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Submission Cover sheet

Inquiry into the future of the working week

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Submission to the ACT Legislative Assembly Committee Inquiry into the Future of the Working Week

by Dr. Mark Dean
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Dear Members of the Legislative Committee,

I thank you for the opportunity to make this submission to the Committee's inquiry into the future of the working week. I make this submission as the Laurie Carmichael Distinguished Research Fellow[1] on behalf of the Carmichael Centre within the Centre for Future Work at The Australia Institute, which is based in Canberra.

The Carmichael Centre is named in honour of the late Laurie Carmichael (1925-2018), one of Australia's most influential union leaders. The Carmichael Centre conducts research on themes related to Carmichael's legacy, including industrial relations, social policy, manufacturing and industry policy, vocational education, and international labour solidarity.

This submission to the Legislative Assembly Committee's Inquiry into the shorter working week is made in the spirit of the historic lessons of Carmichael's active role in campaigning for the 35-hour week for metalworkers during the 1980s. It seeks to interpret these and other ideas for changes to employment and work in a contemporary context, to inform the policy debate regarding the future of work – and in particular how work can be better organised and regulated to maximise the benefits for working people, their communities, and the environment. The Carmichael Centre is encouraged

[1] Between completing this report and its submission to the ACT Inquiry, Dr. Dean has completed his tenure as Carmichael Fellow and now works as National Research and Policy Officer with the Australian Manufacturing Workers' Union.

by the ACT Government's interest in exploring the future of work in terms of not only how work should be done, but how much work we should do.

Further to making this written submission, I will be happy to provide any additional information as requested.

Thank you again for your interest in our views.

Sincerely,

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Historical background to the shorter working week

> *The free time that we enjoy in much of the Global North is the result of victories achieved by workers in the nineteenth and twentieth centuries.*[2]

The drive towards a shorter working week has existed for centuries. Early in the Industrial Revolution that began in the 18th Century, the 'feudal' system, in which peasant 'tenants' worked the land, in exchange for economic subsistence and certain protections from the landed 'lords', gave way to a capitalist system of economic organisation under which workers were compelled to seek employment in urban centres. The cities became sites where technological changes not only drove a far superior efficiency of economic production, but disconnected the institutional bonds of fealty at the centre of feudalism, thereafter requiring individual workers to subsist in what we know today as the labour market.[3]

The labour market has come to define our relationship with work under the capitalist economic system that has emerged out of feudalism. All throughout capitalism's 250-year history, workers have attempted (and often succeeded) in resistance to the exploitation inherent to this model in the wage-labour dynamic at its core. Sometimes this resistance has taken form as slowing down work in protest of technological changes to the labour process (often referred to as 'Luddism', and often misinterpreted as being inherently opposed to technological progress).[4] Strikes are another means by which workers have banded together in labour unions to demand concessions from employers – including better wages and conditions, greater safety protections, and (often in tandem with both demands) reduced hours of work. Some of the earliest reasons for workers and their organisations demanding shorter working hours derived from technological changes: for example, the advent of electricity led to employers no longer being dependent on natural daylight to keep shops open, extending working hours long into the evening, thus eroding workers' non-work leisure time.

Hence, the push by workers and labour unions for a shorter working week is as old as wage-labour itself. Throughout this modern history, workers have been made to survive under a society structured so that the profit from productivity – despite being entirely produced by work that human workers do – is never fully awarded to those workers, in recognition of their labour's true value. In most cases, the profits of production are

[2] Lewis & Stronge in Jacobin
[3] Karl Polanyi; Ellen Meiksins-Wood
[4] Breaking things at Work

taken by employers, despite many employers not actually doing any direct work themselves.[5] As discussed above, workers lose not just income by their wages not fully reflecting their productivity. They also lose time: free time in which to pursue leisure and non-work activities, for a balance between work and life. If this economic system remains in place, the question of how to provide adequate reward to workers (both income and time) for their labour will also remain.

The shorter working week in Australia – a brief history

In Australia during the early years of colonial settlement, the world witnessed one of the labour movement's most progressive campaigns for reduced work time. The Australian labour movement was a world leader in first winning a shorter working day, and then eventually winning a shorter working week.

In 1853 in Melbourne, the Operative Masons' Society began the Australian eight-hour movement. It argued that beyond health and safety issues, reducing daily work hours (from ten to eight), and reducing working days per week (from six to five), would allow workers to pursue education, and free up time for them to participate more fully in family and community life.

