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# Working From Home: The Australian Experience

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**Correspondence:** Inga Laß ([i.lass@unimelb.edu.au](mailto:i.lass@unimelb.edu.au))**Received:** 6 May 2025 | **Revised:** 6 May 2025 | **Accepted:** 20 May 2025**Keywords:** HILDA Survey | productivity | remote working | worker well-being | working from home

## ABSTRACT

This article reviews the experience in Australia with working from home (WFH). It briefly examines what is meant by WFH, highlighting the distinction between extension and replacement WFH and the importance of identifying those who work full days from home. It then presents evidence on the changing incidence of WFH in Australia and the types of workers who are most likely to work from home following the pandemic. It shows that around one in four workers regularly worked at least one full day from home in 2023, with hybrid work arrangements being more prevalent than working all days from home. Furthermore, WFH was concentrated in high-skilled white-collar office jobs. Finally, the growing body of research on the impacts of WFH on both workers and employers is reviewed. While there are both benefits and drawbacks, the Australian evidence mostly points to beneficial outcomes of WFH for workers. Far less is known about the impacts on employers, with Australian research being especially scarce.

**JEL Classification:** J22, J81, M54

## 1 | Introduction

Futurists and management consultants have long been predicting that rapid advances in information and communication technology would usher in a new age of work, with remote forms of work, and especially working from home (WFH), becoming increasingly common (Eder 1983; Macrae 1978). In Australia such predictions proved to be very wide of the mark, with the most credible estimates from the 1990s and 2000s suggesting that WFH was mainly the preserve of the self-employed, and was an option available to, and taken up by, very few employees – only around 1% (Lindorff 2000; Wooden and Fok 2013). This, however, changed with the advent of the COVID-19 pandemic. As in most other industrial nations, the policy response to the pandemic forced many Australian workers to work from home for extended periods. This led to greater recognition among workers and employers alike that many jobs can be performed at the home of the worker and hence without the need to travel to the traditional worksite every day.

In this article we examine and review the Australian experience with WFH. We first look at what the WFH concept means and covers. We then present evidence on the changing incidence of WFH in Australia and the types of workers that are most likely to work from home following the pandemic. Finally, we review the growing body of research on the pros and cons of WFH for both workers and employers, while placing emphasis on evidence from Australia.

## 2 | What Do We Mean by WFH?

At first glance, defining WFH would seem trivial: it simply refers to any paid work undertaken at or from the home of a worker. This definition, however, includes two very different types of working arrangements distinguished by whether work at home replaces time spent at a traditional worksite or whether the hours worked at home are in addition to normal on-site working hours (Yang et al. 2023). This distinction between

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‘replacement WFH’ and ‘extension WFH’ is of significant importance, given that only the former can be expected to come with key benefits such as a reduction in commuting time or greater schedule flexibility, whereas the latter should be associated with long hours and overtime. Some researchers thus restrict WFH to only include persons who work at least one full day from home (see Barrero et al. 2023). Furthermore, within this group, it is also important to consider the extent of WFH. One common distinction is between hybrid WFH arrangements, where each week workers work some days at home and some days at the traditional worksite, and fully remote work, where all work takes place off-site.

