

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### **Inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria**

Wodonga — 23 October 2013

#### Members

Mr D. Drum  
Mr G. Howard  
Mr A. Katos

Mr I. Trezise  
Mr P. Weller

Chair: Mr P. Weller  
Deputy Chair: Mr G. Howard

#### Staff

Executive Officer: Ms L. Topic  
Research Officer: Mr P. O'Brien

#### Witness

Mr M. Kershler, director, information communications technology, Wodonga Institute of TAFE.

**The CHAIR** — Michael, welcome to this hearing of the Rural and Regional Committee of the Parliament of Victoria's inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria. I hereby advise that all evidence taken at this hearing is protected by parliamentary privilege as provided under relevant Australian law. I also advise that any comments made outside the hearing may not be afforded such privilege. Could you give your name and business address, please?

**Mr KERSHLER** — My name is Michael Kershler. I am the director of IT at Wodonga TAFE. The business location is 87 McKoy Street, Wodonga.

**The CHAIR** — Would you like to open up with a few comments and then we could have a discussion?

**Mr KERSHLER** — Yes. No worries. I will give a bit of an overview of Wodonga TAFE. We are 13 campuses across three states. Most people probably would not realise we are that size. Obviously Wodonga is our head office, but we service around 20 000 students per annum nationally, and a small proportion internationally. We employ approximately 700 active employees on the books any time, which is a mixture of full-time and sessional workforce. The business has probably doubled in size since 2009. I started in 2008, which has been a good journey to go on, particularly in the last five years with such rigorous growth, and technology has played a massive part in that. Education is probably one area that is, generally speaking, a leader around technology, just because of the nature of the business. If you are a student, you come in expecting to use the latest and greatest tools and being exposed to all that is being able to be offered in that type of area. We are often privileged to have relatively good funding from state and federal levels.

Speaking directly towards the topic at hand, as I said, we have 13 campuses, but a lot of our learning has shifted to an online focus.

**The CHAIR** — You said there are 13 campuses. Across how many states?

**Mr KERSHLER** — Three.

**The CHAIR** — Can you lay out the spread of them?

**Mr KERSHLER** — We have got Sydney, which is the only New South Wales-based one. In Victoria we have Wodonga — three here; Barnawartha, West Wodonga and one in central Wodonga. We have also got a presence at Wodonga Senior Secondary College. We have one at Puckapunyal, which is on the army barracks in Seymour, and Altona, Carrum Downs and Newborough. We have actually got three small ones in Tasmania, but one main one — in Penguin, Prospect and Hobart. We have a staff presence at every location in varying numbers, from several hundred to just a handful.

Our biggest growth has been in online learning, and with that has come a large sessional force as well. You can just imagine that if your students are remotely participating, you have no need to come in to an office and teach a class either, so these teachers are working remotely, and they operate from their home base or a campus. We do have a lot of hot desk scenarios. At any campus you can walk in, dock your laptop in or pick up the wi-fi at each location and work in that manner.

**The CHAIR** — So do you have teachers living in Cairns working for you?

**Mr KERSHLER** — Yes, everywhere. As I said, nationally we have got people who we pay, either contractors or sessionals who live in Western Australia, Queensland and the Northern Territory. We deliver in military contracts in different states, like the navy in Perth. We do not have to be there as a presence. With technology, we have pretty much gone from no remote working capacity in about 2007 to every single person being signed up by Wodonga TAFE probably never having to hit the campus. We do an online pre-induction process. You do not have to come into the office at all to get your user name and password or anything; you can log on from home. Your online timesheets and payslips are online and available. You learn a management system for students if all your materials have to go up there for teaching. We have an online product called Moodle, and you can access email on any device that you like — we support all of them; any mobile device or laptop. With webmail you can work from an internet cafe if you want to. We have 100 per cent remote access policy, which I think is where we need to be.

It was interesting to hear there is a selective remote access policy at Wodonga council. We moved away from that to be 100 per cent a number of years ago. Why should you not be able to work from any location at any time? That is currently our philosophy.

**Mr TREZISE** — So this shift has happened since 2007?

**Mr KERSHLER** — Yes, circa that period of time. As I said, we have had approximately 110 per cent growth in the business in the last four years. Part of that was due to a takeover — another RTO in Victoria — but the most uptake was due to the shift to predominantly online learning and our capability to support our staff without having to be on campus.

I will run around a few different topics here, and we can try to have questions whenever we need to. Key elements in us implementing a work-from-home or remote-work policy include the initial support given to the workers. They need to be made well aware of what our capabilities are across the business. The pre-employment induction plays a big part in that, where you do an online induction before you come on site.

There is ease of access to technology. It has to be cross-platform — anywhere, anytime. You cannot say, ‘You have to use this type of computer’. We do not care whether you have an iPad, an iPhone, an Android device or a PC or a Mac; it will work on our technology. That is the way we have geared ourselves strategically.