Following months of negotiations between labour organisers, employers and government, Victorian workers in building trades won the eight-hour day – but they continued to receive the same wages as for the 10 hours they had previously worked. This was the first time in the world that shorter working hours had been achieved with no loss of pay. However, the reduction in work hours did not apply to all workers and industries. In fact, it was not until nearly 100 years later, in 1948, that a 40-hour/five-day week was guaranteed at the federal level for all Australian workers.[6] In 1945, more leisure time was extended to workers in the form of two weeks' annual leave – which was extended to three weeks in 1963 and then four weeks in 1974. Furthermore, sick leave and long service leave entitlements, plus public holidays, all contributed to reducing the annual number of hours worked. The success of the 40-hour/five-day working week campaign was the beginning of the weekend for working Australians, and additional entitlements and time off helped to overall increase their leisure time.

The shorter working week was once more proposed late in the twentieth century as a solution to economic crisis and high unemployment. In 1980, the Metal Workers Union voted overwhelmingly in support of reduced working hours per week from 40 to 35. The idea was to reduce work hours but maintain the same pay, while also spreading

[5] See Stanford (Economics for Everyone)
[6] National Museum of Australia https://www.nma.gov.au/defining-moments/resources/eight-hour-day#:~:text=The%20eight%2Dhour%20day%20had,recreation%2C%20eight%20hours%20rest'.&text=The%20union%20put%20forward%20three%20main%20arguments%20for%20a%20shorter%20working%20day.

available employment amongst more Australian workers. The unions considered the 35-hour week achievable for two major reasons:

- the massive (and under-reported) profits of employers during this time, despite challenges of unemployment and high inflation; and
- the perceived need for greater job creation to meet production demand and rely less on routine excessive overtime.[7]

An agreement was eventually struck – not at 35-hours per week, but 38 – with wage increases in the form of the Metal Industry Award, negotiated between unions and employers.[8] This agreement formed the basis of what is now the standard weekly average hours worked by full-time Australian employees, with these conditions extended beyond metal industries into other sectors of the economy in the decades since. Some heavily unionised industries like construction were also able to negotiate slightly shorter hours – 36 hours per week – which resulted in making a nine-day fortnight possible (when they continued to work eight hours each day). All told this produced approximately one-third fewer days of work per year as was typical in the 19th century.[9]

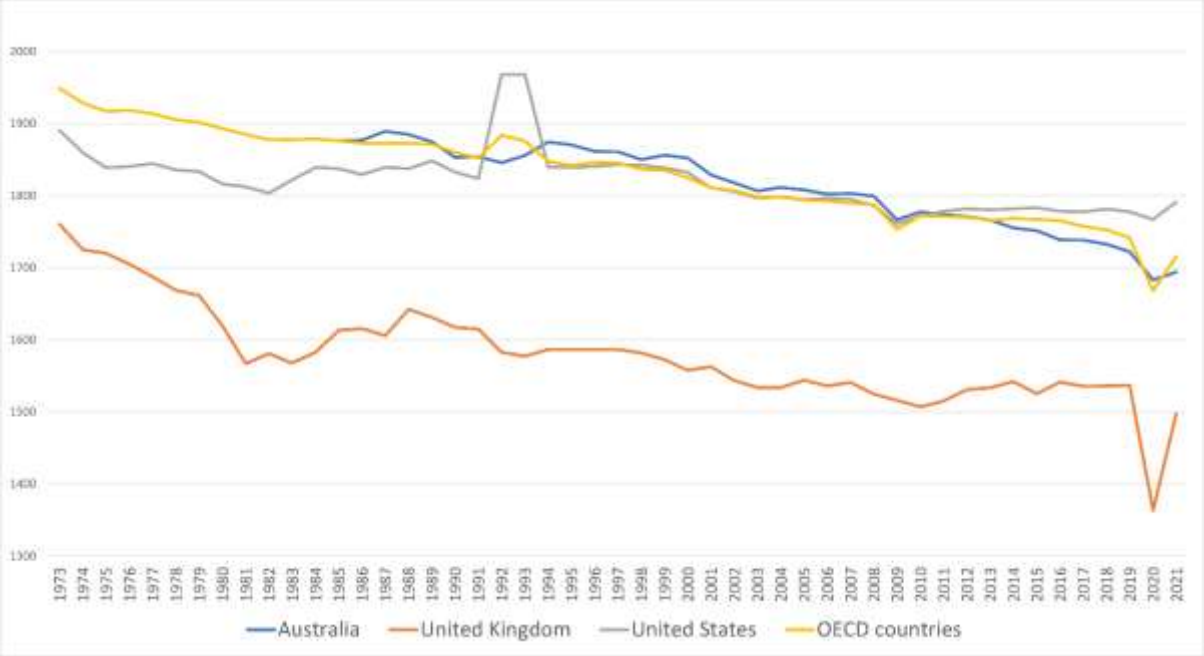
This example demonstrates that a shorter working week can be obtained through a reduction in hours worked each day, or through a reduction in days worked. Both are valid forms of reducing the working week overall. Unfortunately, long-run progress towards a shorter working week has largely stalled since the 1980s. This is similar to the general trend in the United States, the United Kingdom, and other Organisation of Economic Co-operation and Development (OECD) member nations. Significant reductions in working hours in the initial post-war period, were followed by a flattening of working hours beginning around the late-1970s[10] (see Figure 1 below). Modest decline in average recorded hours of work in recent decades in Australia mostly reflects the growth of part-time work (which now accounts for close to one-third of all jobs). No significant reduction in standard full-time hours of work has been achieved since the 1980s.[11]

