

Briefing Paper:

Working from Home, Not a Problem

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Introduction

Over a third of employed people usually work from home for at least some of the week. For many employees in jobs where it is possible to work remotely, working from home has become an established working arrangement. Yet, there is strong opposition from some employers to working from home and regular reports of pressure from organisations to wind back this work arrangements.

In this briefing paper we examine the facts about working from home. We ask: Who works from home and why? Who benefits from working from home arrangements? Why do some employers (and politicians) want workers back in the office? What is the future for work from home arrangements?

Working from home has changed the way many people work. Working from home for at least some of the week enables and supports job satisfaction, individual performance and fuller participation in paid work. Work from home arrangements are of particular benefit to women with young children and carers, as well as to people with a disability or health conditions who experience barriers to work associated with travel or attendance at an office. Working from home benefits organisations and contributes to more inclusive and gender-equal workforce participation and a more productive economy.

Who works from home and why?

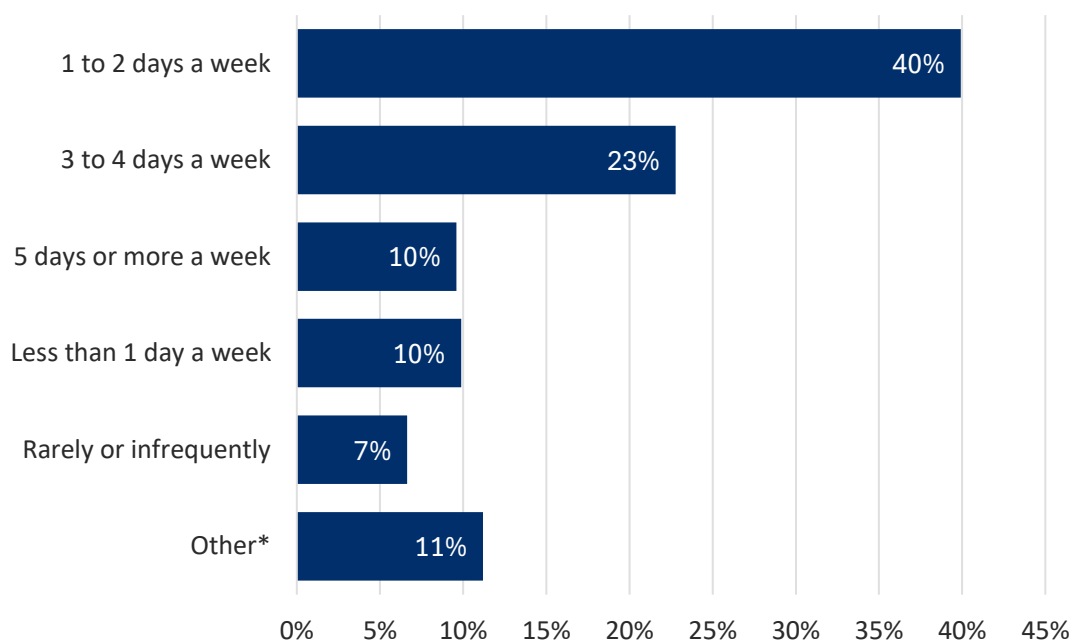
More than one in three employed people (36%) usually work from home some days of the week. Among these:

- one in three employees (32%) and almost two-thirds of owner-managers of businesses (63%) usually work from home, and
- over one in three female employees (34%) and a slightly small proportion of male employees (29%) usually work from home.¹

Not all jobs can be undertaken remotely; however, a large number can. Research suggests a third or more of all job roles are able to be performed from home and more women than men work in roles that can be performed remotely.² Among female employees

Among employees who usually work from home, most work in a hybrid arrangement, combining some days working at home with some days in the office. As shown in Chart 1 four in ten (40%) work one to two days a week from home. Fewer employees work from home three to four days a week, and only one in ten work from home five days.

Chart 1. Employees with work from home arrangements: Days worked at home.



Source: ABS (2024) *Working arrangements, August 2024*, Canberra, ABS, 6336.0, Table 1,

Internationally, the prevalence of working from home varies according to factors including the make-up of the economy and extent of digitisation. However, following forced lockdowns during the COVID pandemic, many countries have experienced historic growth in employees working from home. As in Australia, the most common working from home

¹ Australian Bureau of Statistics (ABS) *Working Arrangements, August 2024* Canberra, ABS.

