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**The Australian HR Institute**

**Submission to the Education and Employment Legislation Committee  
Inquiry into the Fair Work Amendment (Right to Work from Home) Bill 2025**

**February 2026**

**The Australian HR Institute**

The Australian HR Institute (AHRI) is the professional body for Human Resources in Australia, with 18,000 members from Australia and internationally.

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## **1. Summary**

1.1. AHRI believes that productive and inclusive workplaces are those in which managers and employees can reach agreement about how work is best performed, including where and when work is undertaken. This approach is efficient and provides both employees and employers with the flexibility to meet their respective needs.

1.2 AHRI's research shows that over 80 per cent of Australian workplaces already offer some or all of their employees the ability to work from home two or more days a week<sup>1</sup>. This calls into question the need for regulation.

1.3 AHRI's key recommendations in this submission are:

- opposing any expansion of existing working from home rights, including a new category of request, a "work from home up to 2 days request", under section 65A(4A)
- opposing the proposal to replace the 'reasonable business grounds' under which employers can refuse a flexible working arrangement with grounds that limits refusal to cases where the arrangement would make "performance of the role's inherent requirements impractical or impossible"
- supporting further consideration of the proposal to extend the current right to request flexible working, which is currently restricted to certain groups under the National Employment Standards (NES), to all workers from 2027.

## **2. The case against expanding working from home rights**

2.1 AHRI considers that further tightening regulation of working from home arrangements would be inefficient and ineffective. The available evidence suggests that current flexible working arrangements are operating effectively and are broadly meeting the needs of both employers and employees.

2.2 AHRI research<sup>2</sup> shows that Australian workplaces have settled into a period of stabilisation in relation to hybrid working, with almost half of organisations adopting hybrid

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<sup>1</sup> [Hybrid and Flexible Working Practices in Australian Workplaces in 2025](#)

<sup>2</sup> [Hybrid-and-Flexible-Working-Report-2025.pdf](#)

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working arrangements that mandate employees to attend the office or physical workspace two or three days per week. The survey data is consistent with previous AHRI reports<sup>3</sup>.

2.3 The research shows that only 18 per cent of Australian employers require in office / physical workplace attendance four or five days a week or don't offer hybrid working at all. This means that over 80 per cent of organisations already offer some or all of their employees the ability to work from home two or more days a week.

2.4 AHRI research also indicates that hybrid working arrangements have an overall neutral or positive productivity effect. Forty-five per cent of organisations report that hybrid working has had a positive effect on productivity, compared with 11 per cent reporting a negative effect. This suggests that current arrangements are delivering productivity benefits without the need for additional and prescriptive regulation.

2.5 In this context, AHRI considers that introducing a legislated right to request to work from home, including a new "work from home up to 2 days request" under section 65A(4A), could make it harder for employers and employees to reach mutually beneficial arrangements that reflect role requirements, team needs and organisational context.

2.6 Amending the refusal grounds so that employers may only refuse a request where the arrangement would make performance of the role's inherent requirements impractical or impossible risks undermining this principle, by constraining the ability of managers and staff to agree on how work is best performed, including where and when work is undertaken.

2.7 This risk may be exacerbated by uncertainty or misunderstanding about what constitutes the "inherent requirements" of a role, which may be interpreted too narrowly and without sufficient recognition that employers must also consider a broader range of legitimate factors. These include customer needs, organisational culture, and established ways of working.

2.8 AHRI also notes that working from home is not possible for some roles and may not suit all organisations. Taking this into account, any expansion of existing working from home rights risks raising expectations among all employees, and within organisations exacerbating existing tensions between those who are able to work from home and those who are not.

2.9 Similarly, AHRI considers that the current grounds for refusing flexible working requests are operating effectively. AHRI research indicates that the existing framework is generally

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<sup>3</sup> [AHRI-Research Hybrid-Flexible-Working-Practices-in-Australian-Workplaces-in-2023.pdf](#)



viewed positively by employers, with flexible working reforms among those most likely to be assessed as having had a positive organisational impact<sup>4</sup>.

2.10 AHRI also notes that there have been significant recent changes to the regulatory oversight of flexible working arrangements. These include reforms introduced in 2023 that place stricter obligations on employers to consider and negotiate flexible working requests, alongside new powers for employees to challenge refusals through the Fair Work Commission. The same AHRI research indicates that while this reform has had a positive impact overall, employers would welcome a period of respite due to the heavy administrative burden of processing so many changes in recent years.

2.11 On this basis, AHRI does not support granting the Fair Work Commission additional powers to review refusals of flexible working requests or to make binding determinations.

### **3. The case for considering extending the right to request flexible working arrangements to all employees by 2027**

3.1 AHRI supports further consideration of extending the right to request flexible working arrangements to all employees from 2027. In the case of extending the right to request flexible working, AHRI research suggests that extending the right would be simpler to understand and is likely to support attraction and retention. AHRI considers that extending the right to request flexible working would be a more effective way of facilitating discussions about remote and hybrid working, as well as other flexible working arrangements, than introducing additional, prescriptive working from home entitlements.

3.2 AHRI research<sup>5</sup> indicates that many organisations are adopting a range of flexible working arrangements — such as job sharing and flexible start and finish times — to support employees who are unable to work remotely and to promote better work-life balance.

According to the research, around two thirds of organisations offer alternative flexible working arrangements to employees who cannot work from home. Extending the right to request flexible working may also assist organisations in managing tensions between employees who can and cannot work remotely.

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<sup>4</sup> [Employment-Regulation-Report-2025\\_digital.pdf](#)

<sup>5</sup> [Hybrid-and-Flexible-Working-Report-2025.pdf](#)

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3.3 The same AHRI research shows that almost all organisations (98 per cent) offer some form of flexible working arrangement, excluding hybrid working (95 per cent in 2022). However, this measure reflects availability rather than take-up.

3.4 However, recent official data indicates that only around one third of Australian employees report having an agreement to work flexible hours<sup>6</sup>. Moreover, the proportion of employees with such arrangements has remained broadly flat in recent years.

3.5 Extending the right to request is likely to increase awareness and perhaps boost take-up rates.

3.6 AHRI acknowledges that extending the right to request flexible working may impose some additional costs on employers, particularly in relation to the administrative burden of processing a higher volume of requests. However, a recent UK impact assessment of extending the right to request flexible working to all employees found that the overall cost of the reform was relatively modest, while also identifying benefits such as reduced absenteeism<sup>7</sup>. As a result, AHRI supports further consideration of extending the right to request flexible working.

## **4. Conclusion**

4.1 AHRI is opposed to changes proposed in the Fair Work Amendment (Right to Work from Home) Bill 2025 that would expand section 65A to include a “work from home up to 2 days request” for all employees and replace the current ‘reasonable business grounds’ test for refusing flexible working requests.

4.2 AHRI does not support granting the Fair Work Commission additional powers to review refusals of flexible working requests or to make binding determinations.

4.3 AHRI does, however, support further consideration of extending the right to request flexible working arrangements to all employees.

Prepared by:

Australian HR Institute  
February 2026

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<sup>6</sup> [Working arrangements, August 2025 | Australian Bureau of Statistics](#)

<sup>7</sup> [The Flexible Working \(Amendment\) Regulations 2023](#)