

## Research Insights

# Taking the Pulse of the Nation

Strong preference for working mostly from home  
as more Australians expect a “new normal” within 6  
months

# Melbourne Institute's Survey of the Impact of COVID-19 in Australia

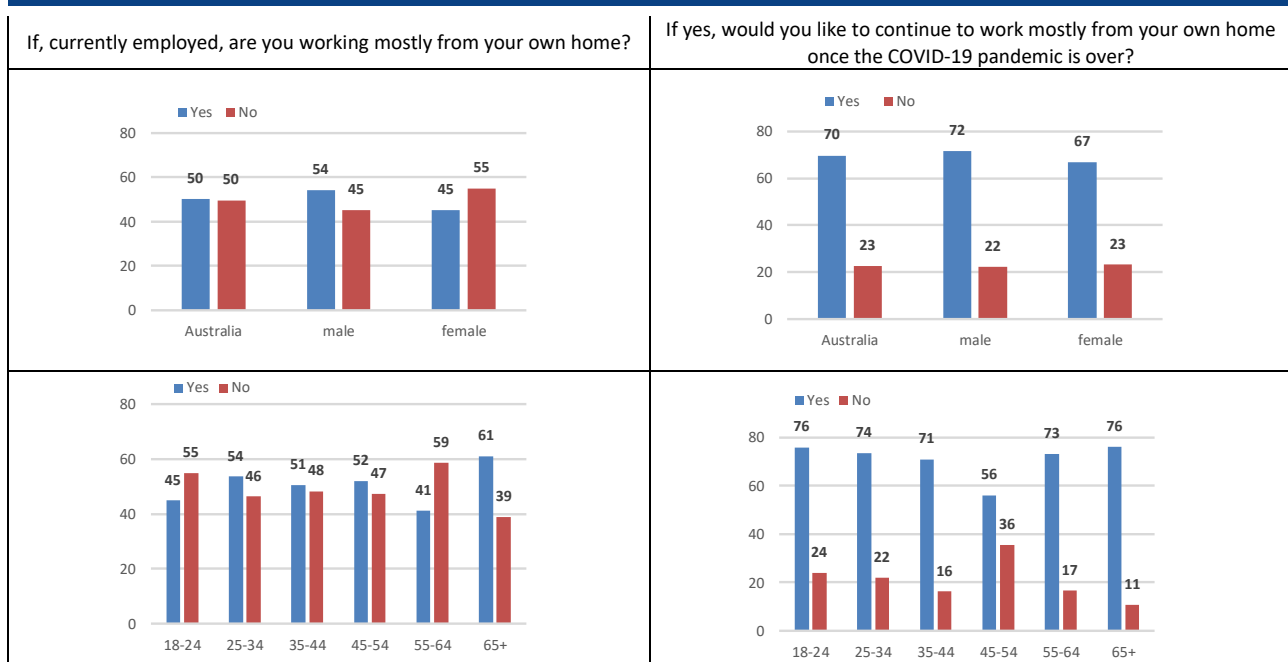
## Survey Results<sup>1</sup>: Wave 19 (14 – 18 Sep 2020)<sup>2</sup>

*Strong preference for working mostly from home as more Australians expect a “new normal” within 6 months*

### 1 in 2 employees now work mostly from home and the majority prefer to continue doing so, post pandemic

- On Thursday 17<sup>th</sup> September, the Australian Bureau of Statistics released the surprising statistic that the unemployment rate had dropped from 7.5% to 6.8% between July and August. While hours worked fell in Victoria (as a consequence of the lockdown), hours worked rose in the rest of Australia.
- Wave 19 of the survey conducted in September, showed a marginal increase in hours worked for both the self-employed and other employees. There is, however, as yet no clear evidence of a trend change in working hours although this is a positive signal of a small step on the road to economic recovery.
- Nevertheless, the work-place has changed in the last 6 months as, wherever possible, work is now conducted from home. Is this a temporary adaptation to social distancing or will this be a permanent feature of the new normal? In wave 19, respondents were asked (a) whether they are working mostly from home, and (b) if they are, whether they would like to continue working mostly from home once the pandemic is over.
- About 50% of employees report that they are now working mostly from home, which is a large (but not surprising) change from pre-pandemic days<sup>3</sup>, reflecting the nimbleness in work-place adaptation to social distancing requirements. What is surprising is that a majority (almost 70%) would prefer to continue working mostly from home, post-pandemic.
- Not all types of work are amenable to working from home and there are also differences across age-groups. More employees in the 18-24 and the 55-64 age groups are not working mostly from home, while those aged between 25-54 years are working mostly from home. What is significant is that the preference to continue working from home is across gender and age groups.
- It is too early to see a trend change in work-place arrangements, but it appears that about 6 months of social distancing restrictions have changed attitudes about where we work. Employers and employees have adapted and should working from home become part of the new normal, it will have fundamental effects on infrastructure needs and policies concerned with connecting where people live with where people work.

