

'Making working from home work' webinar

On 13 October 2021, the Productivity Commission hosted an online discussion about how workers and employers are going to make working from home work.

Moderated by Helen Trinca - Associate Editor, The Australian.

Panellists include:

Michael Brennan - Chair, Productivity Commission

Prof Anne Bardoel - Swinburne University of Technology

Molly Hellerman - VP Operations, Delivery and Innovation, Atlassian.

Transcript

HELEN TRINCA:

Hey everyone. My name is Helen Trinca, and I'm your moderator for this session this morning. Welcome, everyone, to a very special event reflecting on the Productivity Commission's research report into working from home. I'd like to begin by acknowledging the traditional custodians of the land on which we meet today. I'd also like to pay my respects to Elders past and present.

Now, there could scarcely be a more timely conversation that we should be having than one about working from home at the moment. And as underlined, of course, by the fact that most of us on this call are indeed joining remotely and working from home. We know the pandemic has been extraordinary in all sorts of ways, many of us have lived through a live experiment in workplace change. And it's a live experiment that's also changed our non-working lives as well. Working from home has given us time. In many cases, extra time, it's given many of us great flexibility. That's the upside.

On the downside, it's given many people a great sense of isolation. And for many managers or people who are supervisors, for example, there's a sense of a loss of control over some of the people working for you remotely. So, just as we're all getting used to it, of course, we're about to start another experiment because things look as if they're moving into a new phase in the pandemic. So, we're moving to the new experiment, really, on the hybrid workplace. What will these new models look like? The Productivity Commission has to be congratulated on tackling this subject in this research paper because it's a hard one, really, to do within the remit and the rigour of the Commission's work. There's a lot of anecdotal evidence about working from home. There's a great number of opinions, a lot of experiences.

In my job at The Australian, I have had 18 months of a deluge of reports and surveys and commentary across my desk from individual companies, private companies, consultants, recruitment agencies, about what people think about working from home. Many of those are quite good surveys, but they're not necessarily terribly rigorous. We've also had a lot of information, which I think is going to come through more quickly now from the Academy, because a lot of people in the management area of business schools, for example, understood very quickly last March when we went to the first lockdown that this was going to be an amazing opportunity to actually have a live

research project going on, and many of them started working very deeply on that from the beginning.

So, but, as I say, in terms of the Productivity Commission's work, there's not a great deal of, it's an extremely hard change to measure in terms of the Commission's work. Now, we'll hear more of that later, obviously, from Michael Brennan, the chair of the Commission. But I just want to make a couple of points.

Obviously, one of the things that's very clear is that people like it, people do like working from home in the main. Most of us are saying that we'd like to work from home at least some of the time, and we want to hold on to some of those gains. And that came through in the research paper as well, the recognition that we can't go back to the old ways, that we have to, organisations and governments need to embrace the change and work with it. What is not so quite so clear, of course, yet is the economic impact of all this is having. What are the gains? We've had some gains already. What does productivity look like in a remote setting? How do we measure those changes in terms of outputs? And, I suppose, most importantly, this is the new normal, and a hybrid workplace is the new normal. If we're going to improve things, how are we going to actually gain from this? Where are the productivity gains, whether in terms of broad policy settings, technology, or different sorts of management? So, in all, some very big questions to look at.

We have a panel today that's going to give us some answers. We'll hear in this order, and I won't give lengthy CVs, because I think most of you can look at those elsewhere. But Michael Brennan is chair of the Productivity Commission, and before coming to the commission, he was a Dep Sec at Treasury. Anne Bardeol is a professor of human resource management at Swinburne University of Technology and actually comes to us today from Melbourne, of course. And her current research projects include management of work-life issues and telework. Our third speaker will be Molly Hellerman. Molly is currently the global head of innovation at Atlassian. And, of course, that's one of the big companies that's really been changing the way people work. Molly is actually coming in to us today from San Francisco.

Now, each speaker will speak for about 10 to 15 minutes, and there are slides, which you can access, obviously, that will take us to about noon and then we've got about half an hour for questions. Now, I'd like to invite you to do two things. You can start feeding questions in as we go, through a little icon, which should be on your screen, a little handheld up. So, blue icon. So, if you tap on that, you can send your questions through. As well as that, if you want to share things as we go and just sort of get into the conversation, you can please tag us on Twitter. And it's on the first slide, but it's @ozprodcom and the hashtag is just #wfh. So, I think, do please start feeding through the questions as we go, because we'll have plenty of time later on. I'm going to start with you, Michael Brennan. Will you please address us now?

MICHAEL BRENNAN:

Well, thank you very much, Helen, and it's a great pleasure to be here, and thank you to all of our panellists and all of those who've joined us today. Naturally enough, I am joining you from home. Not an uncommon experience in 2021 or 2020. I think I know how many days I worked from home in 2019, it was zero. But in 2022 or 2023, it's unlikely to be zero again. And that's really the premise of the work that the Productivity Commission undertook. Assuming that levels of working from home settle at a point

somewhere between the pre-existing level of 2019 and the lockdown peak, what might that mean for policy? What might that mean for productivity and for various of our regulatory frameworks?

So, I want to start by noting that prior to the pandemic, it was a little hard to know. There really wasn't very much working from home going on at all. So, prior to the pandemic, we estimate that around 8% of workers worked from home some of the time, but it probably equated to around 2% of hours worked in the economy. And then that shot up to 40% in March last year, literally in a matter of weeks. And it's important to note that whilst the pandemic was what caused that, in many ways, there were underlying economic forces that had been at play, because the cost of moving people around had been falling for 150 years or so, but it had stopped falling in the last few decades. The cost of moving, the traffic congestion, the time spent on the commute had stopped falling, but the cost of moving information around had fallen dramatically. It is interesting to note, though, that the level of working from home had not changed much until the pandemic. So, the pandemic really forced an experiment. Many businesses and workers found, if anything, that that experiment worked.

In terms of who can work from home, it tends to be concentrated among people like managers and professionals and clerical workers, those who work in an office. It's worth noting that those are also the roles that often benefit from a degree of collaboration, which comes with in-person contact. So, not all of these are jobs that are amenable to being done from home all of the time. The ability to work from home is also, as you can imagine, positively correlated with income, and it's positively correlated with educational attainment. So, for example, more than 60% of those with post-graduate qualifications have jobs that could be work from home. That compares to around 20% for those with just Year 11 or below. That said, it could open up possibilities for those who are currently a bit disenfranchised from the labour market, For example, those with caring commitments or those with a disability. I'll just note that one of the flaws in this analysis is that it's really focused on jobs, whereas really, we should be focused more on tasks. Because for many, it's not so much about whether a job can be done from home, it's whether specific tasks can be done from home.

Now, of course, over time, what might happen is that we may get better at segmenting the tasks that comprise our jobs, such that we can separate those that can be done remotely and those that can't. Most jobs are actually hybrids of those two things, which is why many businesses are naturally attracted to the hybrid model.

So, it's a fair bet that work from home is likely to persist to some extent as lockdowns ease. But how much will it? So, who knows. But we estimate on the basis of our occupational approach. Basis of occupational attributes. There are around 35% of jobs in the Australian economy that can be done from home. Not all of them will, and not all of those that do work from home will necessarily do it all of the time. So, we could sketch out a fairly plausible but conservative scenario, which is to say that if half of the people who could work from home did so, when they did so two days a week, or a bit

less for part-timers, what we would see is around 7% of the hours worked in the Australian economy being done from home.

Now, that would seem like a pretty modest change, but it's actually quite a large shift because that would be a more than 300% increase in the amount of work from home. And it would amount to nearly one in five Australian workers working from home some of the time. But it does, nonetheless, put the change in a bit of perspective. It's about a 5% reduction in the number of people commuting on any given day. So, it's clear that the central workplace does remain overwhelmingly the dominant main location of work going forward.