A strong commitment to ensuring the maximum number of workers are employed (full employment) had guided most OECD economies during the post-war boom years. But beginning in the late-1970s, full employment was replaced by an economic policy focused on controlling inflation, restoring business power, and preserving the value of financial wealth. The era of economic globalisation from this period also placed

[7] *The Metal Worker* 1980 Vol. 1 No. 1, pp. 1-3
[8] *The Metal Worker* 1980 Vol. 2 No. 11, p. 1
[9] Quiggin, John (2022), 'There's never been a better time for Australia to embrace the 4-day week', *The Conversation*, 14 Feburary.
[10] Clear variations in the data are explained with reference to major economic events i.e., the 2007-2009 Global Financial Crisis; the period of the COVID-19 pandemic that featured widespread public health-related lockdowns (2020-2021).
[11] Quiggin (2022).

significant pressure on the Australian government to make economic decisions that would sustain business competitiveness in a globalising economy. Higher unemployment also became routine in this economic era, in part to reinforce lower inflation and suppress labour costs. The previous recognition of the desirability of shorter working hours over time largely disappeared from mainstream economic policy-making.

Figure 1. Average annual hours actually worked per worker - comparison of several countries & OECD average



Data for Australia before 1985 is not available

Higher unemployment rates became standard, as government took a more 'hands-off' role in regulating the economy, and 'market forces' took hold. This resulted in corporate profits increasing, and workers' share of productivity growth diminishing. In parallel, the nation's industrial relations system handed greater powers to employers and dramatically curtailed those of unions. The result has been a halt in progress towards the shorter working week. Employers have minimised labour costs by using the threat of unemployed labour to discipline workers into accepting hours, wages and conditions that more often suit employers. Employers have also reinvested less of their growing profits back into the economy (in the form of capital investment and innovation), and more into the financial holdings and disbursements to shareholders.

This brief foray into the Australian history of the shorter working week sheds important light on the state of this debate today. Australia currently faces an inflation-driven cost-of-living crisis, record corporate profits, and continuing underemployment (despite a relatively low unemployment rate). Many employed workers cannot find enough hours of work to generate necessary income levels, reflected in underemployment and record

levels of multiple job-holding. Work is often insecure, and still others simply withdraw from the labour market unable to find adequate or appropriate work. In this context, a redistribution of working time (with shorter hours for full-time staff, and longer and more regular hours for the growing number of non-standard workers) could lead to more total employment, more free time, and more stability. And the shorter working week is relevant today because it offers an alternative policy response to economic crisis: putting full employment once again at the top of the economic agenda, instead of the orthodox economic response of governments to address inflation before all other considerations. With more workers sharing available work more fairly, all could work less, be paid the same or more for their efforts, and participate in economic and social life with greater fairness, equity and cohesion.

