

01. Executive Summary

We're measuring the results of a huge remote working experiment

Remote working is a rapidly emerging aspect of workforce adaptation and the future of work. By May 2020, in response to the COVID-19 pandemic, 46 per cent of NSW workers were working from home. Among other things, this has been a huge experiment in our ability to work remotely.

To evaluate that experiment, the NSW Innovation and Productivity Council is employing a unique combination of tools: data from artificial intelligence platform Faethm, and our own survey of 1,500 NSW remote workers. We designed our survey with expert advice from the Data and Statistical Analysis team in the NSW Department of Premier and Cabinet.

The Council's report provides insights into the current situation and is the first in a series of publications that will examine changes in working patterns and arrangements because of COVID-19. It will provide evidence and insights into longer-term implications to support NSW public policy development and workforce planning into the future.

We have already saved time and increased productivity by working remotely

Amid the storm of COVID-19, the Council's work contains some good news. If done in a balanced way, remote working can actually **strengthen** the NSW economy and **improve** our lives.

Those of us who can work remotely report being more productive when we do—by an average of 13 per cent.

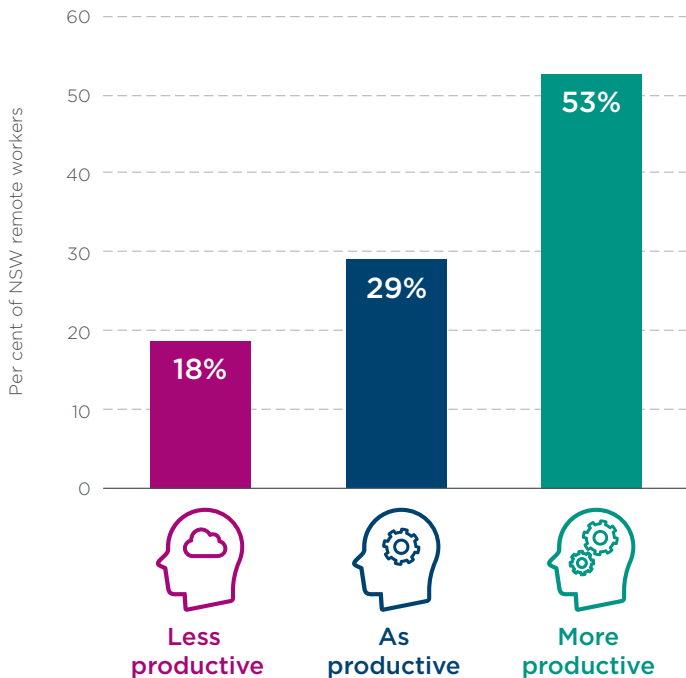
That is translating into gains for workers as well as for employers. Without the need to prepare and commute, the average NSW remote worker has an extra 1 hour and 17 minutes per day. The average worker puts a portion of that time back into work. But we use most of it as personal and family time. Working remotely two days a week saves the average worker the equivalent of 3.3 weeks' leave a year, and \$860 a year in travel costs.



Executive Summary

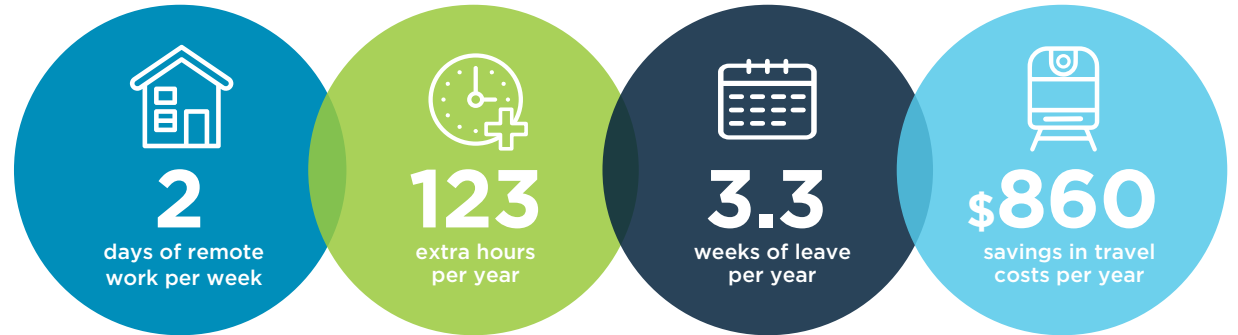
FIGURE: MOST WORKERS REPORT HIGHER PRODUCTIVITY WHEN WORKING REMOTELY

Productivity reported when working remotely, compared to working at an employer's workplace



Source: IPC Remote Working Survey 2020

FIGURE: THE TIME AND MONEY REMOTE WORKERS SAVE



Note: Weeks of additional leave assumes a 37-hour work week. Travel costs savings are calculated using adult Opal 10-20 km peak time train fare. Source: IPC Remote Working Survey 2020; Transport NSW; IPC calculations

By reducing the traffic on our roads and public transport networks, remote work can even benefit workers who do not work remotely.