Naturally, one of the central worries about work from home is that it'll affect productivity.

And as Helen mentioned, a lot has been written about whether people are more or less productive at home and what's the right balance between the physical interaction that you get in the central workplace versus the time in the space that you get at home to concentrate on tasks? And this slide reflects just one example of the sort of survey evidence that's out there. And I'll just point out three things about it. The first is that, on average, employees are more likely to feel that they're more productive at home, whereas employers are slightly less convinced. That said, on average, the general view is the productivity is about the same in both settings.

And thirdly, that when you think about that distribution, it looks roughly like a normal distribution, with some sensing that they're more productive, some feeling less productive, but more of the observations bunched in the middle. But the point that we've tried to make about productivity in our report is not that everybody is more productive at home, or that they would be more productive if they all went and worked from home five days a week. The point we're trying to make is when we look at it from the perspective of the economy as a whole, and ask yourself the question, if another, say, 5-10 percentage points of the workforce started to work from home some of the time. So, if hours worked went from 2% at home to 7% at home, for example, where in that distribution do we think those additional hours are coming from? And for a range of reasons, we think it's going to come disproportionately from those who do it relatively well.

So, remember that bosses have to agree. No one has a right to work from home, and the people who most want to work from home, over time, have a very strong incentive to find jobs in businesses where they can do it productively, so that they wouldn't have to take a pay cut, for example. They also have an incentive to make it worthwhile for the boss. And both firms and workers will tend to get better at it over time. So, while, obviously, it's possible for individuals to be less productive at home, it's much less likely that society or the economy overall will be less productive if there is a modest increase in work from home, when we think about where that's likely to come from.

Now, one of the other key focuses of a lot of the commentary is the city, and we really feel that the death of the city is greatly exaggerated. It is true that the impact of working

from home is felt more by the CBD, or the central city area, because that's where there is a concentration of knowledge jobs, and those jobs are most conducive to being done remotely. They are also the sorts of jobs that tend to rely a bit on face-to-face interaction, so often the jobs that will be most conducive to a hybrid model. In our work, we analysed the geographic impact of the shift in hours worked, identifying those workers whose jobs can be done from home and looking at where they work and where they live. And that allowed us to develop a metric of the net loss or the net gain in terms of hours worked. And that's what these maps really illustrate. The net losses are in the CBD, but what you note is that a lot of the winners, that the areas that are net winners tend to be in inner city areas where, unsurprisingly, many CBD workers choose to live. So, unlike a bit of the commentary that's emerged in the US where there is the potential for the so-called doughnut effect to be quite large. In Australian cities, that's a relatively small doughnut, so we don't see a big hollowing out.

Now, there could be a second-round shift where people decide that they're going to move further out to the outer suburbs or regional areas. And at the margin, I guess, work from home will encourage that, but there's still a question about the extent. Locational decisions are pretty sticky. Once you're in a community and the kids are in school, and of course, if you have to move, in Australia, you have to pay stamp duty. Possibly you're part of a hybrid work model, in any event, and therefore, you have to think about being in the office some of the time and you're thinking about the next job in the next job. Our sense is mostly the second-round effect should act to mitigate the impact of the initial shock, not to amplify it. So, for example, if there is a bit of a decline in demand for office space in central city areas, you might expect rents to fall. And that, in turn, would attract new entrants because there are still big attractions to bring in a central location. And the general observation I'd make is that cities and CBDs have been pretty adaptive, and they likely to prove, I think, resilient to this change.

A final point is that as we grapple, one of the things we do need to grapple with as we come out of lockdowns in Australia or in south-eastern Australia is that we're combining the new normal of working from home with the persistent abnormality of living with COVID. And living with COVID does have implications, obviously, for the city centre, in addition to the ongoing work from home effect. Another instance where this comes into stark relief, I think, is in relation to public transport.

These charts, which are based on Google mobility data, reflect that public transport use in Australia in major cities fell by as much as 70% in March last year, more so in Victoria. But that reduction has then proven quite persistent, such that even by May this year, when you look at a state like WA or Queensland, which at that point basically were COVID free, and you can see that work trips were inching back to within about 10% of where they were pre-COVID. And just interesting to note that they had not fully recovered. Even though the labour market had fully recovered, work trips were still hovering a bit below, which you can attribute to a bit of a work from home effect, I think. But public transport was nowhere near recovering. Even at those times, public transport use still down in the order of about 30%. There's Apple data that suggests today there

are more driving trips happening in Brisbane and in Perth than before the pandemic. But public transport use is materially down, and there are two things going on.

Obviously, public transport does bring out a fear of getting infected with COVID. And as we open up, that's going to remain salient for a lot of people. But it is also true that the new patterns of working from home disproportionately affect public transport use because of who uses public transport to get to work. Remembering those points I made about which occupations are most able to work from home. Managers, professional clerical workers, well, they're also the heaviest users of public transport. So, we estimate that about half of capital city train commutes are actually done by managers and professionals, with only about 6% of those capital city train commutes are done by labourers and 2% by machine operators. And that reflects the nature of our radial train systems in our capital cities and where those people tend to work, which is those knowledge workers concentrated in the centre of the city. So, clearly, there is an issue here. It may take some time for public transport to fully recover, and it may end up being one of the biggest things that we need to think about coming out of the COVID pandemic and work from home.

The main thing is to avoid desperate knee-jerk reactions. We will hear calls for radical reductions in public transport fares, even making public transport free. I think that's a very bad idea. That's something that we're going to do some further work on as the Commission and put out some research in coming weeks on that very issue of public transport pricing. More generally, the point about working from home is that we don't see a need for a significant large-scale policy response. Very much, work from home fits in a tradition of technology enabling an expansion of choice and expansion of opportunities for many workers. And for the most part, the flexibility is inherent in a market economy and the things that allow us to ensure that is absorbed and that we can kind of work it through for the benefit both of employers and employees. So, thank you, Helen.

HELEN TRINCA:

Good, thank you, indeed, Michael, but that's fascinating, the material about the public transport system. You know, a 5% reduction in commutes, but a massive reduction in those commuting by public transport, obviously. So, we might come back to that a bit later. We'll move now to Anne Bardoel from Swinburne University of Technology. Would you like to address us now?

ANNE BARDOEL:

Thank you very much, Helen. I'm going to talk about hybrid work models, and I'd just like to acknowledge right from the beginning that much of the stuff that we'll be reporting on has been work I've been doing in conjunction with my colleague, Associate Professor John Hopkins at Swinburne. So, as Michael's already pointed out, the sudden emergence of the COVID pandemic has resulted in large numbers of people working from home, many for the very first time and often at very short notice. And what this really does is provide a catalyst to the biggest overhaul of working practices in living memory.

So, as we see businesses around the world starting to enter this post-COVID era, and Michael's picked up on this point too, there's becoming a wider acceptance of that many people will continue to work from home and that many may be unlikely to return to the traditional five days a week at the workplace or at the office. And I think what we have now is a once-in-a-lifetime opportunity to refine, rethink and reimagine better ways of working by combining the best elements of the different modes. So, when we're talking about hybrid work, what do we mean? Well, put simply, a hybrid work arrangement is where employees split their time between working remotely and working in the office. And there are few trends here.

And Michael, I think, has actually covered them to a certain extent, but a couple I'll emphasise. What we found since 2020, is 2,000, sorry, two-thirds of working Australians experienced a change to their employment due to the impact of COVID-19. And the most obvious one was more people were working from home, but there were other things such as being stood down, no work available, in terms of hospitality, being made redundant, etc. But a huge number of people, over 4.3 million Australians, worked from home to some extent during COVID-19. And the large businesses were almost twice as likely as small businesses to have employees teleworking, and we also saw difference in sectors.

