LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY Ms Leanne Castley MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair), Mr Johnathan Davis MLA

Submission Cover sheet

Inquiry into the future of the working week

Submission number: 029

Date authorised for publication: 17 November 2022



Inquiry into the Future of the Working Week



Defining and configuring the concept of a four-day work week

We define a four-day work week as a 32-hour work week with no loss of pay. This is based on the principle of the 100:80:100 model - 100% of the pay for 80% of the time, in exchange for a commitment to maintain at least 100% productivity.

The benefits of a four-day work week

The four-day week with no loss of pay is a win-win for employers, workers, society and the environment:

- 1. Employers trials show a shorter working week helps with retaining staff, attracting new talent and reducing sick days;
- 2. Economy higher productivity, lower unemployment, boost to tourism;
- 3. Workers a better work-life balance, with time for rest and 'life admin';
- 4. Society strengthened communities, better quality of life and better gender equality;
- 5. Environment reduced carbon footprint and more sustainable lifestyle

The UK is currently taking part in the world's biggest pilot study of a four-day week, with no loss of pay for workers (1). Seventy companies and over 3,300 workers are taking part in a pilot run by 4 Day Week Global, the think tank Autonomy and the 4 Day Week Campaign. This has added to the evidence base that a four-day week with no loss of pay is good for work productivity and wellbeing.

A survey of companies taking part in the experiment at the halfway point demonstrates that productivity has either increased or stayed the same for all of the employers taking part (2). Additionally, 86% of employers have stated that they are likely to continue with a four-day week once the trial comes to an end.

Globally, we can see a similar trend whenever a four-day week with no loss of pay is implemented. When Microsoft in Japan trialled a four-day week, they found that productivity increased by 40% (3). In Iceland, over 86% of the population now work a four-day week which has increased productivity, wellbeing and perceived stress and burnout, and health (4).

When people work less, society as a whole benefits. A shorter working week could help tackle both the gender pay gap and climate change (5).

As women are unequally responsible for childcare responsibilities, they often have to reduce the hours they work once they have children (6). Moving everyone to a four-day week with no loss of pay would mean that as both men and women are working less, there would be more equal distribution of childcare responsibilities. This would mean that employers would have the opportunity to ensure that women who work for them don't have to choose between taking on leadership positions or having children.

Furthermore, a study by the environmental organisation Platform London found that working one day less would reduce carbon emissions by up to 127m tonnes per year, the equivalent of taking all private cars off the road (7).

A four-day week with no loss of pay can also help the economy flourish. Research has demonstrated that increased leisure time can increase demand in local economies through as workers have an additional day off to spend money. This can benefit the leisure, tourism, and hospitality industries which have been adversely affected by the pandemic (8).

The four-day work week across sectors

Although the four-day week is often considered a way of work that's primarily focused around office-based jobs, there is evidence to demonstrate that this can work across a range of sectors.

The pilot study currently taking part in the UK has organisations from a diverse range of sectors including the care sectors, construction and hospitality. Organisations that are costumer facing or require 24/7 services use shift work to ensure that implementation of a four-day week suits their business needs.

Outside of the pilot study, there are case studies of a four-day week with no loss of pay working across a range of sectors.

One of Australia's leading senior care providers, Home Instead Senior Care, switched their employees from a 48-hour work week to 32 hours over 4 days, with no loss in pay. The franchise owner, Myles Beaufort, said: "it's very easy to see our revenue has actually improved... Business has never been stronger and our team are the happiest, most productive group of people we've ever employed".

How the four-day work week compares with flexible work arrangements

There are multiple ways of working flexibly which include job sharing, working from home, parttime, compressed hours.

Flexible working benefits both employers and employees as it increases job satisfaction, recruitment and retention (9). However, current forms of flexible working do little to improve productivity and mental wellbeing like having a 32 hour, four-day working week with no loss of pay does.

A study found that employees who worked flexibly had to exert greater energy and effort into completing their work and reported feeling stressed (10). Including the four-day working week with no loss of pay to flexible working guidance gives employees the opportunity to request working fewer hours with no loss of productivity and pay and offers employers direct business benefits.

References

- 1. https://www.theguardian.com/business/2022/jun/06/thousands-workers-worlds-biggest-trial-four-day-week
- 2. https://www.thetimes.co.uk/article/four-day-working-week-wins-favour-with-86-of-trial-companies-rt8w67
- 3. <u>https://www.theguardian.com/technology/2019/nov/04/microsoft-japan-four-day-work-week-productivity</u>
- 4. https://autonomy.work/portfolio/icelandsww/
- 5. https://wbg.org.uk/media/shorter-working-week-feminist-green-new-deal/
- 6. <u>https://www.weforum.org/agenda/2019/01/why-the-four-day-work-week-is-good-news-for-gender-equality</u>
- 7. https://www.theguardian.com/environment/2021/may/27/four-day-working-week-would-slash-uk-carbon-footprint-report
- 8. https://neweconomics.org/2019/08/time-for-demand
- 9. <u>https://www.acas.org.uk/new-study-reveals-half-of-employers-expect-more-flexible-working-after-pandemic</u>
- 10. https://www.som.cranfield.ac.uk/som/media/images/research/wbl/moreless.pdf