The shorter working week today: globalisation, post-GFC, post-pandemic

A strong, popular case for the shorter working week has not been on the agenda since the Metal Workers' campaign of the 1980s. From this time, the 38-hour week (or sometimes the 36- or 37-hour week for some industrial and professional workers, respectively) has become the standard full-time working week. Examining the history of working time over the centuries since the Industrial Revolution, data analysis from the OECD[12] suggests that although average hours have declined since the 1980s, this reduction was far less rapid than the nearly one hundred years that preceded it – and driven more by the expansion of part-time jobs, rather than reductions in standard working hours.

During the period of neoliberalism and globalisation, labour productivity has continued to increase, but generally, workers' wages have remained relatively stagnant. In Australia, growth in corporate profits has dramatically outpaced growth in workers' wages since the 1970s, after a relatively balanced post-war period (see Figure 2 below). As highlighted above, the post-war period was characterised by strong union bargaining power compared with that of the business sector. However, following the global economic crisis of the 1970s (with rapid inflation and mass unemployment), the power of workers and their representative unions has waned. Meanwhile, governments have prioritised controlling inflation as the top priority of macroeconomic policy, along with deliberate changes of industrial relations policy to suppress union bargaining power. In the forty-year period since the 1980 achievement of the 38-hour working week, corporate power has been cemented, and the push for shorter hours and more compensation was arrested. Corporate profits now make up a record-breaking 31.1 per cent of national income (Jericho 2022), whereas wages are now falling in real spending power terms (as a result of the upsurge in inflation after the pandemic). The cost-of-living crisis arising from stagnant and now falling real wages makes it even more difficult to mobilise workers in support of shorter working hours, with many placing

[12] Giattino, C., Ortiz-Espina, E., and Roser, M. (2020). *Working Hours*, OECD, Paris: France, https://ourworldindata.org/working-hours#working-hours-throughout-history

more emphasis on preserving incomes rather than pursuing changes in work-life balance.

Figure 2. Income shares of corporate profits vs. worker wages in Australia: post-war to pandemic (1959-2022)

Source: Jericho & Richardson (2022)[13]

It is further evident that despite strong business profits, aggregate economic growth and slowed down during the neoliberal period. Particularly in the wake of the Global Financial Crisis (GFC) of 2007-2009, growth in the global economy was never restored to its pre-GFC trajectory. Within this economic environment, sluggish growth (and ill-fitting fiscal policies addressing inflation at the expense of full employment) also limits employment opportunities.

Thus, a major feature of the period since the 1980s is a global situation of ongoing high rates of unemployment – many people seeking work are unable to find it despite participating in the labour market. Presently, Australia is enjoying historically low rates of unemployment.[14] Yet behind this low unemployment rate is a higher underemployment rate and a growing incidence of multiple job-holding as workers scramble to make ends meet.

[13] Jericho, G. & Richardson, D. (2022). 'The Share of GDP going to Workers as at record lows', *Off the Charts*, The Australia Institute (Canberra, Australia).
[14] Australian Bureau of Statistics. 2022. *Labour Force, Australia*, reference period August, released 15 September 2022.

In sum, even with low official unemployment, many struggle to gain more hours and gain better employment conditions, like direct employment (instead of independent, sole contractor 'gig economy' models), or greater work security (i.e., permanent instead of casual arrangements). This developing issue has been magnified by labour market trends in the beginning of the post-pandemic period. There is a narrative amongst many business owners (mostly in the United States, but also reported in Australian media) that workers were refusing to return to work after being furloughed during lockdowns (sometimes due to unemployment benefits that pay better than employer wages and salaries). But as *The New York Times* has explained, "The problem is typically the opposite: People who work in retail or fast food often struggle to get enough hours to qualify for benefits and pay their bills, just to survive".[15]

Furthermore, many others feel overworked and suffer an assortment of resultant health conditions. In particular, the COVID-19 pandemic made many *over*worked employees seek *less* work and/or *more* flexibility and autonomy in how and where they perform their work.[16] This phenomenon presents a clear opportunity to revisit working time norms, where technology has made it possible for working from home to become viable for many businesses, and for the standard 9am-5pm Monday-Friday working week to be dismantled in favour of organisations that wish to assemble the best talent and provide conditions suited to maximising worker productivity.