So, finance and insurance, the public administration, were more likely to work from home than those in the hands-on industries, such as retail and transport. Now we did, at Swinburne, we did a survey April-May last year on where we're trying to get a sense of how people were reacting to working from home. And one of the questions that we asked was, how often did you work from home in the past? How many days of the week are you working from home during COVID-19, during the lockdown? And how many days per week do you expect to work from home in the future? And most of the people who responded to our survey were white-collar workers, but it's the same thing that's coming through from the data Michael's reporting.

If we look at the five days a week part of the graph, you see all of a sudden, a huge number of people were working from home for the very first time. But the key thing to look in this graph that you see in front of you is if we go down to the other end of the scale, we saw a very large number of people who had never had the experience of working from home, or only worked from home sometimes. And often working from home was an accommodation flexibility, might be because your child's sick or because you had a health issue, or you had a report to do and your manager might let you work from home. But when we look at the yellow graph points there, this is what people are expecting post-COVID. And basically, 60% of people in this survey are reporting they expect to work from home for at least one to five days a week in the future. And I think the critical thing about what this is telling us is that people are thinking about flexibility in a different way.

Since COVID-19, the way employers are thinking about flexible work arrangements, I should say, is irreversibly changed. And it means, and I had, when we were doing some

interviews, one of the people said flexibility now is totally, and the way people think about it, is totally different to what it was pre-COVID.

The other thing that was revealed in the survey was we looked at challenges and benefits. And if you look at the benefits, not surprisingly, no commute, greater flexibility, financial savings, more time with family and friends, increased productivity. And Michael's talked about that, and these are perceptions that employees had of their productivity. But people also identified challenges, and I think we shouldn't lose sight of these challenges when we start thinking about a move from working from home.

So, one of the most dominant things was the boundary between work and home was blurred. People experienced distractions at home, they had trouble switching off after work, they had trouble staying motivated. Some experienced unreliable Wi-Fi technologies, some experienced space equipment constraints, some was loneliness. We know there's been an increase of loneliness, particularly amongst single people. Others experienced more difficulties collaborating online.

So, this early research that we did has prompted us to do some follow-up research, and we're currently interviewing people and cultural leaders across Australia to better understand what trends and considerations are emerging for the management of hybrid workforces. And we've interviewed people from a range of different industries, and this research is ongoing, I won't go into that, but a whole range of different industries. But what we're finding is, our early findings are showing, is that there's five different types of work models that are emerging, or what people are grappling with.

Now, the first is more or less being reported by people and culture workers, is we just have a model where we go back to workers attending the office full time on a full-time basis. Now, that is the minority of employers who are actually reporting that. And where we found that is where you have an organisation where it has a small office staff but a large production workforce who are required to physically be on the premises to actually engage in their work. And these employers are saying, we don't want to have to deal with the equity issues between different cohorts of workers, we'd rather everybody just coming into the office or the factory. Then we've had other people who are saying, well, the experience of remote work has been fantastic, we're just going to put everybody on remote work. For example, a call centre said, who used to have everyone come into a physical call centre, they've just found there's no reason everyone has to do that and they're allowing everyone to be full-time remote. But by far, the greatest number of responses have come around this issue of some form of hybrid work. But not all hybrid work is the same.

So, some employers are saying, we want to, we're going to maintain, sorry, mandate that employees attend the office for a specific number of set days. So, we want you to come in to work for three days a week, and those days are going to be Tuesday, Wednesday, and Thursday, for example, there may be other days. And this might be, these people want to feel that the social interaction of work is still important. They might have downsized their premises during COVID, and they can't have all of their

employees coming in on the same day, so that they're splitting it up that way. Or it might be what they want is, and I think Helen touched on this right at the beginning, they want a quorum of people to be in on the days that people come to work. So, instead of having, you know, an office which normally fits 300 people, only 20 people come in, they want to have most of those people come in so that you get the benefits of the interaction. The other, the fourth model is what we call fixed office frequency, but attendance stays flexible.

So, this is where a company mandates that employees attend the office for a specific number of set days, it could be two days, it could be three days, but the employee gets to choose when those days are. And the final hybrid work model that we're seeing organisations look at is workers choose the location where their work, sorry, where they work, and when. In other words, employees have the choice to come to the office full-time, work or work remotely full time, or anything in between. Now, I'm going to ask is, can we start the poll? I'm actually going to do a poll and I hope all of you will participate.

And so if I go back to the poll, what I would like to ask you is, which work model would work best at your workplace? So, I hope we're starting the poll at the moment, and here are the possible responses. And can I just ask what I'd like you to do is not necessarily what you prefer, but which workplace model do you think would work best at your workplace? So, would it be for workers to attend office full-time? Would it be for full-time remote workers? Would it be to have your office frequency and days fixed? So, where you're mandated to come in on certain set days, or where there's fixed office frequency but attendance days are flexible or workers choose the location where they work and when. And if all of you can just choose one of those responses and hopefully, we'll come up with your responses in a moment.

And I'll just go back to this slide which will give you a sense of where we're looking at the relationship between location and flexibility. And the three most common types of work models that people are talking about for the post-COVID era are these hybrid models here. OK. Now, are we able to show... if I go back to this, are we able to show the responses?

I'm hoping so.

I'm not sure.

HELEN TRINCA:

I'm not sure either. I'm not sure either, Anne, but I can...

ANNE BARDOEL:

Results are out?

HELEN TRINCA:

(CROSSTALK) Yeah.

ANNE BARDOEL:

OK. I can't see the results, so that's a bit of a shame, but hopefully, they're proving my hypothesis right that hybrid work is the most common. I don't know whether someone can put anything in the chat if you can see it, the result. I, unfortunately, can't see the results.

HELEN TRINCA:

I could view the results. I think they're not so much in, mine's showing that they've by far the largest is the fixed office frequency but attendance day is flexible. Yeah.

(CROSSTALK)

Second and third, sort of equal run as virtually are the office frequency and days both fixed, but employees attend the office for a specified number of days and also workers choose. The least popular, yes, I've got percentages here, I mean 2.2% say work remotely all the time, 3.6% say workers attend office full-time, so very low. And sorry, the office frequency number three was 26.8, fixed office frequency attendance days flexible was 42, and workers choose location 25, so.

ANNE BARDOEL:

Thank... Oh, thank you, Helen. Well, this is great. So, as a researcher, it's always great to have your hypothesis approved. So, thank you that. So, what we're seeing even from our own audience today is the issue that the hybrid work is something that people think is going to work best for their own workplaces. So, I'm not going to go through this model in great detail, but what my colleague John Hopkins has come up with is a framework for considering the six pillars of success for hybrid working. And at the base of that is having technology and infrastructure, which is, provides a solid IT foundation.

So, for example, you have, you know, dependable devices, cyber security, and providing IT support. But when we actually look at what are some of the... when we're looking at the type of hybrid work model that we develop, we need to ask ourselves in terms of operations. First and foremost, it's really essential that the focus stays aligned with the needs of customers, clients, or the mission of the organisation. If we look at culture, this is an area that many managers are really, I suppose, you know, struggling with at the moment because it poses a different challenge to manage workers in a hybrid workforce. How do you get that common sense of purpose and community when you don't have people all under the same roof? Third is in terms of communication, in terms of maintaining that constant communication between employees and employers. Do you have policies for synchronous and asynchronous communication? Well-being. The mental and physical and social health of employees has become a priority area since the pandemic, and I think will continue to do so.

