q. Are you intending to introduce teleworking in your business?

BASE=Businesses with no employees who telework

SOURCE: Sensis® *Business Index*
Sweeney Research - May 2007

■ INTENTIONS TO ADOPT TELEWORK – TIMEFRAME



Q. When do you intend to increase the amount of teleworking in your business?

BASE=Businesses that intend to adopt teleworking

SOURCE: Yellow Pages® *Business Index*
Sweeney Research - May 2007

BARRIERS TO THE INTRODUCTION OF TELEWORKING

WHEN businesses that did not have teleworking were asked what the main barriers were to adopting it, over one quarter (27 per cent) responded that they did not feel there were any barriers, with an equal proportion feeling that their type of work was not suitable to it.

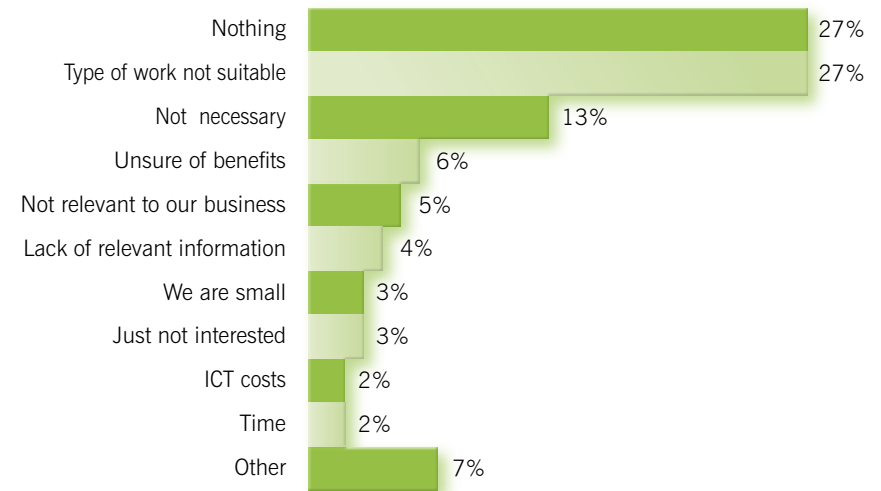
Apart from these two key responses, some 13 per cent believed that it was not necessary in their business, with six per cent responding that they were not sure of the benefits.

Again, two of the barriers to adoption of telework that are often mentioned in debates are the type of work being unsuitable and concerns about managing teleworking staff. Perhaps an indication that this is no longer the issue it once was, the management of teleworking staff was not perceived to be a significant barrier to its adoption, being mentioned by less than one per cent. The key issues raised about management concerns by those businesses that did not telework included a preference for dealing face to face, concerns about reduced direct supervision and reduced interpersonal communication.

By being mentioned by some 27 per cent of businesses that did not telework, the type of work issue was seen to be a more significant barrier. The key issues to do with the type of work included the need to serve customers at the business premises, the need for staff to use equipment at the business premises, the nature of their business, and issues relating to face to face contact for management, meetings and supervision.

With the type of work being mentioned at significant levels, it is interesting to look at which sectors found this to be more of a barrier. Overall, four sectors were most likely to report that the type of work was not suitable: retail, transport and storage, health and community services and accommodation, cafes and restaurants (33 per cent each). In all of these sectors the main issue was the need to serve customers at their business premises. This was also the main reason for the type of work not being suitable in the construction, wholesale trade, finance and insurance and cultural, recreational and personal services sectors. For the manufacturing and communications, property and business services sectors, the main reasons relating to type of work was staff needing to use equipment at their business premises. ■

BARRIERS TO ADOPTING TELEWORK



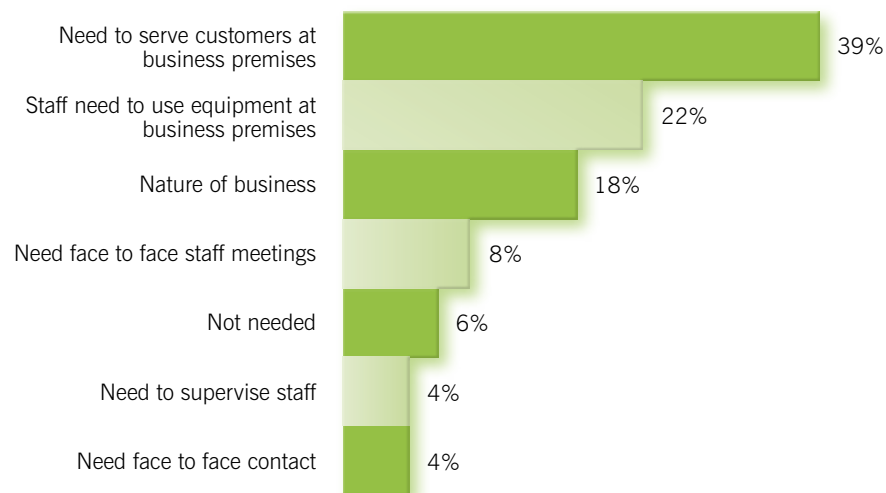
Q. What are the main barriers preventing you from introducing teleworking into your business?

