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 

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Dear Ms Nicole Lawder (MLA) and Members of the Standing Committee for Economy and Gender and Economic Equality.

Reforming working hour norms can enhance and enrich the lives of Australian workers. In lieu of the paradigm shift around in-person work due to the Covid-19 pandemic, Australian businesses have shown that they are capable of adaption, in increasing remote and automated capacities in the Australian economy. Beneficial remote work tech-infrastructure was implemented that would not have occurred organically with such significant uptake. This has led to increased capacity for inclusivity of remote staff. In the same vein, compacting the work week is a reform that is unlikely to be organically adopted, yet can increase productivity and support the Australian economy as it matures, while informing crucial social and gender role behaviours.
a) defining and configuring the concept of a four-day work week;

## Goal of future working week:

To maintain work productivity and increase workforce participation while allowing for an increase in free time for childcare, education, exercise and leisure.

## Defining the 4-day week:

The four-day work week is interpreted here as a hybrid between part time and full time work wherein,
i) A worker works for 4 days a week with maximum 8.5 hrs daily or 34 hrs per week.
ii) A worker is paid for the equivalent of their full-time wage, which is outlined in their current award.
iii) A worker completes the equivalent work in 4 days, as is required of them in a fulltime capacity.
i) Workers have flexibility around which days they work.

Graph 1: Configurations of working schedules

|  | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Extended weekend 1 | work | work | work | work | rest | rest | rest |
| Extended weekend 2 | rest | work | work | work | work | rest | rest |
| mid- week pause | work | work | rest | work | work | rest | rest |
| mid-week rest | work | rest | rest | rest | work | work | work |
| Working weekend | rest | rest | rest | work | work | work | work |

Graph 2: Possible Childcare (CC) schedule:

|  | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Parent 1 (P1) | work | work | work | work | Childcare | rest | rest |
| Parent 2 (P2) | rest | work | work | work | work | rest | rest |
| Child | P1 | Paid care | Paid care | Paid care | P2 | P1\&P2 | P1\&P2 |

b) The advantages of a four-day work week:

## i) Female participation in the labour force

The 5-day working week is a schedule that is subsidised with unpaid childcare and household labour done by the secondary partner. Indeed for $47.9 \%$ of women, the primary reason they are not available to start a job or take on more hours is due to caring for children (ABS, 2019).

The Australian labour market lacks high productivity, with skilled women underrepresented in high paying work. Currently women are comprising $58.4 \%$ of people completing higher education certifications, however are less likely to be working full time compared to men (Workplace Gender Equality Agency, 2019). This unused capacity could account for the lack of skilled workers in the workforce and stunt long term growth prospects if left unchecked. Childcare is the limiting agent in allowing women to participate in greater numbers and vigour in the workforce.

If parents can work 4 days per week and overlap only 3 of the days they are able to reduce their child care costs, increasing household expendable income and increase each parent's ability to time spent with their children (Graph 2). This makes reentering the workforce after birthing more likely and practical for working families. Moreover, it creates a more even divide between parents in childcare responsibilities that could have long term social effects of increasing all gender's role in child rearing

## ii) Childcare cost relief

The rising cost of childcare is currently creating diminishing returns for the uptake of additional hours for parents. This is because the financial benefit to the individual is diminished by the $\$ 115.41$ AUD average childcare cost per day (Careforkids, 2021). If this expense was relieved by reduced childcare needs, due to unpaid parental care, this saving can be redirected into creating more financial stability and increase spending to increase economic activity. Therein resulting in stronger economic growth.

## iii) Wage stagnation relief

The current fiscal policy enforced by the federal treasury is concerned with maintaining low interest rates which has an adverse relationship with wage growth (ABS 2021). It is predicted that wage stagnation is not likely to resolve until labour demand is surpassed by labour supply to put upward pressure on wages (Lowe, 2021). Given that the output of office based work remains consistent between 4 and 5-day work weeks according to recent trials of the 4-day work day by Unilever and Microsoft (Paul, 2019). This schedule could allow workers to use that additional day to upskill or participate in the gig-economy, could allow increases in personal utility

## iv) Reduced long term costs on healthcare system

The most widespread chronic condition suffered by Australians in 2017-2018 was 'mental and behavioural conditions' (Australian government department of health, 2020). And this cost has been rising with the 2017-2018 per capital spending reaching $\$ 400$, which is evident of a mental health crisis that could be related to working conditions that are not congruent with health outcomes (Australian Institute of Health and Welfare).

Moreover, lifestyle is the leading cause of chronic health conditions with a lack of physical activity second to smoking as a significant risk factor (Australian government department of health, 2020). For occupations where sedentary work is frequent, additional time for exercise and recreation could alleviate future healthcare costs to the government.

## v) Quality of life and Job satisfaction

In the early trials of the 4-day model in Japan and New Zealand, there was a significant increase in quality of life for those participating in the 4-day week since it creates convenience for workers as there is an opportunity to run personal errands on your free day, or alternatively deeper rest on a 3-day weekend.

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