And finally, the issue of future skills, you can't just assume that the skills needed to, you know, to be a manager in a face-to-face environment are the same as those that are required in a working from home or hybrid work environment. So, some final thoughts. People will work from home more often in the future than they did before COVID-19. As Michael pointed out, there will be increases in work from home have broader, societal, and environmental impacts. The most common arrangement for most firms will be a

form of hybrid model. Organisations and this is the critical thing and particularly someone who's a professor of HR, organisations need to include working from home as part of their long-term people strategies. Appropriate policies, trainings and support are needed and mental health needs to be a focus. So, is the future of work going to be hybrid? Will working... will hybrid work be the magic flexibility pill? Well, that's the question all of you can answer. Thank you.

HELEN TRINCA:

Good. And thank you very much, Anne, for that. Lots of questions there to be followed up with. And just for a break, before we go to Molly, if you do have questions, please start putting them through by using the little blue icon, but we have got some coming through already, so though that will start us off well. I'd like to just introduce Molly Hellerman now, who, as I said before, is coming to us from San Francisco, working from home, of course. And Molly would you like to address us now from, and of course, Molly is in charge really, or running the Innovation Strategy at Atlassian.

MOLLY HELLERMAN:

Yes. Thank you so much. I am delighted to be here to join the conversation today and share a little piece of Atlassian's story. So, Atlassian, we're an enterprise software company, we're born and bred in Australia despite my accent. We are focused on enabling teams to do their best work regardless of where they sit, and regardless of what type of team they are. So, I've been with Atlassian for about nine years now and most recently ran our COVID crisis response and then our reimaged work effort which we call TEAM Anywhere. So, more interesting than I am, I'd like you to imagine the best chocolate chip cookie that you've ever had. What does it taste like? What does it smell like? What does it look? OK. And then if we were together, I'd ask you to turn to the person next to you and compare notes. We aren't.

So, but I am pretty confident that when you compared notes, there would be no best, yours would actually be very different and that each person has their own right answer as to what makes the best chocolate chip cookie. And if lockdown has taught me anything, there are a lot of experiments that you can do on chocolate chip cookies. There are a lot of types of chocolate chip cookies that you can make as you try different things. And so the message being that, you know, there are a lot of ways that we can go about doing things. So, why am I talking about chocolate-chip cookies when really, we're meant to be talking about work from home? I think the real reason is that as we look at this and we think about what the future may hold, there isn't going to be a right answer. There isn't going to be one specific way of doing things. And really, we have to look, as the report talks about, so, if we go into this second wave about experimentation, trying to look at things that have worked for others, see what might work for our company, attach it to our values, our vision, what our strategy might be and how our employees need and want to work? And so I encourage us to continue to think about that. So, but what I will do today is talk about, a little bit about Atlassian's recipe, some of the big decision that we made to move to a fully distributed work style, and some of the actions that we've taken.

So, with that, let's start with the decision side of the factor. So, you've talked about this a bit, and it's widely recognised, you know, the pandemic was singularly unique, right? It totally upended the traditional risk model. And unlike a natural disaster or a one-off event that we know starts and ends, we do not know when this will end, we know it will end, but we don't know when it will end. And it (INAUDIBLE) a bunch of decisions. We've heard it both from Michael and Anne, and Helen at the intro, to have forced companies to make some decisions really quickly that they have been grappling with for many years. Even in the report, you know, you talk about sort of that, you know, it might take us three to five years to make this change, but companies had to change overnight. And all things considered, most companies were pretty successful at this effort, and as a result, it's opened up this whole new set of questions and opportunities.

For Atlassian, it was very similar, we also had some bumps along the way, but in the matter of a couple of days, we were able to move our team members from working in offices around the globe to working from home in 23 of the 24 different time zones. And what we called this is TEAM Anywhere, because, within a few months of working from home, we made a decision to move permanently to a distributed work style. And for Atlassians, what this means when our offices are open, that we're not asking employees to come into the office but for four times a year for very deliberate social connection and team building. Beyond that, they have the complete autonomy to work wherever they choose, and that means that maybe in one week they come in every single day, and then they don't come in for another three months.

So, Anne, I think that falls somewhere between your four and five on your scale in there and that they have that flexibility, but we are asking people to come in for that time period. But it's all about creating that flexibility for our team members. And what we've found is it's really unlocked some incredible opportunities for our staff and family and that we've already had 1,000 people or probably over 1,000 people at this point move permanently. Additionally, for our customers, what this means is that we are choosing to actively get out in front of the problems the distributed work may bring. We know that as everyone's adapting, there will be problems, there will be challenges, but we want to get out in front of that. We want to experience that and start to solve for that and make better products and services because fundamentally we do believe that there is a better way of working. So, you know, as one of our founders said, you know, we have this exciting opportunity and we know that it can't be done with half measures and wait and see approaches. So, we are being bold in our approach, we're seizing the moment to reinvent how we work at Atlassian.

Now, as part of this, what we really wanted to focus on and we wanted to make sure that we did is that we had a really clear value proposition. And there were three things that were important to us and three things that made it worth our while to really go out there and try and work in this distributed style. The first to spur innovation. I talked a little bit about that how we're getting in front of these problems to come up with the best products and services for our customers, and we believe that that will be there. The second is to attract talent. We are growing at 30% year on year and to support that type

of growth in our business, we need to make sure that we're attracting and retaining that best talent. And we want, you know, ensure, we want all the amazing talent in Australia to be working for us, not just the people that are close to Sydney. And then the final one is around retention. So, again, we believe if we can create this flexibility and we've seen it, some of the proof is in the pudding, but it's, you know, we're still nutting it out. But we believe that if we can create this flexibility for folks that they will want to continue to work at Atlassian. And that's our goal.

So, when we think about turning this to action, I'd like to call it a couple of things, but before I do, I want to talk a little bit about the elephant in the room and that oftentimes we talk about these things and people say, well, where do I start? You know, you're Atlassian, we're bigger, we're smaller, we're faster, we're slower, how do I even go about doing this? What do I do next? And this is where I'd like to bring us back to that chocolate chip cookie. And to remember that there is no best way for everyone, but each company and each set of employees is going to have an answer that works well for them, and, you know, this has been echo and echoing what we've heard earlier. And I think the other thing that I'd like to add to this is that you don't need to have all the answers. It's not one person's job to helm all the answers. And what I'm really proud of Atlassian for doing is we had the guts to go out and ask our employees.

Right, so it's one thing to ask, and it's the other thing to listen and actually turn that into some action. And what we found is that the answers and solutions are sometimes not very complex. They don't need to be expensive. And so we started to address those issues that employees were raising, and some of them were with policies and practices. Others were the experiments that we wanted to run. So I'll take two examples for us.

One thing that we heard very early on was that when people had to move from this office setting to their home, that they weren't set up from working from home, Anne called the sound some of the challenges that she listed. But maybe people didn't have the right setup or they didn't have a separate room. I don't have a separate room here, so you're probably hearing dinner being made and my son coming home from school. It's all happening right over there. But people have all these challenges. And so what we did is we said, you know what, let's help actually set you up. And we allocated dollars for folks to spend on their workspace, whether it was a whiteboard or a lamp or chair.

In some cases we even took equipment from the offices to help them. And then after that, we provided an ergonomic assessment. I know there was a question in there about sort of the impact of working from home and settings that maybe aren't constructed ergonomically correctly. But we took that head-on because we were hearing that people were starting to feel pains in their wrists or the chairs just weren't right or the height of different things. And so we offered ergonomic assessments and then we complemented it with funding to actually go and purchase the necessary items to literally set them up for success. And, while small. It had a really big, immediate impact on people's work from home well-being, not just for productivity.