**Figure 1: Working from home, actuals and intentions (wave 19, proportions, %)**



1 The survey contains responses from 1200 persons, aged 18 years and over. The sample is stratified by gender, age and location to be representative of the Australian population

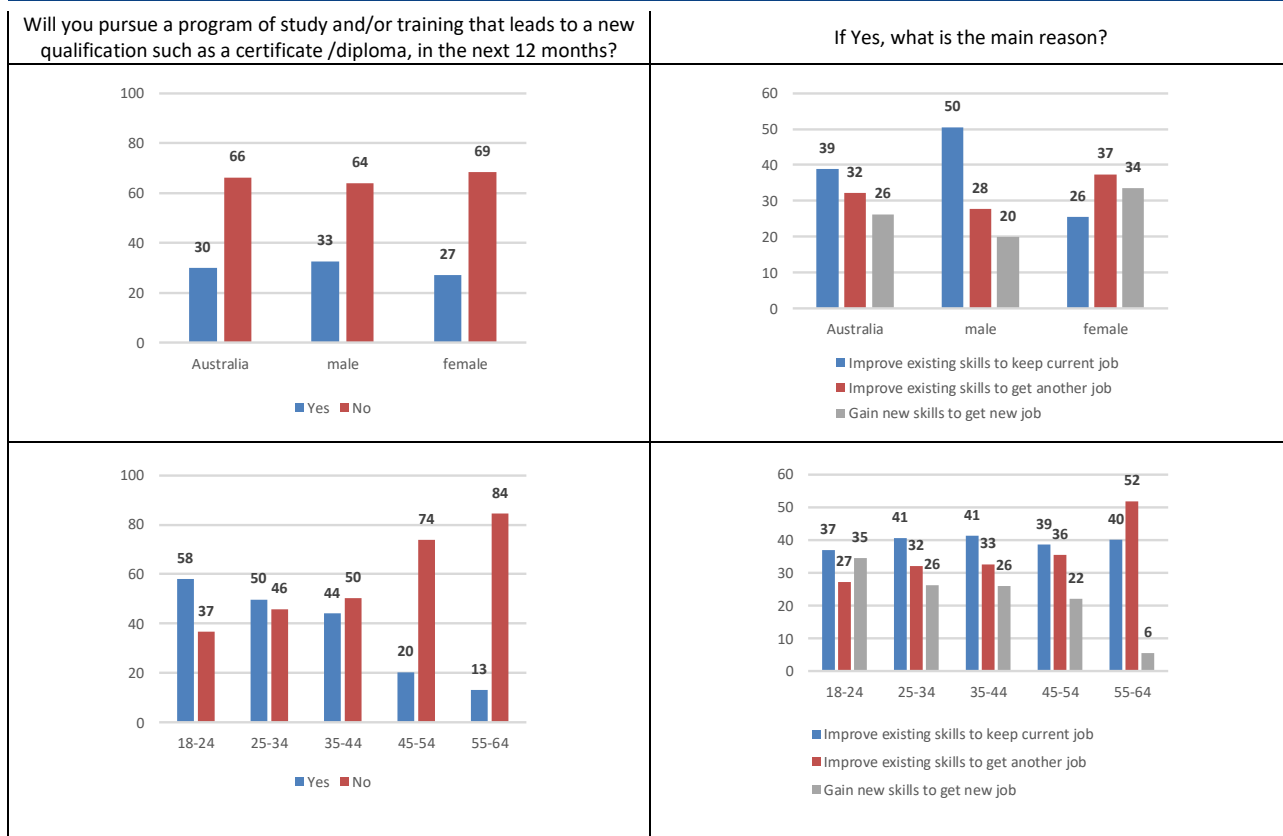
2 Report prepared by G.Lim, V.Nguyen, T.Robinson and S.Tsiaplias

3 According to the 2016 ABS Census and HILDA, around 5% of employees worked from home, pre-pandemic with proportions varying across industries.