But this isn't the full picture of changes to standard full-time work experienced during the pandemic. At the same time, for many Australians 'work from home' became the norm over the past several years. The Centre for Future Work's annual *Go Home on Time Day* polling found in 2021 that many were performing unpaid overtime, on average 6.1 hours per week (an increase from 5.3 hours in 2020), and experiencing a total of 319 hours of 'time theft' per year, per worker. This equates to $125 billion of lost income per year at the economy-wide level. In a broader context of stagnant wages and underemployment, this has produced serious economic and social consequences.[17]

Thus, we must now ask how we can create:

- more good jobs for those people seeking work and unable to gain decent employment;
- more working hours for those seeking it; and
- more flexible work options for those that want less work hours.

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[15] Covert, B. (2021). '8 Hours a Day, 5 Days a Week Is Not Working for Us', *The New York Times*, 20 July: https://www.nytimes.com/2021/07/20/opinion/covid-return-to-office.html

[16] Palmer-Derrien, S. 2021. '"People are exchausted": COVID-19 has led to mass burnout and doubled staff turnover rates, Culture Amp data shows', *SmartCompany*, 17 August: https://www.smartcompany.com.au/coronavirus/covid-19-mass-burnout-staff-turnover-culture-amp/

[17] See Nahum, D. 2022. *Working from Home, or Living at Work? Hours of Work, Unpaid Overtime, and Working Arrangements Through COVID-19*, Canberra: Centre for Future Work at The Australia Insitutte.

These problems can be addressed in part by considering the implementation of a shorter working week, and in the process addressing underemployment and insecure work. There are gains to be had by both employees and employers. The following section will review several propositions for creating a shorter working week that would push towards full employment, increase productivity, allow more people to work less, and allow more flexibility in how many people work their allotted hours. We can create an economy that offers workers more leisure time, and employers more productivity. A shorter working week could be a win-win for both sides of the ledger.

The benefits and challenges of a shorter working week

Australian workers, businesses and wider society could gain much from a shift to a shorter working week. Research has shown the potential for multiple benefits.[18] First, the shorter working week reduces levels of overwork and underemployment, particularly when paired with a policy of full employment. By increasing hours worked by underemployed workers, and reducing hours for overworked full-time employees, working time can be spread across more individuals, while still achieving overall working time reductions.

The benefits

Immediate benefits arising from this strategy include reducing employee burnout and other work-related illness, given that overwork is a major contributor to worker stress and sickness. Indeed, since the 1980s there has been an increase in the number of employees working longer hours, and feeling more tired at the end of the working day. And there are far broader societal and economic benefits of the shorter working week. As more people would be employed as a goal, this would mean more people with income and greater access to economic participation. The reduction of working time for individuals does not translate to less working time overall, but instead more workers participating in employment and therefore increased economic participation and resulting aggregate output.

With more people working, but all workers employed for shorter hours, both leisure time and caring opportunities increase. In case studies of shorter working week trials, participants experienced increased happiness at work and outside of work, found that their opportunities for rest and unstructured time increased, and that more time away from work meant more time to pursue education.[19] Some shorter working week proponents elaborate on additional opportunities, in that reduced working time can permit individuals to pursue whatever form of activity or non-activity they wish:

[18] See Henderson, T. (2015). 'The Four-Day Week as a Policy Option for Australia', *Journal of Australian Political Economy*, no. 74, pp. 119-142.
[19] Henderson (2015), p. 134.

> *You can spend* [reduced work time in a shorter working week] *in any number of ways. You can look after your kids, visit your mum, hang out with your friends, study a course, run around the park, put up shelves, paint pictures, invent a new app, join a band or a campaign group, learn to dance, play the bazooka – you name it.*[20]

Shorter working hours means increased time available for care work, and flexibility in the kind of care given, such as to children, older people, or people with disabilities.

In trials of the shorter working week (discussed further in the following section), many businesses have viewed its benefits from a productivity perspective, rather than in terms of work-life balance. Businesses have been able to increase worker and workplace efficiency by reducing staff hours – including through reducing time spent in meetings, and placing a premium on making meetings productive. The aim here has been for shorter work week policies to encourage 'smarter' working habits as a means of reducing overall work time, but ensuring this doesn't detract from productivity.