I want to be clear about that, but their actual well-being there. And then tied to that, another thing that we heard, because we continue to lead pulse surveys every other week to really get a feel for how people were doing, is that as this pandemic has worn on, I'm sure many people have felt this and we've seen it in the data and the stories and insights from around the world, that mental health of employees is significantly at risk. And so we introduced a mental wellness week and it offered a whole host of avenues and resources for employees such as coaching, resilience toolkits, healthy habit training, meditation sessions, apps that had meditation and different music that they could listen to, recipes, just this whole suite of opportunities that Atlassians could have access to.

And then we went a step further and said, you know what, this should be available all year, you know, carry on. And so these are still things that are available. It's not just something that we are being well in this particular week, but we should focus on wellness throughout our days and throughout our journey. And then we took it one step further from that, and our founders really encouraged our senior leaders to create pathways for their teams to recharge and to take care of themselves. So I have a friend who'll lead the team and you subscribe the whole team to this hiking app for everyone to get, the purpose of getting out and hiking. There's other teams that have decided that they're going to take certain days off for the whole team, regardless of where they are in the world, will take these time blocks off so that they don't have incoming emails and posts and things like that. And so there's a lot of ways that leaders are really taking ownership of this and making sure that their teams are well cared for.

So with that, I want to then just focus on the values, because I could go on for examples, and I'm happy to talk some more in the chat about it, but our values are something that isn't really new, right? The way that we look at these things, the way that we solve problems, the way that we look at sharing, are rooted in our values and whether it's an open company, no BS or to play as a team, they are in the top of our mind at every decision that we make, and they're regularly used in all of our communication and how we go about actually doing business. And with such big change and all the continued unknowns, and we've really doubled down on our values and used it as a litmus test of sorts to know, are we making the right choices for our employees and our customers? And I'm really proud to say that TEAM Anywhere and Atlassian has been true example of bringing these values to life for Atlassians around the world. So with that, I'll bring us to a close. We will continue to learn and experiment. It's in our DNA. It's how we're built. And we love to iterate and we're looking forward to sharing more broadly in the months to come. So I really appreciate the time. And I'll turn it back to you, Helen.

HELEN TRINCA:

Yes. Thank you very much, Molly. Fascinating that you say they're touched on some of those issues around who should buy equipment, for example, or you know, what you can do to actually make the process of working from home a little easier for people. Good. So look, that concludes the formal presentations, and we will go to questions

now. There are quite a lot coming through already. I'm going to just go to, there's one here, which was not necessarily the first one that lodged, but it is from Karen Urban. And I think I'll ask her to you, Michael first. She asked, will a hybrid model, if we are getting to that, impact on how we traditionally define productivity and how would it impact if at all the 38.5-hour office work a week? But I think that question of whether we redefine productivity is an interesting one, and I wanted to ask you whether you're going to do some more work on this, clearly from what you were saying in your address, you are definitely going to be doing some more work on the city and on transport and on commuting and those elements. But this question about actual worker productivity is a big one. So the question really, back to the question is how, where do we redefine what productivity means?

MICHAEL BRENNAN:

It's a great question. So two aspects of the time dimension first. Part of what's going on in relation to people working from home and sometimes when they either feel more productive or indeed when firms feel that work is a more productive part of it is that they are working longer and technically that's not productivity. It often shows up as productivity because the way the stats kind of impute average hours worked. It looks like there's more output for the same input. In reality, people are often just working longer, and sometimes that's logical enough because they're apportioning the commute between a bit of paid work and some other things.

The other point is about the 38-and-a-half-hour week is that I think one of the things that will change a bit with work from home is that not only are we changing the location to where we work, but I think we will change the when. And in fact, it might even be that the latter is a more important change, that it opens up more flexibility because we have less, if you like regimented about, we have certain work hours because we, in the office those hours. And for many people, the common experience is, the flexibility in fact, what they value is the flexibility of being able to maybe do a school pick up at three and do something with the kids. But then they're going back to doing some work later in the evening, et cetera. What does it mean for productivity? It does mean that productivity is a bit harder to measure and harder to get a real sense of because you know, I think my general view is productivity is a very intuitive concept and easy to measure in some of our traditional goods industries.

So I think in mining and agriculture, and manufacturing, the concept of output per unit of input and per hour worked made a lot of intuitive sense. I think it's a lot harder in some service sectors, particularly in knowledge industries. And so the value at per hour work might seem a bit strained. Sometimes it means that we have to aggregate up to more general proxies, like for a country what is income per capita? That's probably the best, or wages in general, you know, incomes in general. That might be the best proxy for productivity going forward.

ANNE BARDOEL:

Before we move on to the next question, Molly would you like to comment on that point that Michael made there, which is the way we work is really going to change and if

anyone has seen that I suppose it could be Atlassian. I mean, are you finding in your employees that they are really radically different in the times that they might be in front of the computer, for example?

MOLLY HELLERMAN:

Sure. I think the way we work will have to change if we're going to continue to be working in a distributed style. And that's something that we continue to experiment with. We actually have a full team of people working on this, but we've actually tried to put a lot of the ownership on the employees to say from the bottom up, what is actually working for you? How do you need to work? So there might be a team that is actually, there's a team right now that's experimenting with a four-day work week, that will work if that (INAUDIBLE). But they are trying that, there are teams... The only thing that we're asking is that for teams that are distributed across time zones is that they have a four-hour overlap, hopefully that they can all be synchronously aligned to each other. It doesn't mean that they have to be at the computer. It doesn't mean that they can't go take the dog for a walk or pick up, pick up their kids from school, but that their team members will know that they are going to be responsive during that block and get some quicker answers. So I think just in the way that we think about our time, we are definitely changing and the type of tools and the way that we look at our use of those tools is changing as well. I'm most excited about the tools that we will create as a society versus the ones that we're using at this particular moment.

HELEN TRINCA:

Yeah, fantastic, there is room for a whole conversation on that one.

MOLLY HELLERMAN:

Yeah.

HELEN TRINCA:

Anne I'll just come to you quickly, do you want to comment on that, but also ask you some quite technical sort of questions, I suppose, in terms of HR and management. And there's several questions have come through about who should be responsible and how responsible employers should be around things like ergonomic solutions, mitigating risk in the workplace. There are a number of questions about that from Maria (UNKNOWN) if I've got her name correctly.

So first of all, do you want to just perhaps segue into that and talk to us about what's happening in that space? Because I suppose the inference of Maria's question was, we've all got very excited about the new experiment and that we haven't been demanding employers to actually look after us enough potentially, are they doing enough? Have they stepped up to the plate enough? They've given us the technology, but are they mitigating risk? Are they paying for things? Are they going to step to a new role as well?

ANNE BARDOEL:

Yeah, look, it varies. I think most of the employers we've spoken to are very aware of

their responsibilities in terms of risk management. I know that they're taking the issue of the home office and the occupational health and safety issues, and many of them are actually having, you know will actually ask their employee to show them the home office and they'll do an occupational health and safety check. So I think there is an awareness of that. And I will say that many of the organisations so far, we've interviewed tend to be a larger organisation, so I can't speak for that in terms of the smaller organisations.

I think the other thing in terms of, that we need to think about and Molly sort of tapping on this is that for any of the hybrid work models that I've sort of outlined, we do need to talk to employees about that. And it was even interesting in the poll that we had different responses to what people actually preferred and what they would actually like to work under. So there is an awareness there, people are thinking of different ways of actually supporting their employees. Some are giving them money. Some of them are providing other sort of training support as well.

HELEN TRINCA:

I just ask one specific thing, which was also ask whether or not you think that occupational health and safety laws are likely to be sort of formally revised in relation to risk, are we seeing any movement there?

ANNE BARDOEL:

Look, it's probably a little bit outside of the scope of my expertise. I don't know Michael might have more of a perspective on that. I mean, the laws are there and it's this issue of where is the workplace? And if the workplace becomes the home, then surely an organisation has responsibility. But Michael, do you have any sort of more informed thoughts than I do?