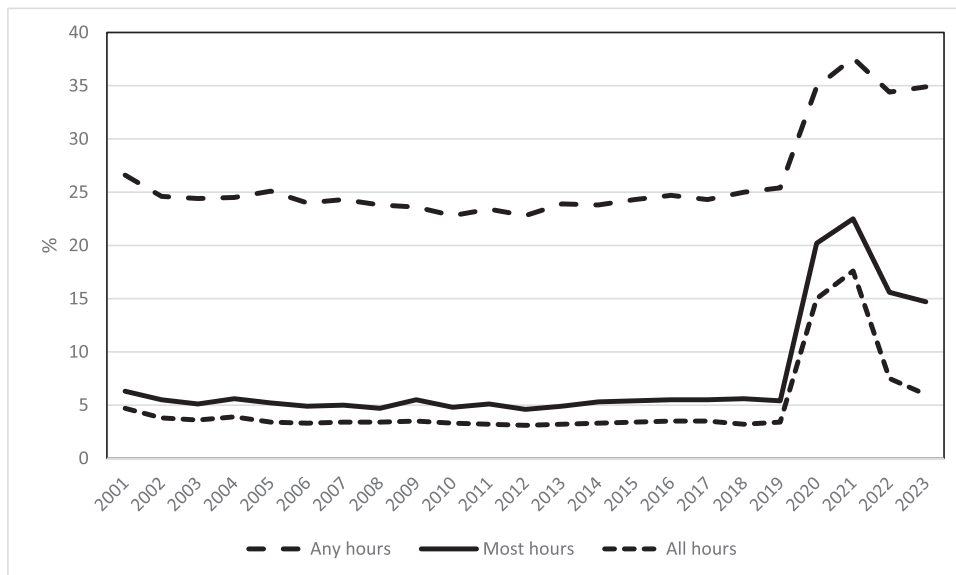
### 3 | Measuring the Incidence of, and Trends in, WFH

There are at least three data sources that can tell us about trends in the incidence of WFH in the broader Australian population: (i) the Characteristics of Employment (CoE) Survey, administered by the Australian Bureau of Statistics (ABS); (ii) the Population Census, also conducted by the ABS and (iii) the Household, Income and Labour Dynamics in Australia (HILDA) Survey (Watson and Wooden 2021).

The CoE Survey, which is conducted once a year as a supplement to the monthly Labour Force Survey, contains a question about whether workers usually do any work from home in their main job. These data actually suggest WFH was pervasive before the pandemic, with just over 32% of employed persons reporting regularly WFH in August 2019 (Australian Bureau of Statistics ABS 2024a). This share subsequently rose, reaching just over 40% during the height of COVID-19 lockdowns in 2021, before declining to 36% in 2024. The problem with these estimates, however, is that they will include persons who commute to the office during the day while also regularly working at home in the evenings and on weekends.

The 5-yearly Population Census suggests a very different picture. It includes a question about how people travelled to work on the day of the Census (conducted on a Tuesday in August). In 2016, just 5.3% of employed persons who worked on the Census day reported working entirely at home, the majority of whom were either self-employed (59.7%) or contributing family workers (12.9%). At the time of the 2021 Census, the share of employed persons WFH had risen more than fourfold to 23.9%. These estimates can be regarded as a lower bound, given they only capture WFH on one select day of the week. However, the 2021 Census was of course conducted during a time when residents of Australia’s two most populous states were subject to stay-at-home orders and hence estimates for that year may not be indicative of levels and trends in the post-pandemic era.

Finally, each year the longitudinal HILDA Survey asks employed respondents whether, in their main job, any of their usual weekly work hours are worked at home. Thus like the CoE Survey, this will include many persons who commute to the office every day but take work home with them. But different to the CoE Survey, the HILDA Survey also asks respondents to report the number of usual weekly work hours worked from home, which is informative given the proportion of hours worked from home will be correlated with the number of full days worked from home and thus reductions in commuting time. As shown in Figure 1, before the pandemic the estimated proportion of employed persons working any hours from home in a usual week hovered at just under 25%. However, relatively few of these ‘home workers’ – only around 6% – worked most of their usual work hours from home. The proportion of workers working all of their hours at home was even lower, at 3%. Following the outbreak of the pandemic, these proportions rose. The proportion of all employed persons reporting working at least 1 h per week from home increased to 38% in 2021 and still stood at 35% in 2023. In contrast, the proportion working the majority of their hours at home peaked at 22% in 2021 before declining to 15% in 2023. The proportion working all hours



**FIGURE 1** | The extent of working from home (% of employed persons), Australia, 2001–2023. Source: Population weighted data from HILDA Survey release 23 (Department of Social Services/Melbourne Institute of Applied Economic and Social Research 2024).

from home saw an even steeper decline, from 18% in 2021 to 6% in 2023.

