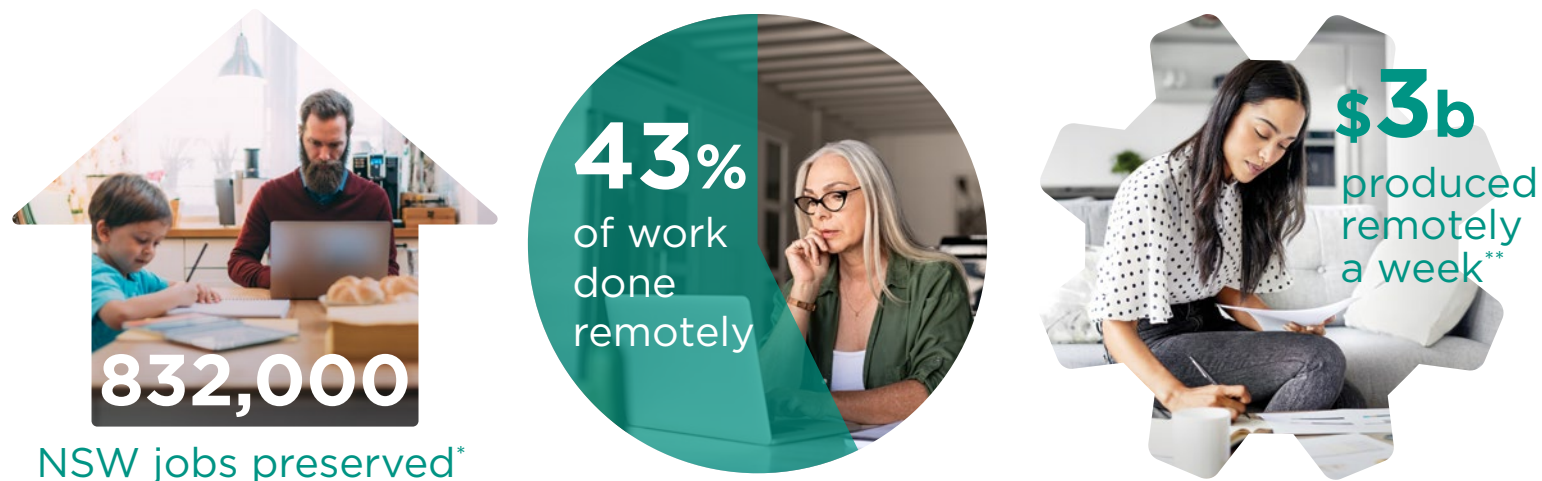


Executive Summary

Throughout the COVID-19 pandemic, remote working has become a trusted ally to many NSW workers and employers. The ability to keep working remotely has saved hundreds of thousands of NSW jobs, kept businesses running, and preserved billions in NSW economic output. These jobs and incomes have knock-on effects that benefit all of the people of NSW—even those who *cannot* work remotely.

FIGURE: REMOTE WORK PROTECTS NSW JOBS AND OUTPUT DURING LOCKDOWNS



* These are non-essential NSW workers (both full- and part-time) who would be laid off or stood down if they could not work remotely.

** This represents output from non-essential workers who would be stood down or laid off if they could not work remotely.

Source: ABS Census Table Builder, ABS National state and territory population, ABS State Accounts, FaethmAI 'Remoteability Index', NSW PC modelling. For further explanation see Appendix D.

Executive Summary

Innovation and productivity rise

Remote working has become more than just a Plan B. In early 2021, when COVID-19 transmission and health restrictions eased, we saw widespread adoption of hybrid working—employers and employees combining remote working with on-site work.

We estimate that when health restrictions eased in early 2021, 30 per cent of all work tasks in the NSW economy—with an economic value of around **\$165 billion a year** (in 2021 dollars)—continued to be done remotely.

