

Close to Home: The opportunities and benefits of working from home in outer urban growth areas

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New research commissioned by the National Growth Areas Alliance shows that working from home is a viable and valuable long-term option for the one in five Australians living in an outer urban growth area. During the nation-wide COVID-19 restrictions we tested whether working from home or near home in coworking spaces is an effective model for tackling some of the problems of population growth in the outer suburbs of capital cities such as long and expensive commutes, congestion, stress and poor health indicators.

We found that beyond tackling these problems, working from home or near home in growth areas offers broad social, economic and physiological benefits.

Key Findings

Better work, better lifestyle – better in growth areas

- Working from home in the outer suburbs had a positive impact on workers' job satisfaction, productivity, team morale, quality of work, collaboration and company culture. This result was far more positive for growth areas than other urban areas. 44% of those surveyed reported a net positive impact compared to 36% of people in non-growth areas.
- Respondents working from home in the outer suburbs found they had:
 - o more time to relax (32% of growth area respondents compared to 26% in other areas),
 - o better relationships with others at home (51% in growth areas compared to 35% in other areas),
 - o more sleep (34% in growth areas compared to 21% in other areas),
- They also had more time to spend on exercise and household chores, less stress and had stronger mental health

More than half a million people could work from home in the outer suburbs – reducing traffic congestion significantly

- 57% of workers in outer urban growth areas have been working at home at least one day per week since COVID-19 restrictions came into place
- 522,000 people across Australia's outer urban growth areas work in jobs that could be done flexibly and remotely – nearly a quarter of the entire growth areas workforce

Residents could save more than 10% of the annual average growth area income by not commuting long distances to work

- Workers in outer suburban growth areas spent \$5.4 billion a year just getting to work pre-COVID-19
- That is \$8,380 each year for a full-time worker (not counting 4 weeks' leave)
 - o This accounts for over one tenth of the average annual income for a growth area resident (\$49,250)
- During restrictions, 46% of growth area workers said they spent less money on commuting

Vast majority of people in growth areas want to continue to work from home or near home

- Two thirds of workers in growth areas would like to continue working from home after restrictions have eased, either full time or a blend of remote and office-based work
- 65% would be likely to consider a co-working space or community hub if available close to home. Young people in particular are keen on this option
- Pre-COVID-19, 1.3 million workers from growth areas travelled more than 10km each way – some over 50km each way – to get to work, with the majority travelling by car.

Small business in growth areas would thrive if commuters converted to even one day a week of working from home or close to home

- 76% of growth areas residents are more likely to use local businesses and services if they were working from or near home
- Every commuter buying one coffee locally on one day would inject \$5.4 million into local economies - that adds up to \$1.4 billion of retained in local economies each year
- Supporting more growth area residents to work from home will enable families to redirect the thousands of dollars they would otherwise spend on

'Home duties' no longer a barrier to paid work or study

- Among those people in growth areas who are not currently in the workforce, more than half said they would seek part-time work if able to do from home
 - o More than a quarter would consider setting up as a contractor/freelancer or starting a business if it could be done from home
 - o Pre-COVID-19, people in growth areas who were not employed were more likely to be women (72%), aged between 29-49 (74%) with children (68%).

Differences in who can work from home

- The number of people in growth areas who can work from home is around 10% lower than in other areas (57% in growth areas compared to 66% in other areas).
- Men are more likely to be able to work from home than women in growth areas (59% of men compared to 40% of women). In other areas, the opposite is true, showing women in growth areas' reliance on retail trade, health care and hospitality for employment.

Overall impact

This research supported our hypothesis that working from home provides benefits for growth area residents. The unexpected result was how the social and physiological benefits gained by working from home compounded for those in growth areas compared to non-growth areas. Further, there was a surprisingly high number of residents in growth areas not currently working that reported wanting to take up employment and re-enter the workforce if working from home was an option. There were similarly strong results for those wanting to take up study, professional development, local activities, exercise and entrepreneurial activity if working from home continued or space in a coworking or community hub was offered.