MICHAEL BRENNAN:

Probably not necessarily much more informed Anne. But look, we looked a bit at work health and safety as to what are the implications because on the face of it, this seems like a seismic shift for work health and safety. Now one thing the model work, health and safety rules, a few things about them, they're pretty principles based. So they're fairly flexible and these are in operation in most states. They will evolve a bit with case law, and I think there'll be some teething issues. But for the most part of our sense is, it's a pretty flexible framework and it's capable of adapting. The key going back to first principles, is you always want to try and apportion the responsibility for maintaining safety where it's most efficiently borne if you like.

So, you know, the things that clearly an employer can most efficiently do, we want them to have that responsibility where it's better for the employee to manage that risk than you want the employee to bear that? And we will find no doubt that there are some teething problems. There'll be some bits that come out of case law that people, will leave people perhaps scratching their heads, but for the most part, flexible regime and it is, there are inbuilt reviews of the Model WHS Laws that occur. We've got one, I think, scheduled for next year or the year after. So there's just a natural process by which I

think we can kind of come to grips with, you know, does this remain fit for purpose in a more hybrid workplace, basically?

HELEN TRINCA:

Good, thank you. I was remiss, because I was told that I had to mention that when Molly was speaking there, our Chat Question Manager got multiple requests for chocolate chip cookies, so (LAUGHS) soon to be rewarded when we go to lunch, hopefully. Also, look, I will just mention that we did have one person let us know that they were having a great deal of trouble getting on and asking whether there was a pre-record... oh sorry, a recorder, a recording available perhaps of the event, which I assume will be available. I'm not 100% sure about that, but we might have to let you know later on. So apologies if you've had trouble and that person was saying things were buffering. But we do seem to have about almost 200 happy travellers at the moment. So, which is great news. I'm just going to move to a question, really. I think this could be a quite a good one Molly, for you, around management. One of the questions was, 'how much will a management skill have to change'. And I'm wondering whether you even can speak from your own experience, whether you've found even in the 18 months or so of COVID, whether Atlassian, even with a very good, relaxed management style and you've had to change. People have had to change even further.

MOLLY HELLERMAN:

Yeah, I think for sure, everyone has to. We have to change, everyone is adapting to this new style of work. And when you think about managers in general, my guess is that the majority of managers at most companies have hired, were hired to be onsite in-office managers. And that is what they were hired to do. And managing a remote team is a very different task. There are a whole bunch of things that come along with that opportunity. And so we shouldn't assume, and Atlassian has not assumed, that managers know how to work remotely and how to manage remotely any more than their teams do. And so we have actually put this as a very high priority in enabling our managers and have a whole suite of things for, to help our managers. Everything from how do you host conversations on growth, and how do you host hard conversations? So that softer side of conversation, to how do you bring teams together and how do you relook at rituals, to even how do you know what's happening in everyone's life? Vey often when we walk down a hallway, you can see this person's body language is so-and-so, or they didn't speak a lot in a meeting, and that could just be, you know, on a video that maybe they didn't get in, but in a meeting room, you can see that. And so how do we actually work towards that? And so we have created a bunch of plays.

So Atlassian has always shared our place. We've had them out there for six, seven, eight years, that's the Atlassian playbook, you can look it up. But we've really spent lot of energy on that and then we have a whole suite of training. One of the things that I... and as I said before like we're continuing to learn and experiment.

One of the things that we found as we're hosting these trainings, is that when you have the training together, oftentimes it's sort of a megaphone. One-way communication people are talking at you and telling you, this is what you need to know. And we

probably know from experience that doesn't work as well. And then we thought, 'Well, maybe they need to do a case study and that will work better. And we tried that. But what we actually found managers like was to solve problems together and learn through solving problems. And so we'd start to put them into smaller groups. And in so doing, they made more connections with people maybe they didn't know before, they got to solve problems, and think about different ways of solving problems. And then actually got to learn in the process. And so we've shifted even the way that we train managers. So it's a great... It's a great set of experiments that we are running and really exciting times.

HELEN TRINCA:

Wondering whether I could ask you Michael your biggest challenges as a, you know, running your organisation has been in terms of management and style, whether you'd be prepared to share that with us?

MICHAEL BRENNAN:

Yeah. Well, I mean two things. One is the like many in Southeast Australia, the combination of the 'new normal' 'work from home' with the world we're in, right? Where we're trying to think about a flexible work policy for the steady-state or the new normal. But of course, it keeps getting interrupted by the realities of now. But I do think also Molly has hit the nail on the head. As far as I'm concerned, it's just this continuous process of learning. So that's kind of implicit in what we describe as this second wave of experimentation that the first experiment being the forced experiment, everyone had to do the same thing.

Now we've got this multiplicity of models out there and we'll see what kind of evolves and adapts. My sense is that the hybrid model is the easiest one to choose, and maybe the hardest one to execute. And probably the example I give of that is the hybrid meeting, which many of us have experienced. And it's really hard. I mean, when you've got some people together in a room, they're reading the body language like Molly says, they're getting the vibe. They've kind of got that judgement as to whether jump in with an interjection, etc. Then you've got the people who are joining remotely, and I think that's tough. It's tough to get the best out of that. We've probably gone to the two extremes, more so than tried to master the hybrid meeting. And that's probably just one little example of the challenges of the hybrid model overall.

HELEN TRINCA:

I might just ask you Anne as well as following on from that. The, in terms of management, one of the things that people often talk to me about and want me to report upon is this sort of shift in power now with remote working so that the managers perhaps have less power. And Michael kind of suggested there that, as a manager, you don't really get the responses perhaps, back, on a remote call. You know, if you're in the room with people, you can read the room. You can get a sense of (AUDIO DISTORTS) agreeing with you or you got to shift your message a bit. And it's very difficult. But I wondered whether your work going up in any way, a change in attitudes around power in the sense, for example, where you might have more empowerment from people

working remotely than they might have felt in the office? Have you done any work on that, or have any commentary on?

ANNE BARDOEL:

We haven't done any work on that specifically. I think, I mean, there still is an issue of those people who are in the leadership positions and those people who have most contact with them, are better networked and are more visible and are more likely to be identified for perhaps promotion and things like that. So I personally haven't really seen much discussion around that the power, the power dynamics are actually favouring people who are working remote.

In fact, if anything, it's, it's people reporting, in many cases, that they're feeling more isolated. What we do know and I know this is from the research that I know Atlassian had done at other organisations, is that the importance of one's immediate team leader, in terms of making somebody or facilitating someone to feel more connectivity to the, the organisation, and that is absolutely important, critically important. And I think, Molly picked up on that, that, that often that person, the team leader is dealing with a smaller group of people, it might be sort of five to eight people. And in the remote working situation, the hybrid or the, the remote meeting situation, it tends to work, communication tends to work better in that situation.

The other thing that I've thought I'd also point out and be interested in other, in Molly's experience, and perhaps people are on the chat. And that is the issue of how organisations now go about onboarding people, and also recruiting people, which has changed. So, we still, in a number of the interviews that we did, we'd find that people would say, 'oh look, we'll do a whole lot of the recruitment process online.' But the final decision, we still want the person to come in and we want to see them. And that I have to say, 90% of the companies we interviewed were actually saying that which I found quite, quite interesting. Whether or not that will change as people become more comfortable with making decisions like this in a remote format, I don't know, but I'll be interested to hear what other people think.

HELEN TRINCA:

Yes, Molly, would you like to comment on that? Whether are you hiring long distance, for example?