## About 1 in 3 workers intend to upskill and the main reason is to keep their current jobs

- In wave 19, interviewees were also asked: (a) whether they would be pursuing a program of study and/or training that leads to a new qualification such as a certificate /diploma, in the next 12 months, and (b) whether the upskilling is (i) to keep their current job, (ii) to get another job, (iii) to gain new skills for a new (different-type of) job. Interviewees were also invited to nominate other reasons, but this proportion was trivial and hence not reported.
- When asked about their upskilling intentions, 1 in 3 Australians said they will pursue a program that will lead to a new qualification. More males are likely to pursue further qualifications in the next 12 months and not surprising, the intention is strongest amongst those aged under 35 years (the intention declines sharply with age).<sup>4</sup>
- The main reason for picking up extra qualifications is to improve existing skills so as to keep current jobs. This motivation is paramount for males. For females, the motivation is to get other or new jobs. Across the ages, employees in the younger 18-24 age group are more likely to improve skills to keep current jobs or to get new jobs, while for the older 55-64 age group, upskilling is to get other jobs.
- Across the industries, employees in Information, Media and Telecommunications had the highest proportion indicating their intentions to upskill (65% of employees) followed by Professional, Scientific and Technical Services (46%).
- In general, upskilling to keep one's current job is the main reason across industries, except for workers in Manufacturing who are upskilling to get another job (possibly reflecting the decline in this sector with the most recent example being the closure of the auto industry) and for workers in the Retail Trade and Education & Training sectors, who are upskilling to look for new jobs (possibly reflecting the growth in online services like shopping and teaching).
- It appears that employees are planning ahead, but unlike changes in work-place arrangements, it is not clear that this is signalling a fundamental change. On-job training is part of working life and around 30% of the workforce regularly engage in on-job training.<sup>5</sup>

**Figure 2: Upskilling Intentions: Wave 19, proportions (%)**



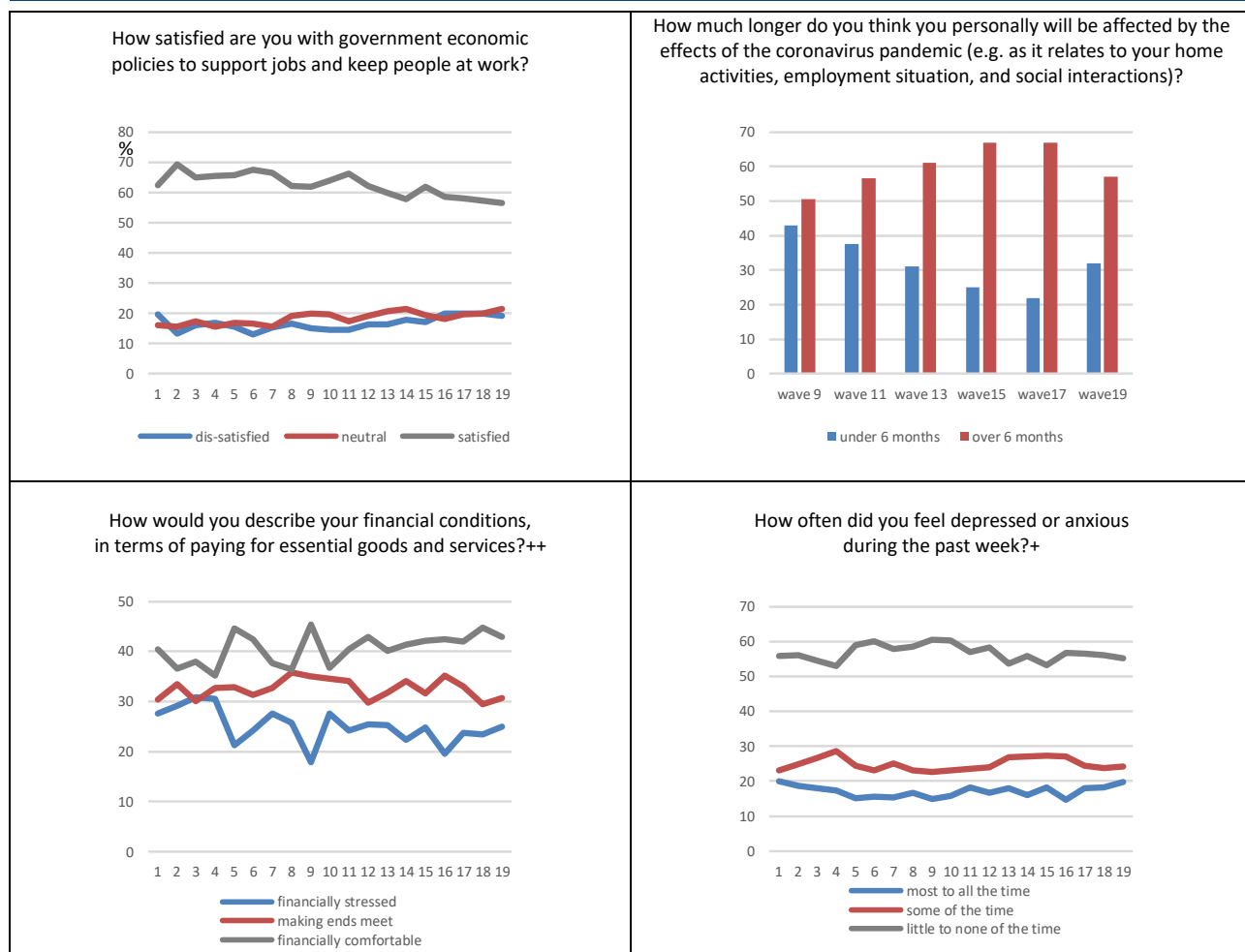
<sup>4</sup> For more insights about youth unemployment see Research Insight 26/20, Jobless and distressed: the disproportionate effects of COVID-19 on young Australians by Jan Kabatek. He notes in particular, that 50% of Australians aged 18-24 are already enrolled in courses prior to the pandemic, so their upskilling intentions may be understated in this survey.