We have touched on a few areas of interest around how you maintain that engagement for your employee when they never come on site. What is probably not huge yet but is in a lot of industries is enterprise social media. We are able to keep across all of our staff. We use a product called Yammer. It is very similar to enterprise Facebook. A couple of them are working remotely today and not coming on campus, but they know exactly what is going on. We have a work-out-loud philosophy so we all know what each other is working on. We can easily measure performance through a number of metrics you might have already implemented through your HR systems. Generally with the work-out-loud concept I know what is going on within the department and the organisation as a whole. It is big to have that, considering we have got 13 campuses, and we need to make sure that if someone is working on a particular project down in Tasmania, in Sydney or at one of the Victorian campuses, we know what is going on.

Quite often you will find more than one person working on a similar thing, and then they can get together and take that offline and work with each other. Enterprise social media is going to play a big part moving forward in enabling communication within the workplace so people are not just isolated on email. Whereas email is the traditional medium where I send something to you and it is a conversation between you and me and perhaps I drag a couple more people in, with social media you can blast out a conversation, and whoever wants to follow you or join that particular line of interest also becomes exposed to the conversation. That is where the camaraderie comes into play and the real team philosophy. Switching away from the traditional phone call or one-to-one or one-to-several email medium into a more open forum has been a key for us to manage engagement. I think we have found that to be pretty successful.

We did some basic stuff a couple of years ago, like hot-desk scenarios where you can come in with a laptop and dock into a docking bay. That is not something that I see as very innovative anymore. That has been around for a while, and there is Wi-Fi everywhere; you should be able to tap into that. We support any device, any time; it does not matter whether you are a student or a staff member. If you get our emails through whatever product you want, we do not really care, as long as you get it and you are able to do business. I think that is probably breaking down those barriers to ICT. Our primary focus is security. Your primary focus should be enabling business, not protecting your own interests. Obviously you have to secure your network correctly, but these days there are a multitude of ways to do it successfully without preventing actual business uptake or productivity or enabling people to work remotely. That is the sort of path we have gone down as well in our ICT endeavours.

**The CHAIR** — It is all good. You have 13 campuses and you have people working remotely. What is the benefit for Wodonga? People are not necessarily working in Wodonga, but have you still grown the activity here in Wodonga?

**Mr KERSHLER** — Basically, I think that local businesses need to understand that Wodonga takes the business. We do not get a government handout at the start of every year. We have to actually go out and deliver to make money. Just like anyone else has to sell a product, we sell education as a product. That is how we

generate an income. Without having to recognise the value of technology, how do we grow our business nationally? I think just because you are a local manufacturing firm in Wodonga you should not need to say, 'How can I continually bend the local market over and over again and try to maximise?'. You need to expand your horizons. It does not necessarily mean that you have to have a \$100 000 capital investment to set up another shop in Melbourne or interstate somewhere. I think there is probably a bit of a lack of awareness of the capabilities of technology to deliver more income and to deliver end-of-product sale interstate and internationally. As a business, we have recognised that.

I think there are opportunities there, maybe through awareness campaigns with local employers, and more heavily through the chamber of commerce as well, such as, 'In order to grow your business, don't think about setting up another shopfront to do your retail ventures in the next suburb or the next city. Have a look at the lowest cost of operation to start up that sort of venture. Utilise more online mediums — websites have been around forever and a day. There are hundreds of other ways you can think of to get your message about your product out there than just a website with a shopping cart'. That is pretty old hat, and anyone who is good with online marketing would have a much deeper strategy than that, but you will find that local businesses here do not have even a web presence, let alone a shopping cart, and are not even thinking about social media as a marketing advantage for them. That is where the local businesses in this economy should probably start stepping up and having a deeper look just beyond the basic web presence of an email address and a website, because they are really just online business cards that people are spinning up these days.

If you take a leaf out of it, it is not just the sales perspective either, but your recruitment base grows all of a sudden. There is no reason why your accounts payable clerk cannot live in another state, and your HR does not have to be in your local office where you are manufacturing your product. You might have to have the hands-on in one spot, but apart from your foreman or whatever, if you are working as a boilermaker, why does the rest of your staff have to be located in that office? So there is a benefit for the local community. There definitely has to be a greater employee base then to choose from, because you have opened up your scope outside just Wodonga. That allows you to grow your business here more and therefore bring more money into this local economy.

On opportunities for us to try to take a next step, I am not sure about what is happening with running awareness campaigns in conjunction with telecommunications providers. Earlier we touched on the fact that in some areas there is a low bandwidth. You find that there is always an option of some sort to get connected. It is a bit of an excuse as to why people cannot take up some sort of digital or online strategy. We have to potentially tap in with a local Telstra or an Optus provider or the multitude of other ones out there that people are not aware of as well. They can help push the solutions as a whole, and not just have people saying, 'Get online? I don't have the NBN; I'm waiting for that', because that is the only thing that is in the papers these days. It goes a little bit deeper than that.