Ability to work from home

Prior to COVID-19, 42% of respondents worked from home at least one day per week. Since COVID, this has grown to 57%. The proportion of those in growth areas who can work from home at least one day per week is significantly lower than for those in non-growth areas (66%). People who can work from home are more likely to work in media and IT, financial, professional, administrative or scientific services. They are more likely to be men (59%) and aged 18-39 (56%).

Since COVID-19 16% more workers worked from home, including 10% less who normally travel in a car. The reduction of workers in cars across the city landscape means that growth area workers still needing to drive to work reduced their commute time. **46% of growth area workers now spend less time commuting and less money on commuting than before COVID-19.**

Positive impact on those working from home

The majority of respondents from growth areas who were **working from home found that working from home had a positive impact on their job satisfaction, productivity, team morale, quality of work, collaboration and company culture. This result was greater than for people from other areas**, by up to 10% more positive. Almost half (46%) of respondents in growth areas found working from home had increased their job satisfaction. Those with children were more likely to report that working from home had a positive impact on their productivity and morale.

Desire to continue working from home

More than half of respondents in growth areas **would like to work from home at least once per week**. Only one in five of the respondents asked would prefer to return to working each day in a workplace. This was driven by the desire to be away from children and for social contact. Just under one in five preferred working at home each day because of the removal of commuting and the work/life benefits.

Work life balance and relationships at home

The strongest result of this survey was found in the positive impact that working from home had on respondent's work-life balance. The benefits were more pronounced for those in growth areas than in other areas. Respondents working from home found they had **more time to relax, more time to spend on household chores, slept for longer, exercised more, had a more positive relationship with others** in their home. A reduction in overall levels of stress and stronger mental health were also experienced.

For those people not in the workforce who experienced another member of the household working from home, overall stress levels were not as positively impacted. We are mindful that this result include the impact of school closures and the stress of living in a pandemic.

Those not in the workforce also saw a positive improvement in their relationship with others in their house who were working from home. This was more pronounced in growth areas (51%) compared to non-growth areas (35%). They similarly gained benefits from having someone in their household work from home and also slept better, exercised more and reported stronger mental health.

Coworking spaces

Significantly, 65% of respondents in growth areas were likely to consider working in a coworking space or community hub. This means the vast majority of growth areas

respondents preferred working locally, whether this meant from home, in a coworking space or a community hub.

Tackling unemployment

Pre-COVID-19, people in growth areas who were not employed were more likely to be women (72%), aged between 29-49 (74%) with children (68%). Among those in growth areas not currently in the workforce, **more than half said they would seek part-time work if able to work from home.** This shows the willingness of respondents in growth areas to seek employment if it offered flexible work arrangements.

Of those not currently in the work force in growth areas, there was increased interest in using local businesses and services, taking up or increasing exercise, or taking up study or professional development if work was available close to home. **26% wanted to set up as a freelancer or start a home business. More than half said they would consider taking up employment if a local coworking hub was available.** If someone else was working from home in their household, the percentage of uptake in each of these categories was magnified: 55% said they would return to work part-time, 47% would return to work full time, 47% would take up studying and 33% reported wanting to set up as a freelancer or start a home business.

Commissioned research partners

In May and June 2020, Quantum Market Research, commissioned by NGAA, interviewed over 6,000 people, 1,889 of whom lived in growth areas. The data was weighted to be nationally representative by age, gender and location.

The findings on the lived experience of working from home are supplemented by macro-level analysis of commuter and employment patterns in growth areas, undertaken by Astrolabe Group. They analysed Census occupation data, identified major occupation types suitable for working remotely, and mapped these according to local government areas. Commuting cost estimates are based on the numbers of workers from outer suburbs who travel 10km or more per commute by car, broken down by full time and part time status, and using 2019 data from the RACV.

The **National Growth Areas Alliance** represents outer urban Councils across Australia whose areas experienced rapid population growth over the past decade. These areas are the cities, suburbs and towns located on the outskirts of our capital cities.