BASE=Businesses that did not have employees teleworking

SOURCE: Yellow Pages® Business Index Sweeney Research - May 2007

“Overall, four sectors were most likely to report that the type of work was not suitable: retail, transport and storage, health and community services and accommodation, cafes and restaurants (33 per cent each).”

■ TYPE OF WORK AS A BARRIER TO ADOPTING TELEWORK

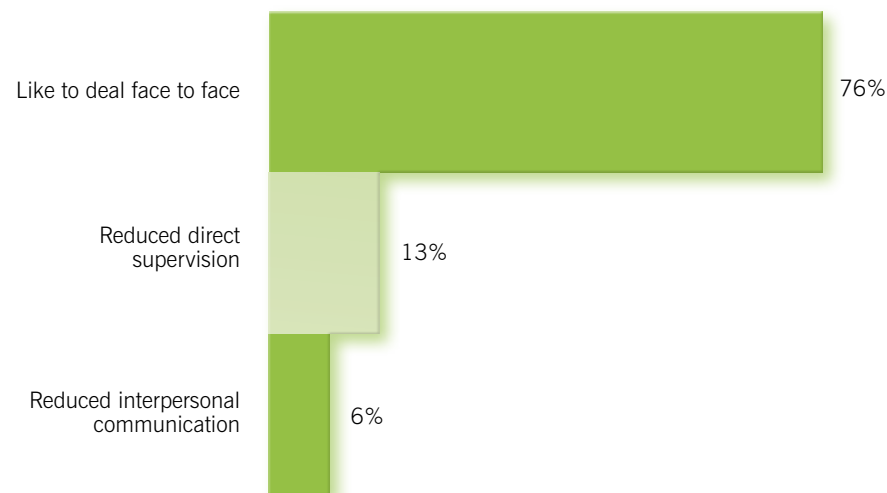


Q. What characteristics of the work your business conducts make it unsuitable for teleworking?

BASE=Businesses that felt the type of work was a barrier to increasing teleworking (27 per cent)

SOURCE: Yellow Pages® Business Index Sweeney Research - May 2007

■ MANAGEMENT BARRIERS TO ADOPTING TELEWORK



Q. What are your main concerns relating to the management of teleworking?

BASE=Businesses that felt management concerns were a barrier to increasing teleworking (less than one per cent)

SOURCE: Yellow Pages® Business Index Sweeney Research - May 2007

■ HOW SMEs ACCESS INFORMATION ON TELEWORKING

OF all businesses, only 11 per cent reported that they had looked for information to help them with teleworking in their business. This section looks at where businesses that had looked for information on teleworking found it, and, hypothetically, where those businesses that had not looked would be most likely to look if the need arose.

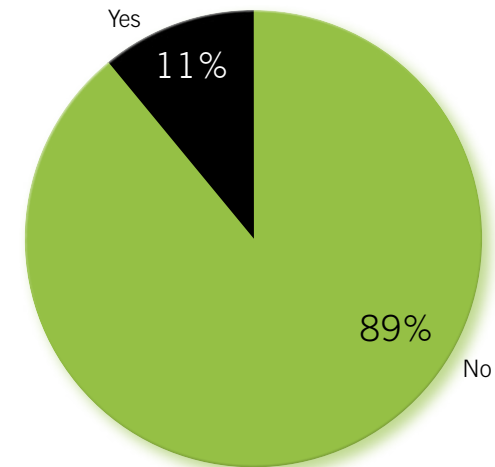
Businesses in Queensland were the most likely to have looked for information on teleworking (14 per cent). Businesses that were operated by males were also more likely to have looked for information on teleworking than their female counterparts (12 per cent compared to seven per cent).

By sector, businesses in the communications, property and business services sector were the most likely to have looked for information on teleworking (19 per cent) with those in the manufacturing sector least likely to have looked (four per cent). Medium businesses were twice as likely to have looked for information on teleworking as small businesses (20 per cent compared to 10 per cent).