There is therefore also the distinct possibility of a shorter working week becoming a major policy response to addressing structural employment issues. The foremost example of this is addressing the feminisation of domestic caring duties. The shorter working week frees up more men to perform this kind of unpaid work, creating space for a significant step towards gender equity in labour markets, pay and career opportunities. Thus, there is also the possibility that shorter working hours can address the feminisation of work in the care sector, which has long kept women in the lower-paid, insecure employment that is typical of these industries.[21]

There are also environmental benefits of a shorter working week. Less trips to work means less pressure on transport infrastructure – both public and private modes – and reduced commuting times as well. The shorter working week can, as a result, contribute significantly to the decarbonisation of our economy. Findings from shorter working week trials have shown that people are more likely to spend their free time in their local communities when given extra time off. This means not just a reduction in travel times, but a likely reduction in car dependence and an increase in public transport use.

When the benefits are weighed up, the shorter working week does not present a trade-off between leisure time and aggregate productivity. This is because the reduction of working time for individuals does not translate to less working time overall. Indeed, throughout history the experience of the shorter working week shows that overall output increases, not just output per hour. More people performing work but being free

[20] Coote, A., Harper, A., & Stirling, A. (2021). *The case for a Four Day Week*, Polity: Cambridge, UK, p. 3.
[21] See Grudnoff, M. (2022). *The Economic Benefits of High-Quality Universal Early Child Education*, Canberra: Australia, Centre for Future Work at The Australia Institute.

to spend time in a variety of non-work ways, can lead to a more happy, healthy and therefore productive society.

The challenges

But there are also challenges to implementing a shorter working week and cementing it as a norm in culture, workplaces and employer and employee mindsets. With a growing digital economy, 'gig work' has become an employment model commonly chosen by businesses, typically in services industries, to undermine established employment relationships and the wages, conditions and safety responsibilities. Employers use technology as an interface between their core business and workers to classify workers as 'self-employed', because they can 'choose' their hours of work (i.e., over a shorter working week or in a flexible model). In fact, the gig economy model undermines benefits and conditions for workers now independently contracted to an employer, often compelling workers to engage in more work, not less, in order to make a living income. This model has obvious health and safety risks associated with it. A challenge for shorter working week policies is thus ensure that employers do not see a more flexible model of work as an opportunity to erode the pay, conditions and safety of workers in their employ.

From the perspective of business, a 'knowledge transfer' risk has been flagged, where having staff present on fewer working days can potentially lead to reduced opportunities for teamwork, collaboration and related limits to the process of knowledge exchange.[22] There are also case studies that report business constraints to implementing shorter working week models in workplaces that include limited physical office space for additional staff, and an overall shortage of the skilled workers required to fill additional roles.[23]

Another issue is that businesses and unions may be representing different interests in making the shorter working week a default model for employment. Challenges may emerge where businesses and unions will consider what a 'best-practice' approach looks like from very different perspectives – businesses from a case-by-case perspective, and unions from an industry or sectoral-wide position, with the benefits of a shorter working week accruing in dramatically different ways, respectively. Indeed, an issue with the shorter working week is how it would be applied, to which workers, industries or economic sectors, and whether all can be included in the transition. International examples of shorter working week trials often demonstrate that these problems can be overcome.

[22] Lowe, A. (2021). 'Living with the Fantastic Four', *The West Australian*, 18 September, pp. 140-141.
[23] Henderson (2015).

How to implement a shorter working week in Australia: best practice and international examples of success

The key question remaining is: how do we implement a shorter working week? At the conceptual level, the shorter working week can be implemented in a variety of ways.[24]

Preliminary considerations

All or most workers could be given a three-day weekend, with their reduced working time performed in a set four-day week (i.e., Monday – Thursday; Tuesday – Friday). The five-day week (Monday – Friday) could be kept, but workers rostered differently so that all are working reduced hours on rosters that overlap to ensure full coverage of the working periods, but with rostered days off added to ensure balance. Schools could operate in a similar fashion, with teachers working a set rostered four-day schedule over the five-day period, and curriculum delivery tailored to reflect teaching expertise required on given days. Alternatively, schools could shift to a four-day week across the board, where international examples have shown that reduced teaching hours are not detrimental to student learning and development.

Similar working weeks could be applied to other industries and professions – from shift workers in manufacturing to paramedics and other emergency services. The major factor in success will be seeing a shorter working week as the opportunity to increase employment in a range of industries which, as discussed above, means that reduced working times for individuals does not translate to reduced working time overall.

Figures from the Australian Bureau of Statistics suggest that approximately 10 per cent of the Australian workforce today works a nine-day fortnight.[25] Therefore, this particular form of shorter working week already applies to more than one million Australian workers.

Expanding the 9-day fortnight?