The challenges and opportunities ahead

Most of us are already adapting to more remote work, with many of us liking it. The Council's survey found we rank 'better work-life balance' as the single best aspect of remote work.

Our survey also confirms that remote working creates new challenges:

- Some tasks cannot be done remotely—for instance, most nurses' and builders' tasks.
- Some of us find remote work socially isolating—some find it lonely.
- Some of us have difficulties collaborating with other people online.
- On-the-job learning is more challenging.
- Benefits from remote working may not be equally shared. Industries like bricks and mortar retail and hospitality require physical presence. Here, some service workers will be unable to benefit directly from remote working—although they will still benefit from a wider economic resurgence.

Executive Summary

The Council has identified four ways in which remote working may change New South Wales:

- Productivity could rise, strengthening economic growth, state finances, and living standards.
- Sydney's central business district (CBD) will remain the state's employment hub, but offices could be reborn as spaces for collaboration and innovation.
- Congestion may ease with less pressure on our roads and rail system and better CBD access.
- There could be impacts on health and inequality, for better or, in some cases, worse.

The best of both worlds: a 'hybrid model' of remote work

While COVID-19 pushed remote working to an extreme, working remotely is rarely an all-or-nothing choice. The Council's work shows that most of us can work some of the time from home and some of the time on-site. Only 5 per cent of us can perform all our tasks remotely, but fully half of us can work remotely for at least two days a week.

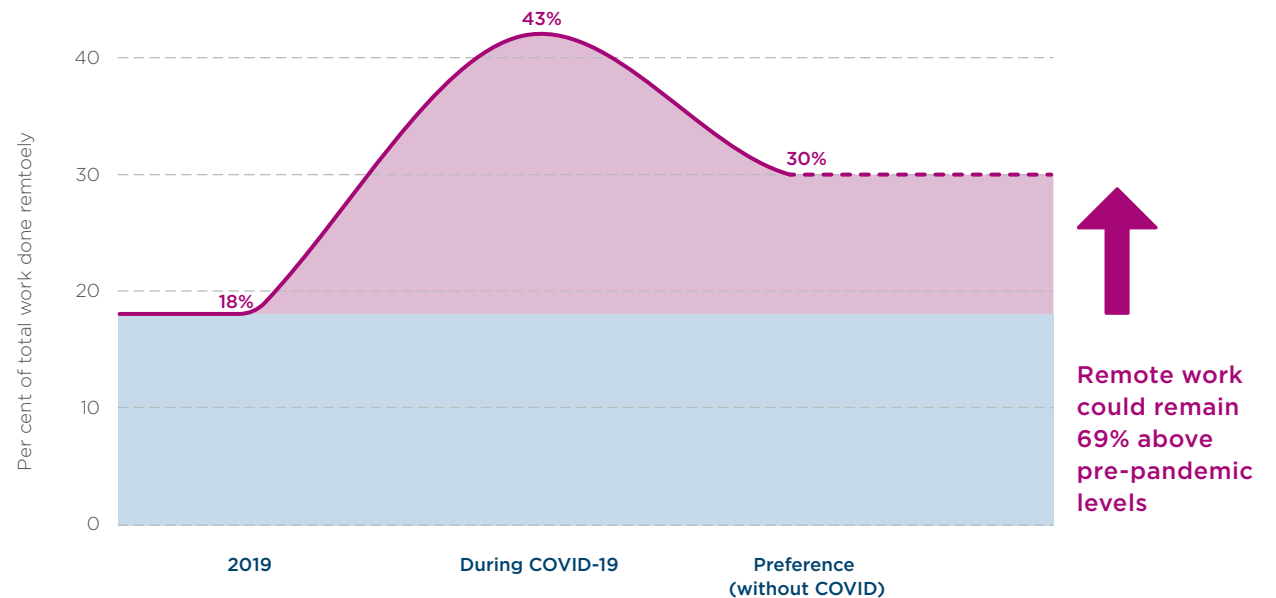
COVID-19 forced us to work remotely wherever possible. In the future, however, NSW workers want more of a balance. Most of those who can work remotely want to do it for two to three days per week. We like remote work, but we also value working together in person.

This 'hybrid model' takes remote work's best aspects, and combines them with the benefits of gathering together in one location.

- The majority of us can work remotely some of the time.
- We can gather on-site for collaboration, team-building, and 'non-remoteable' tasks.

The challenge, once COVID-19 has passed, is this: to find a flexible mix of workspaces, policies and practices that caters to these preferences. This is a solvable challenge for NSW employers, workers and policymakers.

FIGURE: REMOTE WORK WILL DROP BUT IS LIKELY TO STAY ABOVE PRE-PANDEMIC LEVELS



Source: IPC Remote Working Survey 2020; IPC analysis