The internet was the place that those businesses that had looked for information on teleworking searched for it. Internet search engines were used by over one-third (35 per cent) of businesses looking for teleworking information. The next most common places that businesses went for teleworking information were IT consultants (19 per cent), friends and relatives (17 per cent) and magazines and journals (11 per cent).

Hypothetically, the 89 per cent of businesses that had not looked for information on teleworking were asked where they would look for information if they did need it. The most frequent response was that businesses would not know where to look (44 per cent). The next most likely response was, again, internet search engines (19 per cent). No other responses were mentioned by more than 10 per cent. ■

■ HAVE BUSINESSES LOOKED FOR INFORMATION ON TELEWORKING



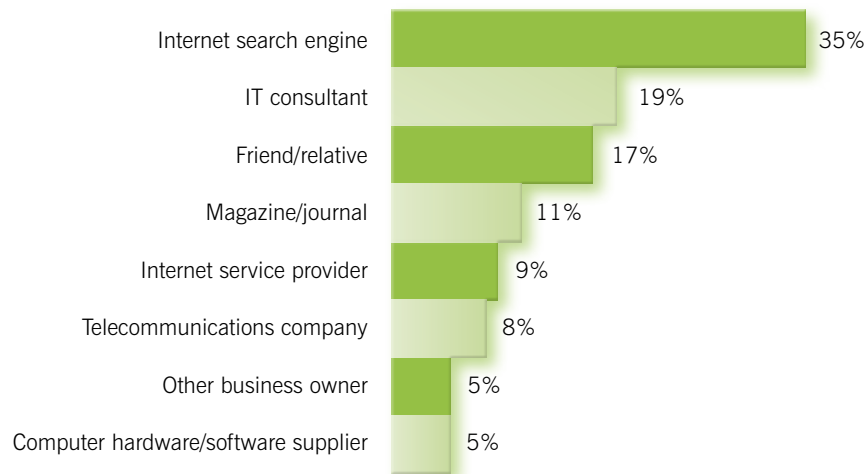
Q. Have you ever looked for information to help you with teleworking in your business?

BASE=All Businesses

SOURCE: Yellow Pages® Business Index
Sweeney Research - May 2007

“ The most frequent response was that businesses would not know where to look (44 per cent). ”

■ WHERE BUSINESSES LOOKED FOR INFORMATION ON TELEWORKING

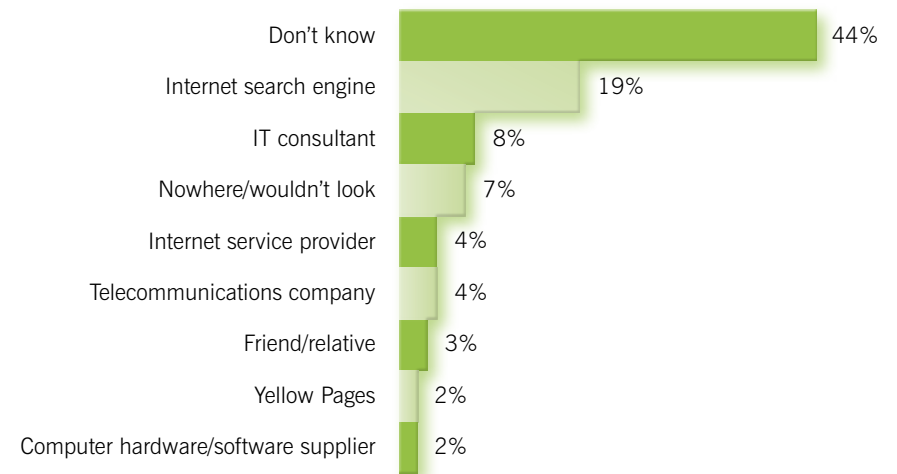


Q. What are your main concerns relating to the management of teleworking?

BASE=Businesses that had looked for information on teleworking (11 per cent)

SOURCE: Yellow Pages® Business Index Sweeney Research - May 2007

■ WHERE BUSINESSES WOULD LOOK FOR INFORMATION ON TELEWORKING



Q. What are your main concerns relating to the management of teleworking?

BASE=Businesses that had not looked for information on teleworking (89 per cent)

SOURCE: Yellow Pages® Business Index Sweeney Research - May 2007

■ HELPING SMEs TELEWORK – LESSONS LEARNT

LOOKING forward, to help more businesses adopt teleworking it is useful to look at the lessons that those businesses can pass on, and the types of resources that businesses, in general, feel would best help them.

Overall, the vast majority of businesses felt that, looking back, there was not anything that they would have done differently in their adoption of teleworking (86 per cent). There were not any major issues that businesses pointed to, however there were a number of issues raised by small proportions of businesses that serve as useful points to businesses looking at adopting teleworking.