<sup>5</sup> See results in HILDA, to the question: During the past 12 months, have you taken part in any education or training schemes, as part of your employment? This question has been asked since 2007, and the weighted percentages (based on persons who were employed in any job during the past 12 months) has been quite stable around 30%.

## More Australians now expect the effects of the pandemic to be over in less than 6 months

- In wave 19, interviewees were also asked about how long they expected the pandemic to affect their activities as it relates to home activities, employment situation and social interactions. There appears to be a change in attitude – the proportion of people expecting the duration to be under 6 months rose from 22% in wave 17, to 32% in wave 19. The change in optimism is most noticeable in VIC, which improved by 14 percentage points.
- There are small changes in the proportions experiencing financial stress (i.e. having difficulties paying for essential goods and services), but the changes are within the statistical margins of error. As expected, the proportion of Victorians under financial stress increased from 22% to 27%. However, the surprising result is for QLD, where the proportion experiencing financial stress rose from 19% in wave 18 to 28% in wave 19, possibly reflecting the concerns about border closures and the negative effects it is having on tourism in Queensland.
- Similarly, the small changes in the proportions of people experiencing mental distress (i.e. feeling anxious or depressed most to all the time) were within statistical margins of errors. Across the States, the changes between waves 18 and 19 are small except for Queensland, where the proportion experiencing mental distress increased from 12% in wave 18 to 21% in wave 19.
- Net satisfaction (proportion satisfied less proportion dis-satisfied) with government policies to support jobs and keep people at work fell from 56% in wave 2 to 37% in waves 18 and 19, the second consecutive wave of low approval ratings. Across the states in wave 19, VIC recorded the highest proportion of people dis-satisfied with policy (25%) and the lowest proportion that were neutral or satisfied with policies (73%). Both NSW and WA recorded low proportions dis-satisfied (about 15%) and greater than 80% of people living in those states were either neutral or highly satisfied with government policies.

**Figure 3: How are Australians Coping with COVID-19? 19 waves of surveys (April 6-Sep 18), proportions %**



+ The question about feeling depressed is about assessing symptoms/experiences and not about assessing the presence of a clinical diagnosis or disorder. The proportion in the "don't know/refused" category, is very small and has been excluded from the figures.

++ Financial stress refers to the situation of having difficulties paying for essential goods and services while financial vulnerability refers to being in financial stress or making ends meet.

# Melbourne Institute: Applied Economic & Social Research

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## About the survey

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These results have been drawn from *Taking the Pulse of the Nation* - Melbourne Institute's survey of the impact of COVID-19. The aim of the weekly survey is to track changes in the economic and social wellbeing of Australians living through the effects of the coronavirus pandemic whilst adapting to various changes in Federal and State government policies.

The survey contains responses from 1200 persons, aged 18 years and over each week. The sample is stratified by gender, age and location to be representative of the Australian population.

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