² Ulubasoglu, M. and Önder, Y. K. (2020) Teleworkability in Australia: 41% of full-time and 35% of part-time jobs can be done from home, *The Conversation*, 29 June. <https://theconversation.com/>

arrangement in other countries is a hybrid one. For example, in the UK more than a quarter (28%) of employed people work in hybrid arrangements.³

In Australia, employees in the three occupational groups Managers, Professionals, and Clerical and Administrative workers are those most likely to regularly work from home. Over half of Managers (57%), over half of Professionals (56%) and four in ten Clerical and Administrative workers (41%) regularly work from home. Machinery Operators and Drivers, and Labourers, are least likely to regularly work from home, as shown in Table 1.

Table 1. Employees regularly working from home, by occupation, 2023

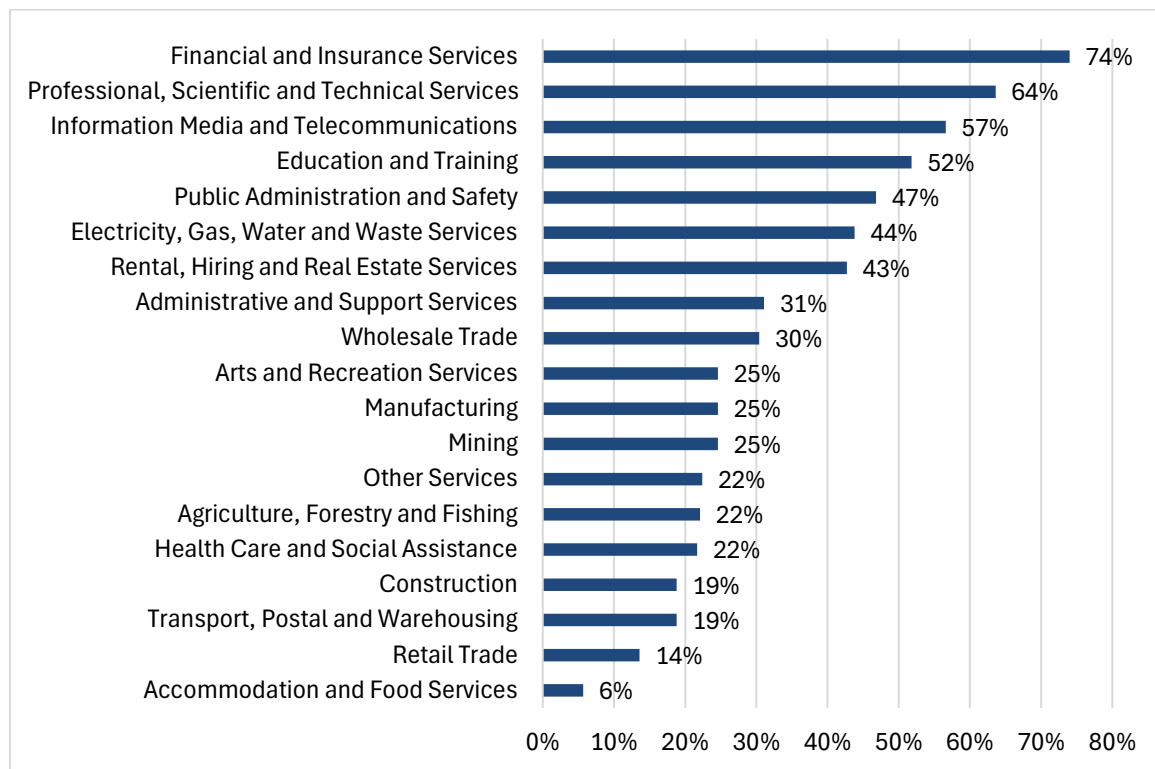
Occupation	Regularly work from home in main job
	%
Managers	56.5
Professionals	55.9
Clerical and administrative workers	41.4
Technicians and trades workers	13.0
Community and Personal Services Workers	12.1
Sales Workers	15.5
Machinery Operators and Drivers	3.3
Labourers	2.9
All occupations	31.5

Source: Reproduced from Fair Work Commission (FWC) (2024) Work and Care Data Profile, Table 1 p. 6. FWC.

The prevalence of working from home varies according to industry. In some industries, between a half and three quarters of employees regularly work from home: these include the Financial and Insurance industries (74%), Professional, Scientific and Technical Services (64%), Information Media and Telecommunications (57%), and Education and Training (52%). Contrastingly, Retail Trade and Accommodation and Food Services industries have the fewest employees working from home: 14% and 6% respectively.