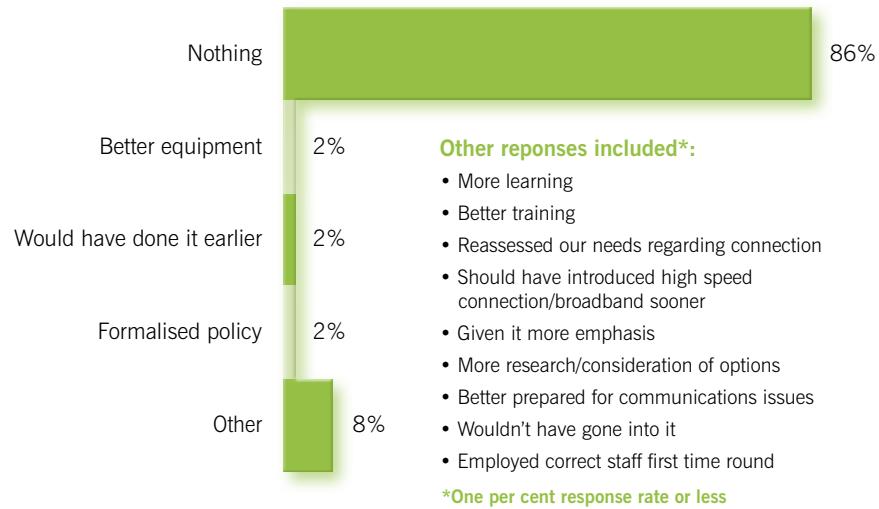
The only responses to be mentioned by at least two per cent of teleworking businesses were to have better equipment, to have done it earlier and to have a formalised policy. Other responses mentioned at lower levels included issues relating to training, using high speed connections, and choice of staff for teleworking.

When asked what resources would be useful in helping their businesses implement or manage teleworking, two-thirds of businesses (66 per cent) of businesses responded that they did not know, with the next most frequent response being that they did not need resources or felt them appropriate (11 per cent). Only three specific issues were mentioned by at least two per cent of businesses: better information on the internet, access to equipment and resources and information on basic ICT facilities for teleworkers.

Other responses mentioned at lower levels covered training, better broadband speeds and communications generally, use of consultants, funding, equipment and information on how to select teleworkers. ■

“The only responses to be mentioned by at least two per cent of teleworking businesses were to have better equipment, to have done it earlier and to have a formalised policy.”

■ WHAT WE WOULD HAVE DONE DIFFERENTLY

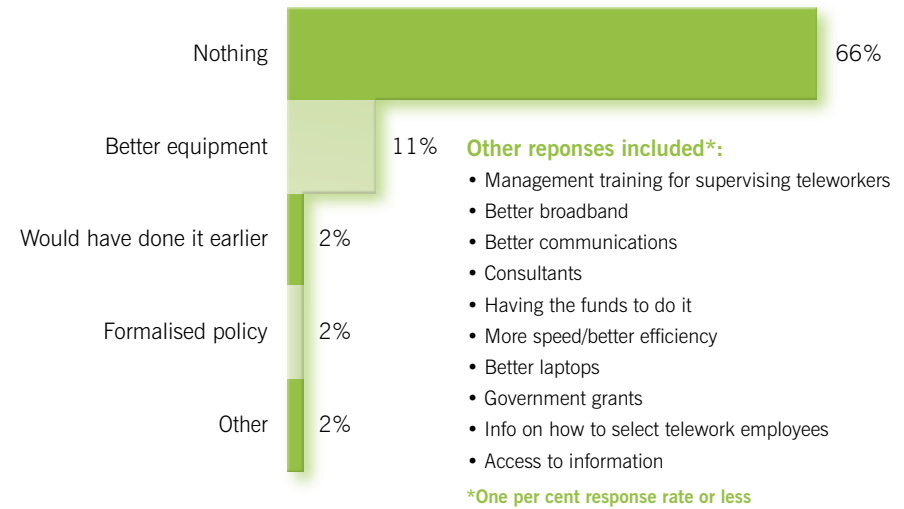


Q. Thinking back to when your business introduced teleworking, is there anything that you would have done differently?

BASE=Businesses with employees who telework

SOURCE: Yellow Pages® *Business Index*
Sweeney Research - May 2007


■ RESOURCES BUSINESSES WOULD FIND USEFUL FOR TELEWORKING



Q. What resources would be useful to assist your business implement or manage teleworking?

BASE=All businesses

SOURCE: Yellow Pages® *Business Index*
Sweeney Research - May 2007



“ The data collected in this study shows that teleworking is already a solid part of the Australian business environment. ”

CONCLUSION

TELEWORKING forms an important part of the contemporary business environment, allowing businesses the freedom to do business wherever and whenever they want. The data collected in this study shows that teleworking is already a solid part of the Australian business environment. The Sensis® *Business Index* found that some 22 per cent of Australian small and medium enterprises have already introduced teleworking as part of their operating environment.