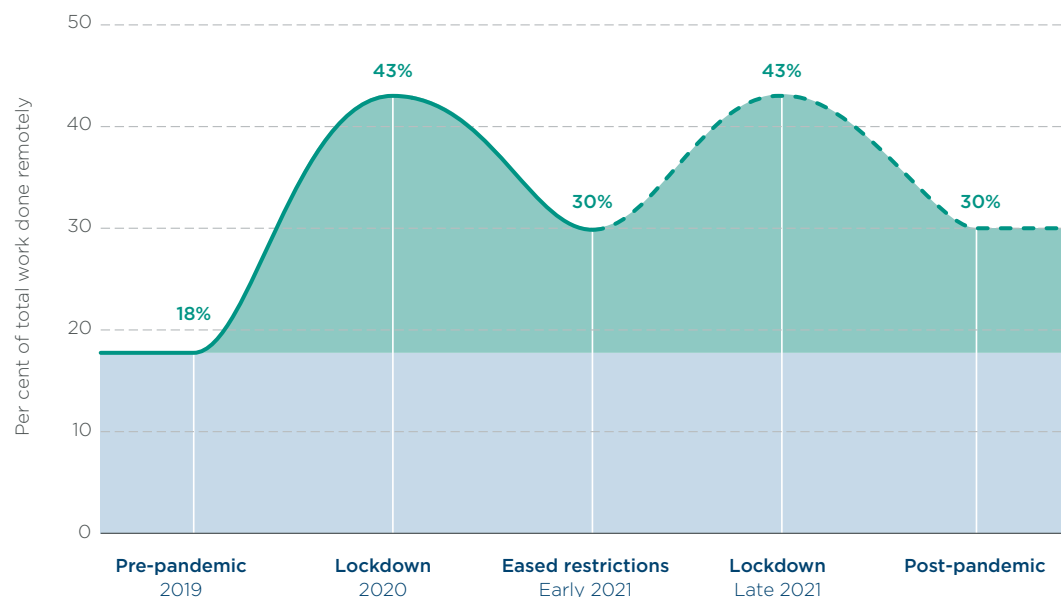
If that level is sustained, we estimate that the COVID-induced rise in remote work could raise NSW's productivity permanently by **1.9 per cent**, or **\$6 billion** a year in 2021 dollars.

Ultimately this productivity flows on to NSW households as higher incomes and standards of living. The increase in productivity from remote working could improve the wellbeing of the average NSW household by around \$1,800 a year in 2021 dollars.

That would make remote working one of the biggest boosts to NSW productivity in recent years.

FIGURE: THE PROPORTION OF WORK DONE REMOTELY REMAINED HIGHER THAN PRE-PANDEMIC LEVELS WHEN RESTRICTIONS EASED

Total work done remotely in NSW



Source: IPC Remote Working Survey 2020 & 2021 and IPC / NSW PC estimates.

Executive Summary

FIGURE: REMOTE WORK COULD PERMANENTLY BOOST NSW PRODUCTIVITY

Modelling of remote working's impacts beyond the pandemic



Source: NSW PC modelling, see Appendix E

How it is that remote and hybrid working arrangements could contribute so much to the State's productivity growth? The explanation is that remote working lets the economy produce more goods and services with the same resources. We see qualitative evidence that remote working is:

- fast-tracking innovation
- unearthing efficiencies
- creating opportunities to use office space more effectively.

Remote and hybrid working are easing congestion on roads and crowding on public transport both by reducing car and public transport travel and by moving trips outside morning and evening peak times.

Remote and hybrid working may also help us get more from our Central Business Districts (CBDs). Larger firms can use it to reduce their office space requirements, while smaller companies take up the slack, seizing opportunity to establish boutique CBD footprints.

Executive Summary

Employers and employees see hybrid working as a win-win

We are not seeing the ‘death of the office’. Most remoteable workers (76 per cent) do not want to work remotely full-time. Most of us enjoy coming into the office for collaboration, team building, and social contact. Employers also want to retain a central office for these reasons. Many workers and employers now believe hybrid working combines the benefits of remote work and on-site work.

This report uses new survey data and case studies to explain *why* hybrid working is here to stay and *how* organisations can successfully adopt this new way of working.



Employees report that remote working:

- reduces their commuting time
- improves their sense of wellbeing
- allows them to work flexibly around their other commitments and activities.

Employees are also evaluating their career moves carefully—and hybrid working gives them a greater choice of employers.