Focusing on those who worked most hours at home, however, is still problematic. In particular, it will exclude many persons working hybrid arrangements where the number of days in the office exceeds the number of days worked at home. What we instead need is a measure of the number of persons working at least one full day at home per week. In the 2023 round of the HILDA Survey, an additional question was included that enables this: it asked employed respondents to report the number of days in a usual week that are worked entirely at home. Table 1 provides the prevalence of different WFH patterns derived from responses to this question. Looking at Column 1, which presents the distribution for all employed persons, we see that 7.5% report usually working at least some time from home each week but do not usually work an entire day at home. These are workers that we argue are solely engaged in extension WFH, something that is correlated with long hours of work and which has long been a feature of the Australian labour market. What is different in 2023 when compared with the pre-pandemic era is the relatively large proportion of workers – 27.3% – working at least one full day at home each week.

Columns 2 and 3 in Table 1 report this same distribution after separating the sample by whether self-employed or an employee. As shown, the share of workers WFH is much higher among the self-employed than among employees, with 44.3% of the self-employed working at least one full day at home compared with 24.9% of employees. Furthermore, among employees, hybrid work patterns are much more common than fully remote working (83.5% of those working at least one full day from home are working in a hybrid arrangement). By contrast, among the self-employed, the division between hybrid and fully remote working is closer to 50/50.

To summarise, the HILDA Survey data suggest the incidence of WFH, when restricted to arrangements that involve the replacement of work at traditional work sites (i.e., usually working at least one entire day a week at home), ranges from about 25%–27%, depending on whether or not the self-employed are included. Furthermore, the majority of WFH arrangements involve a mix of working some days at home and some days on-site (i.e., a hybrid arrangement). While we do not have directly comparable data from earlier years, the evidence that is

available strongly suggests that the proportion of employees working full days from home has increased markedly since the commencement of the pandemic. This is suggested both by comparison with Census data and by trends in the proportion of employees working the majority of their work hours from home.

#### 4 | Who Works From Home?

Not all jobs involve tasks that can be performed at home. Indeed, estimates prepared for both Australia (Ulubasoglu and Onder 2020) and other high-income countries (Dingel and Neiman 2020; Garrote Sanchez et al. 2021) suggest that remote work is not feasible for around 60% of all jobs. This is reflected in marked differences in the HILDA Survey data in the rate of WFH across occupation and industry groups.

As reported in Table 2, rates of WFH (defined here as working at least one full day at home per week) among employees are only pronounced in the three white-collar occupation groups of managers (46%), professionals (41.7%), and clerical and administrative workers (36.3%). WFH is extremely rare in semi-skilled and unskilled blue-collar jobs (less than 1%). It is also relatively uncommon in occupations where in-person service is important. Ultimately, WFH is only widespread in white-collar occupations where work tasks can be undertaken from a desk, typically with the aid of computing and communication equipment. This also means that persons who work from home tend to be well educated: 41.5% of employees with a university degree regularly work from home and 65.8% of employees who work from home have a university degree.

This marked variation in WFH rates across different types of jobs is also reflected in marked variation across industries (see Figure 2). Rates of WFH range from just 4% in Accommodation and food services to almost 83% in Financial and insurance services.

Table 2 also shows that rates of WFH also vary with other employment conditions, including: the type of employment contract (WFH is relatively uncommon among casual employees); shift work arrangements (WFH is relatively uncommon among those working regular shift work); and whether work on the weekends is the norm (which is typically negatively

**TABLE 1** | Working from home patterns by employment status, 2023 (%).

WFH arrangement type (in a usual week)	All employed (1)	Self-employed (2)	Employees (3)
Does not work from home	65.2	37.5	69.1
Works from home			
But no full days	7.5	18.2	6.0
Hybrid	21.2	24.1	20.8
Fully remote	6.1	20.2	4.1
Total	100.0	100.0	100.0