The nine-day fortnight could thus be used as an entry-level policy proposal for shifting all workers to a shorter working week. Quiggin (2022) has suggested a shift to the shorter working week in two phases. These could be applied to all workers, or on an industry or sector-wide basis:

- Phase 1: a shift to a nine-day week with no reduction in hours (equating to an extra 50 minutes of work per day);

[24] Quiggin, J. (2022). 'A Path to a 4-day week (with 8 hour days)', *John Quiggin Blog*, 18 July, https://johnquigginblog.substack.com/p/a-path-to-a-4-day-week?utm_source=substack&utm_medium=email
[25] Quiggin, J. (2022).

- Phase 2: a shift to a nine-day week with reduced hours (i.e., 32-hour week/8-hour day; 30-hour week/7.5-hour day).

Phase 2 implies different shorter working weeks which could be applied to different sectors, industries or workplaces – today it is the case that workers in some industries work either longer or shorter hours than the 38-hour week standard for most Australian workers. This means that different standards could apply to different categories and classifications of employee.

Choosing a shorter working week model

Table 1 summarises six models for the shorter working week, with varying conditionalities, as proposed by Henderson (2015).[26] These models effectively show how a range of different models could be applied – either across the board, or to select industries, professions or workplaces.

Table 1
Potential Models for a Shorter Working Week

Shorter working week model	Number of days/hours worked	Working time days/hours	Reduced pay?
Universal compressed	4 days/38 hours	Monday – Thursday 7am-7pm	No
Flexible compressed	4days/38 hours	Monday – Sunday 6am-10pm	No
Universal reduced hours/pay	4 days/32 hours	Monday – Thursday 7am-7pm	Yes
Flexible reduced hours/pay	4 days/32 hours	Monday – Sunday 6am-10pm	Yes
Universal reduced hours	4 days/32 hours	Monday – Thursday 7am-7pm	No
Flexible reduced hours	4 days/32 hours	Monday – Sunday 6am-10pm	No

Source: Author's compilation.

Henderson's research[27] shows that the shorter working week can overall have a positive effect on overwork and underemployment, economic and social inequality, increased leisure time, increased availability and flexibility in relation to care work, and reduced pressure on transport infrastructure resulting from reduced commute time (and frequency). But of the six models, Henderson suggests that a shorter working week model that is universal – applied across all forms of employment; and flexible – hours worked on four days chosen by the employee, or hours worked in a flexible way that maximises work-life balance – would have the greatest direct benefit to workers. It

[26] Henderson, T. (2015).
[27] Ibid. pp. 126-127.

would entail no reduction in pay, with workers benefiting from at least the same remuneration and related employment conditions.

It is for this reason that Henderson states this model "may be the most likely to generate the range of potential benefits … especially if combined with complementary policies".[28] Such policies would include those that pursue full employment, the conversion of contract-based work into permanent and direct employment models, public sector employment driven by investment in public services, infrastructure, and further responses to economic and social issues that direct labour resources especially towards education, and industrial growth in the 'care' economy and a range of important social services.

Overall, this suggests that a shorter working week model implemented so that workers are given the greatest flexibility over their choice of days and hours to work (as long as it is 32 hours in a week between certain hours, and in negotiation with employers), because it has the greatest potential to also provide employers with happier, healthier, more productive workers. Hence, a shorter working week that provides non-work/leisure time at no financial disadvantage and also provides meaningful leisure time opportunities can potentially maximise economic growth and productivity instead of simply making employees work the same number of hours into a shorter period of time per week.

Conclusions and recommendations

We commend the ACT government for considering the potential economic and social benefits of shorter work week arrangements. We conclude strongly that shorter standard work weeks, and a corresponding redistribution of working hours (including longer and more stable hours for people in underemployed and insecure work positions), will generate improved work-life balance, stronger social stability, and improved environmental performance – without undermining productivity and material incomes.

There are a wide variety of different approaches possible to achieving shorter working hours. We recommend that the ACT undertake trials of shorter work week arrangements in different settings, allowing for flexibility and voluntary participation by workers interested in this: including both shorter work days, shorter work weeks, and more flexible time off arrangements. Follow-up research on employee satisfaction, attendance, turnover, and productivity metrics can be undertaken to analyse the outcomes of these trials, and then inform more far-reaching and permanent policy changes.

[28] Henderson (2015), p. 127.