Once again, this report presents a strong business case for the adoption of teleworking. The study found an overwhelmingly positive impact for teleworking in Australian businesses. Over four out of five businesses reported that teleworking was, on balance, positive for their business, with less than one per cent of businesses reporting a negative impact overall.

Business owners cited increased flexibility for their employees, the ability to access information from anywhere, time savings and improved productivity as the main positive impacts of teleworking.

While businesses directly reported many benefits from teleworking, this report also found independent correlation between teleworking and business performance. Businesses that had teleworking employees reported higher levels of business confidence and stronger levels of business performance across many key economic indicators. This evidence further strengthens the business case for teleworking.

However, while the case for businesses to introduce teleworking was strong, the Sensis® *Business Index* found that only a further three per cent of businesses were currently looking at introducing teleworking. Of those businesses that already teleworked and reported strong positive benefits, the group that would reasonably be expected to most want to increase the amount of teleworking in their businesses, only one-third reported that they were intending to do so.

Overall, businesses had few complaints about teleworking – when asked what they would do differently looking back; some 86 per cent responded that they would do nothing differently. Indeed, one of the key things that some businesses mentioned that they would do differently was to have adopted it sooner. These results point to businesses being very happy with their implementation of teleworking. No major regulatory barriers to teleworking were mentioned, indeed, barriers reported overall were low and, it could be argued, were valid considering the business – certainly the aim of this report is not to argue that teleworking is suitable for all tasks in all businesses, but that it is a valuable business tool – offering flexibilities for both businesses and employees as demonstrated by the data.

So, the interesting conclusion from this report is that while businesses had found teleworking positive, and while those businesses with teleworking had performed better than others, there was not a large amount of enthusiasm displayed by businesses for adopting or increasing teleworking in their businesses. While this report looks at the benefits of teleworking for businesses, teleworking has benefits beyond this, with the debate now often focussing on the social and environmental benefits of teleworking. The challenge for those wanting to increase the amount of teleworking is to publicise the strong business case that exists for teleworking and provide key steps that can be easily implemented for those businesses and employees interested in working beyond the office. ■

APPENDIX – QUESTIONS

Q1a. (*All businesses*) Do you or any of your employees telework?

That is, does your business utilise Information and Communications Technologies (e.g. Computer, telephone, BlackBerry, video conferencing, PDA, facsimile) to free your staff from traditional office locations and enable them to work elsewhere?

- b.** (*For businesses with teleworking*) Where is that work performed?
- c.** And what are the main tasks employees undertake when they are teleworking?
- d.** How many of your employees telework?
- e.** On average, what proportion of their work time do teleworking staff spend teleworking?
- f.** How long have telework arrangements been in place in your business?

Q2a. (*For businesses with teleworking*) What do you perceive to be the main benefits of telework for your business?

- b.** Are there any drawbacks for your business created by your telework arrangements?
- c.** On balance, has the introduction of teleworking had a positive impact, a negative impact or no real impact on your business?
- d.** Thinking back to when your business introduced teleworking, is there anything that you would have done differently?

Q3a. (*For businesses with teleworking*) Are you intending to increase the amount of teleworking in your business?

- b.** When do you intend to increase the amount of teleworking in your business?
- c.** Are there any barriers preventing you from increasing the amount of teleworking in your business?
- d.** What are the main barriers preventing you from increasing the amount of teleworking into your business?
- e.** What are your main concerns relating to the management of telework?
- f.** What characteristics of the work your business conducts make it unsuitable for increasing the amount of teleworking?

Q4a. (*All businesses*) Have you ever looked for information to help you with teleworking in your business?

- b.** Where did you find the information you were looking for?
- c.** Where would you go to obtain information on teleworking?

Q5a. (*For businesses without teleworking*) Are you intending to introduce teleworking in your business?

- b.** When do you intend to introduce teleworking into your business?
- c.** What are the main barriers preventing you from introducing teleworking into your business?
- d.** What are your main concerns relating to the management of telework?
- e.** What characteristics of the work your business conducts make it unsuitable for teleworking?

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:TELEWORKING

July 2007