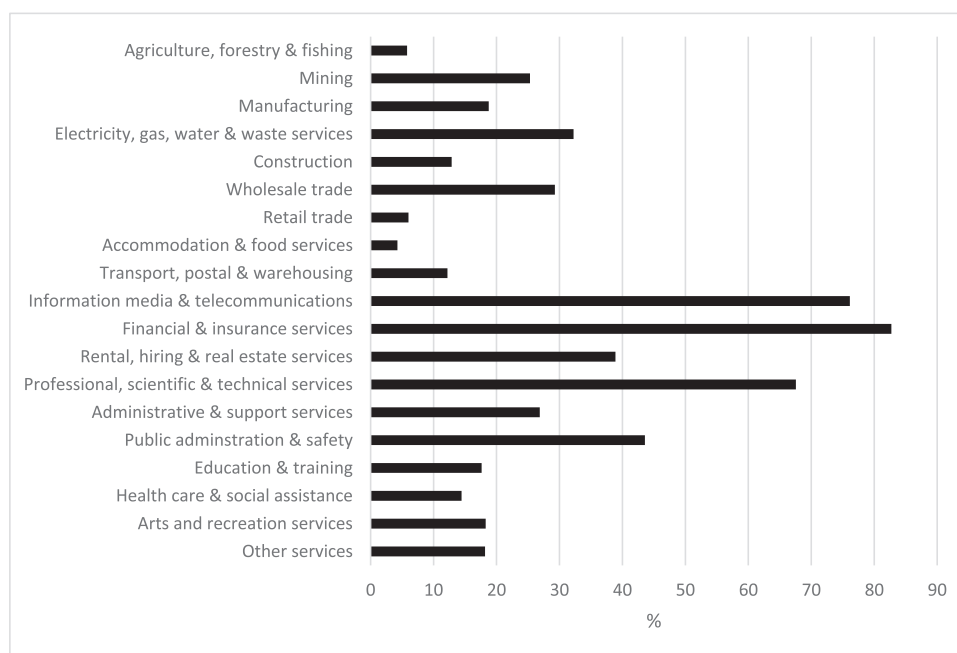
*Note:* Distributions exclude a small number of cases that did not respond to either the question on regularly working from home or on the number of days worked from home. The self-employed also include unpaid family helpers.

*Source:* Population weighted data from HILDA Survey release 23 (Department of Social Services/Melbourne Institute of Applied Economic and Social Research 2024).

**TABLE 2** | Incidence of working from home by selected worker characteristics, 2023 (% of employees).

Characteristic	No WFH	No full days	Hybrid	Fully remote
Gender				
Male	70.8	5.6	20.0	3.7
Female	67.4	6.4	21.6	4.6
Age (years)				
15-24	93.2	1.4	4.4	0.9
25-54	62.1	6.9	26.2	4.8
55+	70.1	7.5	17.2	5.2
Family relationship				
Single, no child < 15 years	80.3	3.3	14.3	2.1
Single with child < 15 years	70.4	5.3	19.5	4.8
Partnered, no child < 15 years	65.0	7.8	21.9	5.3
Partnered with child < 15 years	58.3	7.6	28.6	5.5
Education attainment				
Year 11 or below	91.4	2.2	4.1	2.3
Year 12	79.7	3.2	14.1	3.1
Trade certificate or Diploma	78.7	5.6	12.6	3.2
Degree	49.6	8.9	35.6	5.9
Occupation				
Managers	42.4	11.7	40.0	6.0
Professionals	47.5	10.8	34.8	6.9
Technicians and trades workers	87.8	1.7	8.9	1.5
Community and personal service workers	91.9	2.5	5.0	0.7
Clerical and administrative workers	60.0	3.6	27.6	8.7
Sales workers	89.5	2.1	7.5	0.9
Machinery operators and drivers	95.9	3.3	0.8	0.0
Labourers	98.7	1.0	0.2	0.1
Employment contract type				
Permanent/ongoing	62.9	6.9	25.5	4.7
Fixed-term	63.3	9.4	23.7	3.6
Casual	93.5	1.2	3.1	2.3
Work schedule				
Regular day	64.4	6.5	23.4	4.6
Regular evening/night	96.0	0.8	1.8	1.5
Rotating or split shift	93.2	3.0	3.1	0.8
On call, irregular, other	70.4	8.1	15.9	5.6
Usually works on the weekend				
Yes	91.2	3.2	4.7	1.0
No	60.5	7.1	27.1	5.4
Employer size (no. of employees)				
Less than 20	78.4	5.0	11.0	5.7
21-99	70.1	6.2	18.9	4.8
100-499	65.3	5.6	24.7	4.4
500 or more	64.7	6.6	25.1	3.6
Total	69.1	6.0	20.8	4.1

Source: Population weighted data from HILDA Survey release 23 (Department of Social Services/Melbourne Institute of Applied Economic and Social Research 2024).