MOLLY HELLERMAN:

We are hiring, we are hiring wherever you are, we want you. Come in the door. We had, since last year alone, we had 1,000 new employees who were all on boarded remotely. And that is, that's a huge number, it's our biggest number yet. And it definitely is, it was a challenge, especially during the start of the pandemic, when so much of the infrastructure of even delivering computers, or getting the resources were locked down. If you think about trying to get something, you know, pick your place in the world. But that's not just, that's just one piece of (UNKNOWN), IT or workplace technology team worked really hard to solve for that. But the other piece of it is the actual experience that people have, how do we make sure that where when they might have come into an

office and felt all the, all the people in Atlassian, seen the values on the wall, sat down at the canteen and had a lunch? I mean, they have a very different experience. And so, we have spent a lot of time working on that and actually segmenting people.

So we have a general onboarding, to understand Atlassian, we have an onboarding to understand your department. So, engineering, for example. And then we have an onboarding, to understand your team. And each of those has a very different feel, and a very different size. But it allows connections across the organisation in different ways, because that's one of the biggest things that you miss when you onboard remotely, is that you don't meet anyone else. And so, you don't have those connections to help to learn. So, we've created a lot of ways to go about doing that. The other thing that we've done is for our new grads, we have a very specific programme to make sure that they feel welcomed, and that they are connected in the right ways to understand our tools and how we work best. Happy to, I could talk about this for the rest of the time. So I'll pause and turn it back to you. But agree, it is, it is a challenge. But a fun one to try and tackle.

HELEN TRINCA:

Good, actually it segues quite nicely to another question from Professor David Hinchey, who's I think from the University of Sydney. David sent me a quite a few comments, but I might not be able to manage them all. But he does talk about that sort of capacity now to recruit globally. You know, the idea that location doesn't matter, and you could actually have, not only recruited, have people working in different countries. Now, I might just go to Michael on that question. Because there's a practical element of that, which is, how do you pay people and how do you tax them? Can you just remind me whether or not the report research paper goes to?

MICHAEL BRENNAN:

No, sorry, I work, you know... So yeah, so we thought a bit about what, you know, what are some of the longer-range implications of, of more work-from-home or work, more remote work. Could it for example, lead ultimately to more international tradability of services, for example? More of a sense, and I guess the sense is, you know, somebody is working five days a week remotely, and their work can be done from home, then in theory their work can be done from a lot of places and then it opens up, you know, further opportunities.

But of course, you know, in a hybrid model that's much less likely, I guess that you're more likely to be anchored to a, to a particular location. The only other observation I'd make when I just think about kind of the economics of the central location and the city, it's always been the kind of the, the conventional economic argument in favour of CBD has always been that it satisfies three things, sharing, matching, and learning. So, sharing in that you have certain public goods, that there are kind of economies of scale. And if you can cluster people together, it's economical. Matching being, you know, it gives you access to a large pool of labour and allows people to specialise, and firms to specialise, in their choice of individuals, because they've got all these options at their fingertips, as it were. And learning, which is really about those agglomeration effects,

you know, that sense in which you get a sense, a bit of creativity, new ideas, productivity that emerges somewhat mysteriously from the effect of people just rubbing shoulders and meeting incidentally, and that's serendipitously.

And I think what remote working does, it kind of takes the matching bit out of the equation, because in theory, now, you can sort of match with somebody, as Molly says, in 23 out of 24 time zones. And you know that, so that's kind of telling you that in a way, you don't need to be located in the CBD just to get access to the talent. But a couple of those other things might still remain salient. And it might be that those agglomeration effects, which is the sort of broader version of the water cooler conversation, they might still be pretty important. And so, that's probably something we'll, we'll see, I guess, that's, that'll be the test, of how important was the learning, vis-a-vis, the matching?

HELEN TRINCA:

Can I ask you while you're there, Michael, about wages, because some of the commentary coming through in the last couple of months to me has been that wages could, or that employers, could in fact suggest that they pay people less, because they're not commuting, they might have shorter days, and that people might be happy about that, because it's a trade-off, because they don't have to pay for childcare for argument's sake. Did you? You touched on that only briefly, I think, in the, in the research papers, and could you comment on what you think's likely to happen around wages in this moment?

MICHAEL BRENNAN:

Yeah, thanks, Helen. So we noted a bit of survey evidence that suggested that some people were prepared to take a pay cut or they, they expressed that view, in the order of 7%, in, you know, in return for the ability to work from home. We will perhaps be dismissive of that in a way, partly for a few reasons. One is that I think it's your wage is, ultimately, more likely be linked to the productivity question. If you're as productive at home as you are in the office, then there's no reason why your wages would fall.

Secondly, you know, what people say in surveys, versus what they're prepared to enact in real life, often, there's a little bit of gap there. The first thing is just as I'm looking at the world, at the moment, all of the pressure is the other way, there's labour shortages in most developed economies, and we're probably going to see more upward pressure on wages. So overall, I kind of felt like it was an unlikely scenario, the idea that people would be taking significant pay cuts, in order to work from home. For the most part, I felt as though we, when we did the work, that our view was that, for the most part, people who really valued the opportunity to work from home, still have a strong incentive to be productive, you know, including finding a job where the workplace has that option of working remotely and being more productive, and therefore, getting the best of both worlds, having the flexibility, but also, you know, maintaining your pay. So I just didn't think it was a particularly likely outcome, that we'd see downward pressure on wages as a trade-off.

HELEN TRINCA:

That's not a... And clearly what a lot of employers are trying to do now, I think, they're actually having to make that move to recognise that this is not a perk, working from home, but this is going to be built into the whole sort of culture of the organisation. I might just turn, Anne, to you. There's a question here from Karen (UNKNOWN), I think we might be able to mention... be able to answer. She mentioned that Michael mentioned when he was talking about potential benefits from working from home for people with disabilities. And that's obvious, I guess. And she asks, 'are there any other inclusion elements that HR managers should consider?' And I'm wondering whether you could understand, I guess the point is, are there other positive groups of people or whatever, who could benefit large, very much (CROSSTALK)?

ANNE BARDOEL:

Yeah, I mean, there's definitely a range of people who will prefer working from home, and benefit from working from home. It could be those people with a disability. We've also, I was reading a study yesterday about many older employees will feel that they could extend their work life with the ability to more often work from home than having to come into an office. I think there are also people with different types of neuro learning styles who would, who feel much more comfortable, in terms of working remotely. So think the ability to be able to include a range of people that haven't necessarily been included before, or included comfortably before, is there, and I think that's a really important thing to, to think about and, and I, right at the beginning to me, what we've got is this time to really rethink and reimagine the way that we can work. And we need to think about the inclusivity of being able to actually do that.

HELEN TRINCA:

I might just ask one here, again from David Hunter, he's sent me many questions. From the University of Sydney. But one is about the satellite office. And I wonder, I might just go to you Molly, and Anne too, if you're keen to answer that. Molly, you were telling me before that Atlassian has got two offices, obviously in San Fran, one out in the Mountain View, which is in the Valley, and one downtown in San Francisco. And I just wondered whether, you know, what you think is going to happen as we do go to living with COVID, and opening up, even though you have given, Atlassian has given permission, in a sense, to work everywhere. Do you think people will treat for example, their San Francisco offices almost like, you know, a satellite office, you know, local enough for people living by would... are you likely to go back yourself, to that office? Do you think?

MOLLY HELLERMAN:

Yeah, it's a great question. We have offices, as I said before, all over the world. And we're, you know, maintaining that footprint because we want to allow people that opportunity. It's hard to say right now, because we have, we often forget, like, we're in the middle of pandemic, we're still in it. And we're still trying to figure out what that will look like. And so, the way people are working right now, if not, hopefully, how it will look, once we're sort of living with COVID or beyond COVID, depending on, you know, how positive you want to be on that spectrum. And so, it's hard, it's hard to say, but what we

are doing, is we are trying to look at our offices differently. We're saying, because people will be able to use this office in a different way, and because they are coming here, in many instances, to bond and to form connections with people that the other might not be able to, how might that space look different? So do we actually need rows and rows of desks? Probably not, we need more open spaces, we need flexible walls, we need whiteboards, we need bigger meeting spaces.