³ Office of National Statistics (2024) *Who are the hybrid workers?* ONS, 11 November. <https://www.ons.gov.uk>

Chart 2. Employees regularly working from home, by industry, 2023



Source: FWC (2024) *Work and Care Data Profile* Chart 3 p. 7, FWC.

Why do employees work from home?

According to the ABS, the most common reasons employees usually work from home are:

- to work more flexibly or choose their own hours (30%)
- to spend less time on travelling or commuting or to save money (15.1%)
- because of childcare or family considerations or caring responsibilities (7.7%)
- to catch up on work after hours (21%)
- because they operate a business from home or are in a home-based job (10.9%).

Other reasons employees work from home include to have fewer distractions and because of health-related reasons.⁴

Who benefits from work from home arrangements?

Benefits for workers

- *Increased productivity and managing work and care balance*
The ability to work flexibly and have greater control over working hours can enable people to work when they are likely to be most productive and help them to *balance work, care and other activities and responsibilities*.

⁴ ABS (2024), *Working Arrangement*, August 2024.

- *Saving time and money spent on travel*
Reducing commuting can be a significant benefit, especially as average commute times are growing and are now a little over an hour a day, on average.⁵ For people in regional and remote areas, not having to travel to work can also mean having greater access to employment.
- *Giving parents and carers more work and employment options*
Freeing up time usually spent on travel can also enable workers to maintain or increase their work hours, incomes and career opportunities. For example, flexible working arrangements including working from home, can assist women with care responsibilities to take up jobs with longer hours, change from part-time to full-time work, or take up new career opportunities.
- *Better access to work for people with a disability or health condition*
Working from home opens up *new work options for people with a disability or health condition* who may otherwise have their employment limited by the need to manage health or because of other barriers to travelling or working in the office. Surveys in Australia and elsewhere have found many employees with disability would prefer to work from home for at least two or three days a week. Benefits include improved mental health due to reduced stress and anxiety and feeling happier.⁶

More generally, large international studies have found working from home allows employees to work with greater autonomy and flexibility, promoting wellbeing. A downside of working from home, especially for people who work from home all the time, is increased loneliness.⁷

Benefits for organisations

Research undertaken during and in the first couple of years after the pandemic suggests mixed impacts on organisations. However, more recent large studies controlling for a range of other factors have found working from home to have positive effects for organisations, including that some of the benefits experienced by employees translate into benefits for organisations.

- Employees' increased job satisfaction contributes to *better retention and significant reduction in employee turnover*.
- *Increased productivity* working at home is linked to the typically quieter working environment at home and the saving in workers' time and effort from not having to commute. A recent large UK study found a 12% increase in workers' productivity

⁵ Melbourne Institute: (2019) *The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 17*, University of Melbourne. <https://melbourneinstitute.unimelb.edu.au/>

⁶ Williamson, S., Taylor, H., Weeratunga, V. (2023) Working from home has worked for people with disability. The back-to-the-office push could wind back gains, *The Conversation*. 25 July. <https://theconversation.com/>
See also Bissell, D. et al. (2024) *The Geographical Work Revolution: Navigating the future of working from home in Australia*, University of Melbourne and Western Sydney University. <https://researchers.westernsydney.edu.au/en/publications>

⁷ Gallup (2023) State of the Global Workplace Report, p. 8. <https://www.gallup.com/>

when working from home, largely due to reduced distractions. Another study of a large trial with a control group for comparison found employee attrition was reduced by 33%.⁸

- *Increased workforce diversity and access to a larger pool of workers bring productivity benefits.* More flexible working arrangements not only increase access to jobs for different groups, they can be important for attracting workers to an organisation.

Benefits for the economy and society

Greater inclusion and increased economic participation are some of the broader benefits of the expansion of working from home arrangements. Additionally, increased labour force participation increases incomes and economic productivity.