**FIGURE 2** | The extent of hybrid and fully remote work arrangements by industry (% of employees), 2023. *Source:* Population weighted data from HILDA Survey release 23 (Department of Social Services/Melbourne Institute of Applied Economic and Social Research 2024).

associated with WFH). Table 2 further suggests that the rate of WFH varies with personal characteristics, such as age and the presence of young children, with WFH far less common among very young workers (under 25 years of age) and somewhat more likely among persons with children.

Nevertheless, these simple cross-tabulated data suggest that the incidence of work from home is driven by feasibility and employer requirements rather than worker preferences. This is confirmed by results from the estimation of a logit model predicting the likelihood of WFH (but not reported here), which confirms the powerful role of occupation and industry, and which finds little influence from the family situation. Finally, while the cross-tabulated data suggest little gender difference in the rate of WFH, after controlling for other worker characteristics (and especially occupation and industry) a significant gender difference is found, with the chances of a male employee WFH being only 0.78 that of a comparable female employee.

## 5 | The Pros and Cons of WFH

### 5.1 | Workers

WFH arrangements come with both benefits and risks for workers, potentially affecting a range of different dimensions of workers' lives. In the following, we review research evidence that has attempted to identify and quantify these impacts. We focus primarily on Australian research. We also give primacy to research using longitudinal data, which mostly means studies utilising the HILDA Survey.

The most obvious potential benefit of WFH is a reduction in commuting time and the associated costs (Beck and Hensher 2022). However, the extent to which travel time is actually saved depends on both the length of the daily commute and the WFH pattern.

Rüger et al. (2024), for example, found that substantial declines in commuting time only occurred when WFH represented a substantial share of total work time (at least 60%).

The option to work from home might also affect workers' relocation decisions. It is often claimed that people who can work from home might decide to move to more remote locations, which reduces housing costs but could also offset any potential commuting time savings. However, WFH might also reduce the need to relocate by providing access to more distant jobs. The scarce evidence on this issue for Australia suggests that WFH does not notably affect relocation decisions. Kalemba et al. (2022), for example, did not find telework to be associated with the likelihood of relocation. Furthermore, Rüger et al. (2024) found that the observed commuting time savings from WFH do not attenuate over time, suggesting that workers do not move away from their jobs after commencing WFH.

Another potential benefit of WFH is a more flexible work schedule, a claim that receives direct support from evidence presented in Laß and Wooden (2023). Nevertheless, the working time flexibility provided by WFH might also make it harder to put a stop to work at the end of the workday, potentially resulting in longer working hours and more work being done during 'unsocial hours' at evenings, nights and weekends. Powell and Craig (2015) tested these hypotheses using ABS time-use data and found that persons who worked from home on a diary day actually worked fewer hours than those who did not work from home (an effect that was especially pronounced among female employees), but were also slightly more likely to be working during evening and night-time hours. Laß and Wooden (2023) also reported a positive association between the share of time worked from home and irregular/unsocial hours in their analysis of HILDA Survey data. Taken together, these results suggest that more hours worked at home do not lead to longer work hours in total but are associated with a redistribution of work across the week.