So that's really what we're doing with our space right now. And we are, you know, we're able to sort of tier it as different, as our world opens up in different ways. And try, where again, like I said, experimentation thing, we're trying different ways of how the office might look, and how it needs to look, given what we are asking people to do and how they might use it. So, I think that there's a long answer to say that I think people will come back for certain reasons. But I don't think they'll come back for the same reasons that they were there. I don't think they'll come back to just sit down and work at a desk.

HELEN TRINCA:

Anne, do you have anything to add there that you'd like?

ANNE BARDOEL:

Oh, look, I totally agree with Molly. What we've found is many of the companies we've been interviewing, are saying, we're rethinking, reconfiguring our current physical workspaces. And for the types of things that Molly has said, is people say, the offices there for people to come together for a purpose. And that tends to be the focus. And so, with that, you don't necessarily need to have, you know, you know, offices or rows of desks, where people are just sitting down. They're coming, coming now to the office for the connectivity. So, you need to redesign the workspace to actually achieve that.

HELEN TRINCA:

Yeah. Well, now, I'm just going to read out a comment here, from Michael Croker, who is a tax leader at, and I'm not quite sure where he's a tax leader at, but I shouldn't have to know that. But anyway, Michael makes a comment really, interesting issues are arising about how "friendly" the Australian tax system is, to home-based workers. Issues include the future of home office, income tax deduction, and lots of fringe benefit tax issues, such as increased demand for car parking, to avoid public transport, benefits to encourage donations, paying for home office equipment, which is also used for private purposes.' As Michael indicated, there's also a fairness issue. And the question, I think, is 'should predominantly white-collar workers get special tax breaks not enjoyed by those who have no choice but to go to their usual workplace?' And that, I must admit, is something that I had not thought of, but certainly an amazingly, interesting, ethical issue, I guess. Michael, do you want to just comment on that? Is there...

MICHAEL BRENNAN:

Yeah, it's a comment more so than an answer because I don't, I don't know, is the short answer. I think it's a very good question to pose. It's something that governments will want to think about, not merely because of the revenue risk, but I just also think that could, this all get a bit ridiculous, right? Because it's, it's, I put it in a similar category to

work health and safety. I mean, you know, am I going to hold my employer accountable if I burned my hand making a cup of tea, equally, am I going to start claiming half of the kettle or a third of the vacuum cleaner? Because you know, that... they're... You know, I've got a portion of my time and a portion of my house is sort of, devoted to work. So (AUDIO DROPS) ... perhaps some generalised rules might be better than the specific sort of piece-by-piece, you know, claiming individual bits and pieces in your annual tax return. Standard deductions, that sort of thing. I don't know because I'm not a tax expert. But I do think a bit like WHS, it's just something that we're going to have to keep a bit of an eye on, because it is a clear implication of a more hybrid way of working.

HELEN TRINCA:

Now, my clock tells me we've got about four minutes left, and I'm just going to ask one more question. I'm not sure that I even understand the question, but it is from David Hinchler again, physical agglomeration economies need to be questioned. And maybe digital agglomeration needs factoring in and changes the meaning of density.' Now, Michael, that's one that you understand that question, don't you?

MICHAEL BRENNAN:

Yeah, look, I think the, the physical agglomeration economies, I sympathise a bit with David's point, David is a transport economist. And often in transport economics, the sort of agglomeration economies have been perhaps, shall we say, slightly abused in business cases to build up the argument or build up the benefit-cost ratio for a project that might otherwise fail? And, you know, they are by their nature a little hard to pin down, right? Because they're, these guides are hard to measure, external, external benefits. It'll be, it is an interesting thing to think about. What will digital agglomeration look like, right? Because the, you know, and can we effectively, in the digital realm, reproduce some of the, what I've described, what I've described earlier, is the serendipitous encounters here, the chance encounter, that's often the feedstock of creativity, the thing you didn't plan. Because I think for the moment, at least in this perhaps first generation of working remotely, often we are quite transactional in our online dealings, you know, (AUDIO DISTORTS) the meeting, or it's the interview, or it's whatever. Whether we've found good ways to kind of build those chance encounters, that build a bit of creativity. I think that's, you know, that awaits the next wave of innovation.

HELEN TRINCA:

Great. Now listen, I'm getting some wind-up signals. So I just want to mention that Michael Croker tells me he's a tax leader at Chartered Accountants of ANZ. So, that's good to know. I've also been asked to ask Molly, one more question, which is, can you, whether you can expand on the tools that you mentioned, I think you said quite a lot earlier on you're, you're excited about the new tools that would come in in this sort of remote working. Can you mention one or two that you're thinking of?

MOLLY HELLERMAN:

Well, I'm obviously always excited about how Atlassian is going to adapt their tools to the new ways of working. We've done quite a bit with Trello, Confluence, JIRA, etcetera.

And then how we partner with other tools. So, for example, whether it's on a Zoom call or a Slack, and how we integrate those tools, I think that is sort of where interesting things start to happen. When you can get on a call, it records the call so that people can read it. So maybe they are tired of listening to it. It then, you know, filters into another tool that you have this is, this how many minutes you've been spending on meetings this week versus having, you know, time to actually think, takes that, translates it into a Confluence page for example, or a blog, wherever it may be, and then produces a series of tickets potentially, these are the action items that come out of this. So I think to me, it's sort of how do we combine all these different tools that we have? And then from that, what's the next interesting thing that will, that will be needed to make things happen?

HELEN TRINCA:

Great. Well, we are going to conclude just in a moment or two, I'm just going to give everybody about 30 seconds, I suppose, to make some concluding remarks. And I'll go and then Molly and Michael to finish up. So Anne, would you like to talk please?

ANNE BARDOEL:

Yes, one thing that we haven't specifically mentioned, and that is what happens at home, matters to the success of working from home. And what I'm getting at here is that we still see gender differences but for, in terms of the working from home experiences, experience. And that we have seen much evidence that traditional gender roles and people falling back on to those, have become more evident during the increase in number of people working from home. And in some parts of the world we talk about a 'she session', because women are taking up, on more of those roles. The other thing that I think we also, it's worth keeping sight of and that is, the work or the workplace for some is a place of safety, or home is not necessarily a place of safety. And we have seen the level of domestic violence increase as well.

HELEN TRINCA:

Molly, some concluding remarks?

MOLLY HELLERMAN:

Yeah, I will, I will keep it very short, because I had, certainly have taken my share of the microphone. And basically, I think what I would leave everyone is, don't let not having all the answers stop you from starting. There are so many little things that we can do, even if it's just asking the question of how can I help or what do you need or how are you doing today? Those are first steps that gets you on the path to finding the right solution for your team.

HELEN TRINCA:

And Michael, to you finally.

MICHAEL BRENNAN:

Nothing other than just to say a sincere thank you to everybody for being part of that and also thank Molly and Anne for being, agreeing to be panellists on this. And to you

Helen for agreeing to host, you've done a fantastic job. And I will just give a shout out to the team that was instrumental in putting together our research report which was Rom, Matt Forbes, Mary, and the other team of Matt, Mabel, Cordelia, as well. And I hope I haven't forgotten anyone in that. So, thank you.

HELEN TRINCA:

OK, thank you, everybody. And that really concludes our session. if So, return to the... Well it's time for those chocolate cookies, I suppose. Chocolate chip cookies, you've got some in the pantry. Good. OK, and I'll say goodbye to everybody. Thank you.

ANNE BARDOEL:

Thank you.