I jotted down just a couple of risks as well. There is no OHS awareness. Do not forget that when you are working from home that is your workplace and the employer has a responsibility. I am not an HR expert. We have always gone through stuff like this at Wodonga TAFE to make sure that they are not going to — —

**The CHAIR** — Some employers have told us that they will actually allow \$3000 or \$4000 for furniture and equipment at home so that it is the appropriate stuff, such as the chairs.

**Mr KERSHLER** — Yes. It depends on where your company's position is and their policy. Legally, if you just do a workplace assessment and everything comes up trumps, there is not really a need to invest hugely. If you think about the money you might save setting up another office or not having to invest in furniture locally, and you just let them use a home office — there are tax incentives there come tax return time — people are doing that. We have found that the bigger the business obviously the more savings you are going to make. That is just the nature of the beast. We can actually shut down whole floors of our Wodonga TAFE campus and not have to run a huge plant room. Those things cost us six figures a year to run, to cool down massive spaces. We have been able to shift the dynamics there of how we deliver. It does not really scale to that level when you have a 10-person business, but the \$3000 or \$4000 spent for them is just as significant as \$80 000 or \$90 000 for a bigger business. It is all relative.

I think cost saving is one benefit, but it is like the old adage — you should not look at video and remote working purely as trying to save costs in travel and petrol. That stuff is the obvious thing that just is your bottom line. You need to see it as a business enabler and how it can benefit the bottom line of your business. It should be that

you can recruit from a wider audience and you can sell to a wider market. It does not require a 100-megabit connection to get online. You can use social media, do a bit of work at home, check your email and online services and communicate internally with enterprise social media. There are all those things. You can write down a list of risks and benefits. A spot analysis is probably something good for this. There would probably be more pros than cons that we have been able to see in the past five years that have really enabled us to double our business growth. As I said, we are just like any other business selling a product to the market. It just happens to be an education product, not a retail clothing item or something. Are there any other questions?

**The CHAIR** — It has been very good. I like this philosophy that it is a business enabler.

**Mr KERSHLER** — If you are not enabling more income for your business, why are you doing anything as a local business owner? You are not spending money to help out the business down the road as such. At the end of the day, you are trying to line your own pockets and maximise your investment.

**The CHAIR** — It is a way for a business based here in Wodonga to grow and remain competitive.

**Mr KERSHLER** — Exactly. As soon as people start thinking, ‘Wodonga’s my market’, your strategy is already flawed. If people at Wodonga TAFE sat there and said, ‘Wodonga’s our market for education’ — and we have Charles Sturt University, La Trobe, Albury TAFE and a population of 100 000 — we would already have gone under by now. We have set our market nationally, and it is actually international as well. International business is something that still needs to grow a lot for us, but there is no reason why it will not, with a shift in how we deliver our basic product. Traditionally it is stand and deliver with a whiteboard. Now it is online and incorporating video.

I think the key is to have a staged approach. We are not going to turn around and in three weeks time have a 100 per cent online presence and the capability to work remotely. You can introduce these through a step-by-step measure. I think if you can identify those simple steps then you are in a lot better position than if you try to just go the whole hog.

**The CHAIR** — Did you say you have doubled since 2007?

**Mr KERSHLER** — Doubled since 2009.

**The CHAIR** — Obviously your student satisfaction rating must be pretty high.

**Mr KERSHLER** — Yes. I think we are on about 94 per cent student satisfaction. They are publicly available stats as well through I cannot remember which website — but student satisfaction surveys. Because we are a government entity, they are publicly available.

**The CHAIR** — Is that because they can learn online?

**Mr KERSHLER** — It is a combination of things when the survey goes out. It is not focusing on online only; it takes in a whole range of aspects, like quality of product delivery and services available. We have a lot of services available for a student, even though they are online. It is not just, ‘Here’s your assessment. Download it and then submit it again’. We still have the availability for counselling and career advisory services, the opportunity to enrol in university pathways and for engagement with your tutor one on one. So you have not lost anything by going online, and I think that is probably a key thing to remember. You cannot reduce your offerings just because you have reduced your physical presence somewhere. People are still looking for that high-end, Rolls Royce service from whatever the product market they are in. Just because it is online, it does not have to be a cut-back version of what they would expect to get from a retail shopfront. I think that is a key thing to consider as well when you are trying to move yourself away from the traditional face-to-face meeting or anything.

**The CHAIR** — Thanks very much, Michael, for coming along and offering to present here today. It has been very worthwhile. In about a fortnight’s time you will get a copy of the Hansard transcript from Lilian to proofread. You will be able to make corrections to obvious errors, but other than that it will be as it is. Thanks very much. It is pleasing to hear of the successes that Wodonga TAFE is having.

**Witness withdrew.**