While WFH typically provides greater flexibility, a commonly voiced concern is that workers who make use of that flexibility might face wage and/or career penalties. This could happen if workers who work from home are perceived as less committed by their employers or are overlooked when decisions are being made about who is assigned crucial tasks or receives a promotion. Very differently, given WFH is a desirable working condition, some employees might be prepared to accept a cut in pay in exchange for the option to work more days from home (Vij et al. 2023). The Australian studies that have looked into the link between WFH and wages, however, come to very different conclusions (and this is despite all using HILDA Survey data). Dockery and Bawa (2014) found a wage premium when looking at weekly wages among full-time employees doing any work from home, but a wage penalty when looking at hourly wages among those WFH extensively. Such findings are not unexpected given that most employees who worked from home over the period considered were working extended work weeks. Similarly, Birch and Preston (2025) reported positive associations between working some or all of the time at home and weekly wages of full-time employees. Wage estimates, however, may be biased upwards if higher-ability workers are more likely to select into WFH arrangements. In an attempt to deal with this potential endogeneity, Beadle and Brooks (2025) estimated a wage equation using an instrumental variables approach and found that workers with a formal WFH agreement or who work from home extensively have significantly lower weekly wages than other workers. Unfortunately, the impact on hourly wages was not considered.

In line with the idea of potential career penalties, Mooi-Reci and Wooden (2025) reported some weak evidence that hybrid work arrangements are associated with a lower likelihood of getting promoted and fully remote working with a higher likelihood of dismissal. In both cases, these associations were only present among men.

While there are both work-related benefits and risks attached to WFH, home workers' overall assessment of their jobs tends to be positive, with several studies finding WFH to be associated with increased job satisfaction (Dockery and Bawa 2014; Laß et al. 2025; Sundermeyer 2025; Troup and Rose 2012). However, the gains in job satisfaction may be concentrated in the first years after starting to work from home (Sundermeyer 2025). Furthermore, the state of research is inconclusive with respect to potential gender differences, with some studies finding associations between WFH and job satisfaction to be stronger or only present for women (Laß et al. 2025; Troup and Rose 2012), others finding no gender differences (Sundermeyer 2025), and others finding associations mostly for men (Dockery and Bawa 2014). In part, these differences may be due to the use of different measures of WFH and differences in the analysed time periods.

The effects of WFH likely extend well beyond the work and into the private sphere. On one hand, the savings in commuting time and the greater schedule flexibility may make it easier to fit in work with personal demands. On the other hand, the blurred boundaries between work and family might mean that work tasks might take up time and resources meant for personal commitments or vice versa. Powell and Craig (2015) found that WFH is associated with more time spent on domestic work and

childcare for both men and women, but with the increases being most marked among women who regularly work from home. Regular WFH was also associated with increased multi-tasking of employment and childcare. By contrast, WFH did not have notable associations with time spent on leisure. Quite differently, Troup and Rose (2012) found no significant association between WFH and hours spent on childcare in their cross-sectional analysis of a sample of Queensland public service employees. In part, this may be due to the fact that their regression models controlled for which partner was responsible for childcare, which might have absorbed some of the effect of WFH on childcare time.

Asked directly about their fit between work and personal life, workers WFH tend to give a more positive assessment than those who do not work from home. Studies have found WFH to be associated with greater satisfaction with the flexibility to balance work and nonwork commitments (Dockery and Bawa 2014; Sundermeyer 2025) and with a reduction in work-to-family conflict – the extent to which work demands are perceived as interfering with family demands (Laß and Wooden 2023, 2025). WFH extensively has also been shown to be associated with a reduction in family-to-work conflict – the extent to which family demands interfere with work demands – but only for women (Laß and Wooden 2025). Indeed, family-to-work conflict was increased for men who worked from home extensively. This greater perceived interference among men contrasts with the finding that the increase in unpaid work for workers regularly WFH is much larger for women than for men. A potential explanation is that men may have a lower tolerance for family-related interruptions since they tend to work from home for work-related reasons – in contrast to women, who tend to work from home to combine work and family.

WFH might also affect the quality of within-household relationships; for example, due to more time spent with family or changes in work-family conflict levels and the division of labour. Such perceptions might differ between the person WFH and the other family members. Troup and Rose (2012) focused on the home worker's perspective and found men in formal telework arrangements and women in informal telework arrangements to be significantly more satisfied with the division of childcare than those not WFH (but again while including a control for who is generally responsible for childcare). By contrast, Dockery and Bawa (2018) looked at the perceptions of the home worker's partner. They mostly found insignificant associations between different measures of WFH and the partner's assessment of family relationships and the division of unpaid work. However, they found both men and women to perceive the division of childcare to be fairer the more hours their partner worked from home. On the downside, women were significantly less satisfied with the division of household tasks as the number of hours worked from home by their partners increased.