- *Facilitating growth in women's work participation*
Flexibility at work that supports employees to combine work and care can lead to increased economic participation. Research has found that women with children and carers have significantly increased their workforce participation in occupations that have made large transitions to remote work since the pandemic.⁹ The ability to access flexible work, including work from home, has been credited with increasing women's participation in full-time jobs in the Australian Public Service in the post-pandemic years. In a 2024 survey of women working in the public service, almost all (97%) of respondents said working from home in normal hours is important or very important.¹⁰
- *Positive impact on the employment of people with a disability*
It is likely that the expansion of working from home options is having a positive impact on the employment of people with a disability with mobility and other barriers to working in an office environment. In Australia, between 2018 and 2022, while the labour force participation rate for people without disability barely changed (it was 84% in 2018 and 85% in 2022), the rate for people with disability increased from 53% to 61%. This is a dramatic increase given that between 1993 and 2018 the labour force participation rate for people with disability was relatively stable, with the rate 55% in 1993. While unemployment is still much higher for people with disability than those without, between 2018 and 2022 the unemployment rate for people with disability declined from 10% to 7%.¹¹

⁸ Fenizia, A., & Kirchmaier, T. (2024) Not incentivized yet efficient: Working from home in the public sector. *Centre for Economic Performance Discussion Paper No. 2036*, London School of Economics. <https://cep.lse.ac.uk/>; See also Bloom, N., Han, R., & Liang, J. (2024). Hybrid working from home improves retention without damaging performance, *Nature*, 630 (8018), 920-925.

⁹ Wilson, M and Brooks, J (2024) WFH debate must refocus on productivity, in *CEDA Economic and Policy Outlook 2024*, chapter 2 <https://www.ceda.com.au/>

¹⁰ Ireland, O. (2025) Public servants will have right to disconnect repealed under Coalition government. *Sydney Morning Herald*, 9 March.

¹¹ ABS (2024) *Disability, Ageing and Carers, Australia: Summary of Findings*; ABS (2015) 4433.0.55.006 - Disability and Labour Force Participation, 2012, Canberra, ABS.

Why do some employers (and politicians) want employees in the office full-time?

In Australia and internationally there remains strong support from many organisations for work from home as a flexible work option for employees. However, demands from large organisations that their employees return to the office appear to be growing. Some organisations have gone from supporting and enabling hybrid work arrangements to calling for employees to be in the office five days a week.¹² There may be many motivations for this, however there are some common reasons cited.

Productivity and workplace culture

Productivity is perhaps the most commonly cited reason for wanting employees to work in the office. Yet, as outlined earlier in this paper, evidence that workers are less productive when working from home is weak. In fact, there is a growing body of research suggesting there can be significant productivity benefits from working from home.

Evaluating the productivity of skilled workers is not always easy and, in skilled jobs, managers may be used to relying on seeing employees at their desks and engaging informally to judge whether they are doing their work. For this and other reasons, remote work has probably made managing people more complicated.¹³ Good management, communication, and clear expectations are important. If employees feel they are not being trusted to work autonomously this could even undermine productivity.¹⁴

Workplace culture is another reason given for wanting workers in the office. Underlying this is the belief that employees working will be more engaged with the organisation's values and social norms – including as they have more opportunity for informal interactions – leading to greater cultural cohesion. Yet large international surveys indicate that working from the office does not necessarily mean greater engagement.¹⁵ Forcing people to work from the office can have negative effects on morale and productivity.¹⁶

Employee performance and engagement are important for organisations. But the assumption that work location is the major factor affecting either engagement or productivity is not well supported by the evidence. What matters much more than working in or away from the office is the quality and competence of managers.¹⁷ Well-managed workplaces can offer good opportunities for collaboration and mentoring, including, through hybrid work arrangements.

¹² Bajkowski, J. (2024) Return to office orders sweep NSW agencies. 23 October. <https://www.themandarin.com.au/>

¹³ Gallup (2023) *State of the Global Workplace Report*. <https://www.gallup.com/>

¹⁴ Chamorro-Premuzic, T. (2025) The real reasons companies are forcing you back to the office, *Forbes Magazine*, 28 February. <https://www.forbes.com/>

¹⁵ Gallup (2023) *State of the Global Workplace Report*.

¹⁶ Graham, B (2024) Three quarters of Amazon corporate staff looking for another job after huge WFH call, *News.com.au*, 26 September. <https://www.news.com.au/>

¹⁷ Chamorro-Premuzic, T. (2019) *Why Do So Many Incompetent Men Become Leaders? (and How to Fix It)*, Brighton, MA, Harvard Business Review Press; Gallup (2023) *State of the Global Workplace Report*.