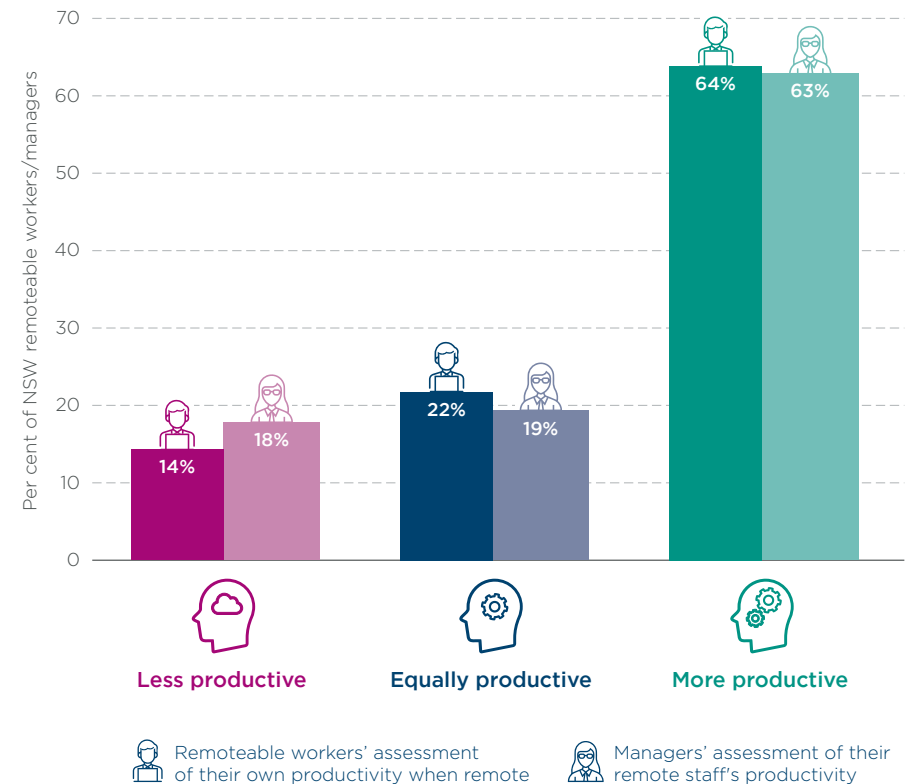
Employers are increasingly viewing remote, hybrid, and flexible working as key weapons in the global war for talent. ‘Remote-ready’ employers report that remote work can:

- make a company’s remuneration package more attractive to prospective employees
- give them access to larger labour pools, making it easier to recruit staff and fill skills gaps
- aid retention because employees prize the option to work remotely and reward it with loyalty
- make them more resilient to the shocks and stresses of a more uncertain world, aiding business continuity when access to physical workplaces is disrupted.

While there is still much to learn, there are strong indications the hybrid opportunity is boosting productivity. Remote working has fast-tracked technological innovation, for example in telehealth, and many employers are reporting efficiencies. Both remoteable workers and their managers report substantial productivity gains when they work remotely.

FIGURE: WORKERS AND MANAGERS AGREE REMOTE WORK IS MORE PRODUCTIVE

NSW remoteable workers, self-assessed and manager-assessed productivity ratings when working remotely compared to at their employer’s workplace, early 2021



Source: IPC Remote Working Survey 2021

Executive Summary

Organisations are quickly adapting to remote and hybrid work

Our case studies present many lessons for policymakers, workers, and businesses, from organisations leading the transition to remote and hybrid working. Here are five of the biggest lessons:



1. Tailor flexible working arrangements to workers' roles and functions, to employee preferences, and to the needs of the team, organisation, and customers.

2. Experiment with work arrangements and set up systems to get employee feedback on the experiments.

3. Reshape office use and work practices to support both hybrid and remote workers. Use offices for what they are best at and shape work practices around new patterns of use.

4. Find new ways to measure work. Measure outputs not just inputs.

5. Invest in hybrid culture. Build an organisational culture that emphasises trust, treats people in different roles equally, continues to encourage professional development, and successfully onboards new starters.