Finally, WFH may affect psychological well-being. While less commuting, greater schedule flexibility and a better work-family fit would be expected to benefit mental well-being, the spatial separation from co-workers may lead to feelings of isolation and loneliness. However, Sundermeyer (2025) did not find doing any work from home to be generally associated with

increased loneliness (although there is some indication that loneliness could be elevated among those WFH for several years). Similarly, Botha et al. (2023) mostly found insignificant associations between measures of WFH and a measure of mental health. That said, they controlled for commuting time, which we expect to be a key conduit through which well-being is affected. By contrast, Bilgrami (2023) found positive associations between WFH at least some of the time and mental health during the pre-pandemic period, but the association was only significant among men. Furthermore, parents, persons in multi-person households, and those working for their employer for more than 1 year had better mental health when WFH some of the time.

In sum, WFH affects various dimensions of workers' lives. Whether effects are good, bad or absent at least partly depends on the specific outcome focused on and the precise measure of WFH used. It is important to note that much of the Australian research could not distinguish between extension WFH and replacement WFH. Effects may also vary with worker characteristics such as gender and parenthood. However, our overall assessment based on the existing Australian evidence is that workers tend to benefit from WFH with respect to most of the outcomes considered, especially when working a considerable share of their time from home.

## 5.2 | Employers

For employers, there are at least three channels through which WFH might lead to beneficial outcomes: (i) cost savings on office space; (ii) reduced labour turnover; and (iii) increased worker productivity.

That WFH can help firms realise savings in office space rental costs (and associated overheads) is obvious. The magnitude of such savings, however, may only be large in the case of fully remote workforces. Where hybrid arrangements prevail, cost savings will vary both with the fraction of the workforce that works from home and the extent to which WFH days are evenly distributed across the workweek.

Somewhat more contentious is the claim that WFH might lead to workers being less likely to quit their jobs. Such claims follow from the idea that WFH is a desirable job characteristic. While numerous studies have examined associations between WFH and worker intentions to quit, evidence on the impact on actual quits is far scarcer. The only rigorous published evidence in support of this claim we could identify comes from three studies that evaluated randomised control trials involving employees within single firms (Bloom et al. 2015, 2024; Moen et al. 2017). These studies all reported quit rates that were lower in an employee group subject to a WFH intervention relative to a control group that was not provided with the opportunity to work from home. Whether such results will translate to wider populations and in nonexperimental settings, however, is not obvious.

In Australia, while the fear of losing workers is often reported in the media as a major factor explaining why many firms are reluctant to return to pre-pandemic arrangements, identifying

convincing evidence demonstrating that quit rates are actually impacted is another matter. Recent research, however, has used the annual HILDA Survey data to estimate panel regression models of job quits and found an inverse association with the share of hours worked from home (Mooi-Reci and Wooden 2025). Somewhat surprisingly, given the evidence that it is women who likely benefit most from WFH, significant associations were only found for male employees, with annual quit rates estimated to be about 3 percentage points lower for men who worked at least 40% of their usual work hours from home.

Finally there is the issue of whether WFH is harmful or beneficial for productivity. On the positive side, the reduction in commuting time that accompanies WFH can be used to increase rest and thus reduce fatigue, to enable longer working hours, or to provide additional time for nonwork activity and potentially improving employee morale. As discussed earlier, the greater autonomy associated with WFH is also expected to reduce work-family conflict, which again can increase employee morale as well as eliminating distractions that might otherwise harm work performance. Similarly, worker productivity might be expected to be enhanced if WFH leads to a more committed and engaged workforce as a result of higher levels of job satisfaction. WFH may also be associated with fewer work-related interruptions thus improving worker efficiency. Working in the other direction, WFH might mean greater interruptions from nonwork activity. It is also often argued that WFH will tend to mean both less effective work-related communication and fewer worker learning opportunities. Perhaps most importantly, many employers may be wary of the possibility that worker effort will decline and shirking behaviours increase in the absence of close supervisory oversight.