Wanting to see office space used

Wanting to see office space used is another motivation for some organisations wanting employees working from the office. However, sometimes this may have little or no bearing on whether working in the office is positive for productivity or for employee engagement and wellbeing. For some employers the motivation may be to justify the cost of leases or real estate investments, and/or to see employees use the amenities they have provided.

Property investors, nearby business operators, municipal councils and politicians also have an interest in seeing office vacancy rates decline. While falling from the extremely high rates experienced during the COVID pandemic, commercial vacancies in central business districts still remain the highest they have been since the 1990s recession.¹⁸ Notably, in August 2024, a declaration by the New South Wales Government that all its employees should return full-time to the office may have been strongly influenced by property developers and other commercial interest groups, as the Property Council was reported as attributing the NSW Government's decision to their lobbying efforts.¹⁹

Other reasons?

Some calls for workers to return to the office appear to be driven less by logic and evidence than by ideological and/or political motivations. Prior to the 2025 federal election, calls by Coalition politicians for Commonwealth public servants to return to the office full-time have been made in the context of Coalition politicians' insistence that there are "inefficiencies" in the public service, despite a lack of evidence to support this assertion.²⁰

Do employees have a right to work from home?

Currently Australian employees do not have an express right to work from home. However, some employees in certain categories (including parents, carers, people with a disability, older workers, and people experiencing family and domestic violence) have a right to request flexible work arrangements.²¹ This right was extended and strengthened as part of the Albanese Government's 2023 *Secure Jobs Better Pay* reforms. However, despite the changes, concerns remain that it is too easy for employers to refuse requests and that the right should be extended to more employees.

People who work from home are more likely than others to have an agreement with their employer to work flexible hours (48%, compared with 22%).²² Unions have secured clauses

¹⁸ Harley, R. (2025) Back to the office momentum a win for sector, *Australian Financial Review*, 5 February. <https://www.afr.com/>

¹⁹ Bajkowski, J (2024) 'Get out of the pyjamas': NSW public service WFH blamed for office vacancy glut, *The Mandarin*, 7 August. <https://www.themandarin.com.au/>

²⁰ For Coalition calls see Hume, J (2025) Back to work and back to basics: An efficient government for all Australians *Address to the Menzies Research Institute*, 3 March. <https://www.senatorhume.com/>; On evidence see Heap, L. (2025) *Briefing Paper: Restoring public sector capability through investment in public service employees*, Centre for Future Work at the Australia Institute. <https://futurework.org.au/report/briefing-paper-restoring-public-sector-capability-through-investment-in-public-service-employees/>

²¹ Fair Work Ombudsman (FWO) (2025) Requests for flexible working, FWO. <https://www.fairwork.gov.au/>

²² ABS *Characteristics of Employment August 2024*, Canberra, ABS.

in enterprise agreements for work from home arrangements in a number of industries. Commonly, these set some general parameters for individual arrangements.

What is the future for work from home arrangements?

Despite regular reports of companies demanding their employees return to the office, it is unlikely that working from home, in particular, hybrid work arrangements, will disappear. Like other flexible work practices, for employees in jobs where remote work is possible, working from home is now an important feature of work.

Many Australian organisations have accepted and incorporated work from home arrangements and plan to continue to do so in the future.²³ In the USA, despite regular reports of large companies mandating returns to the office, a 2025 Stanford University survey of CEOs found only a small proportion (12%) with work-from-home arrangements plan to wind these back in the coming year. Among those that do intend to wind back working from home, few were planning to mandate full-time returns to the office.²⁴

In Australia, the Fair Work Commission (FWC) is developing a ‘working from home’ modern award clause to provide further support for work from home arrangements. The clause for the Clerks Award will provide a model for other industries and occupations. The need for a new clause in industrial awards was identified as part of considerations about how work and care can be better supported through the industrial relations system.

Working from home has changed the way many people work. It is a flexible work option that has benefits for workers and for organisations, as well as contributing to more inclusive and gender-equal workforce participation and a more productive economy. Working from home arrangements may require some workplace adaptation including requiring managers to work differently. However these challenges should not get in the way of the many benefits that working from home and other flexible work arrangements offer.

²³ Australian HR Institute (AHRI) (2023) Hybrid and Flexible Working: Practices in Australian Workplaces in 2023, AHRI. <https://www.ahri.com.au/>

²⁴ Barrero, J. M. et al (2025) US executives predict work from home is here to stay. *Policy Brief*, Institute for Economic Policy Research, Stanford University, March.