Again, identifying convincing evidence from Australian work settings is difficult, with the only published findings involving either qualitative case-study evidence collected from interviews with managers (Bosua et al. 2018; Tamrat et al. 2002; Whitehouse et al. 2002) or subjective survey data collected from managers (Australian HR Institute 2025; Lafferty and Whitehouse 2000) or employees (Beck and Hensher 2022). While different conclusions were reached, the overall impression gained from this body of research is that firms that permit telework do so because of perceived productivity advantages. Nevertheless, the fact that worker output is not directly measured in any of these studies causes us to be wary of this productivity narrative.

For evidence involving more objective output data, we again have to turn to research conducted in other countries. Many assessments of this body of research, and most notably Barrero et al. (2023), suggest that WFH arrangements, and especially hybrid arrangements, are beneficial for productivity. However, our own reading of this literature suggests a less positive picture. As Barrero et al. (2023) concede, key studies seem to show that, relative to on-site work, fully remote work is more likely to lower productivity (Atkin et al. 2023; Emanuel and Harrington 2024; Gibbs et al. 2023). A particular concern is that worker collaborations may become more static and siloed and communication more asynchronous when working remotely (Yang et al. 2022). Studies of hybrid WFH arrangements,



however, have typically reported positive effects (Bloom et al. 2015; Choudhury et al. 2021), with at least one study finding evidence of an inverted U-shaped relationship between worker productivity and the number of days worked from home (Fenizia and Kirchmaier 2024). Nevertheless, effect sizes from these studies may be judged small. Finally, findings of positive productivity effects will be biased upwards if, as noted earlier (and as found by Atkin et al. 2023), higher-ability workers are more likely to select into WFH arrangements.

In conclusion, we suggest that it is still unclear whether the rapid expansion in WFH has had positive effects on productivity in Australia. Such effects are certainly not obvious in the aggregate data, with GDP per hour worked at the end of 2024 no higher than it was pre-pandemic (see Australian Bureau of Statistics ABS 2024b, Table 1). In our view the presence and magnitude of any effects of WFH on productivity will vary widely across firms and industries and will depend on a range of factors including the degree of coworker interdependence, the cost of monitoring worker effort, organisational culture, the extent of competition for workers in the labour market, and the way WFH is managed and organised. It is thus very likely that the greater utilisation of WFH arrangements will be associated with productivity improvements in some firms, productivity losses in others, and little change in many others.

## 6 | Concluding Remarks: Will WFH Stick?

Using HILDA Survey data, we showed that around one in four employees were regularly working at least one full day at home each week in 2023. While directly comparable data for earlier years are not available, it is clear that pre-pandemic, this level was much lower. The considerable rise in such a short space of time represents a marked transformation in the Australian labour market, and more specifically in the labour market for office workers. But will such levels persist? The view of many commentators, both here in Australia (Wiltshire 2025) and in other countries (Aksoy et al. 2022; Bick et al. 2023) is that, despite recent news reports of major employers calling for a return to office, these higher levels of WFH will remain a permanent feature of the industrial landscape. Such claims receive support from a survey of human resource professionals conducted by the Australian HR Institute (2025), with more than 80% of survey respondents reporting that hybrid working will remain a feature of their organisation over the next 2 years.

Our expectation is that employer attitudes to WFH will mainly turn on whether there are any noticeable impacts to the bottom line. There are also regulatory factors in play. Influences working against WFH include the cost associated with ensuring home offices meet occupational health and safety requirements, and the need for non-salaried employees to record working hours to access entitlements provided in awards and agreements, such as overtime premia and penalty rates (Marin-Guzman 2025). But a powerful force working in the opposite direction is the sustained demand for WFH arrangements on the side of the workers, given benefits such as reduced commuting and greater schedule flexibility. This is currently

reflected in union campaigns to have provisions inserted in some awards and agreements that will make it difficult for employers to deny requests to work from home. While WFH is likely here to stay, more research is needed to understand the multidimensional effects of this work arrangement on workers and employers in contemporary Australia.

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