



Modern Awards Review 2023-24 (AM2023/21)

Submission cover sheet

Name

(Please provide the name of the person lodging the submission)

Dr. John Chan

Organisation

(If this submission is completed on behalf of an organisation or group of individuals, please provide details)

Infinite Potential

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Modern Award Review Stream:

Arts and Culture:

Job Security:

Work and Care:

Usability of awards:

How to prepare a submission

Submissions should be emailed to awards@fwc.gov.au. Directions set out the due dates for submissions. Directions are issued by a Member of the Commission and will be published on the [Commission website](#).

Make sure you use numbered paragraphs and sign and date your submission.

Your submission. Provide a summary of your experience and any relevant issues. You may wish to refer to one or more of the issues outlined in the relevant discussion paper.

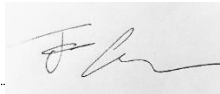
Issues

1. [Using numbered paragraphs, outline the main issues you want the Fair Work Commission to consider as part of the Modern Award Review 2023-34 including your responses to any questions set out in Commission discussion papers. Include, if possible, references to any relevant sections of the *Fair Work Act 2009*, or other legislation or specific clauses in modern awards that apply].

Proposals

2. [Tell us your proposals to the address the issues you have raised in the submission. If you are proposing that the Commission should consider varying an award, you should include draft wording for the proposed variation]

Signature:



Name:

Dr, John Chan

Date:

12/03/2024

Submission to the Australian Government Select Senate Committee Inquiry on Work and Care

MARCH 2024

DR. JOHN CHAN
MANAGING DIRECTOR & HEAD OF RESEARCH

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Introduction

Infinite Potential welcomes the Senate Select Committee inquiry on Work and Care and the opportunity to provide a submission to further enhance the discussion through the latest research findings on the topic. Infinite Potential is an independent, not-for-profit think tank that provides practical, evidence-based advice to the business, non-profit/charity and government sectors on issues relating to people in the workplace with the mission to create a sustainable and healthy workplace for all.

While progress is undeniable, Infinite Potential suggests that Australia consider new and bold policies in adjustments to modern awards to enable equitable access to employment and support for carers. The recommendations provided in this submission are focused on key areas that will create structural changes that drive long-lasting impact. Based on current research and insights about the modern workplace and the future of work, Infinite Potential, our collaborators, and a panel of experts have informed these recommendations. The goal of these recommendations is to evolve the conversation and insert the latest research into better ways in which the workplace can create better outcomes for those with caring responsibilities and in turn, for the organisation and society.

Summary of Proposals:

Question 2: Individual flexibility agreement

2.1 Strengthen Transparency and Employee Understanding.

2.2 Review core structures of work.

Question 4: Working from home

4.1 Employers should explore hybrid work models by undertaking a review of all job roles.

4.2 Employee compensation for travel into the workplace / office more than 60% of the time.

4.3 Establish clear expectations and norms around working from home.

Question 19: Other variations to modern awards

19.1 We recommend the implementation of Final Recommendation 27 of the Senate Select Committee on Work and Care regarding a review of standard working hours to reduce the standard working week.

Question 2. Individual flexibility agreement – discussion question

Are there any specific variations to the individual flexibility agreement provisions in modern awards that are necessary to ensure they continue to meet the modern awards objective?

Infinite Potential believes Individual Flexibility Agreements (IFAs) can be a valuable tool for promoting flexibility in the workplace, benefiting both employers and employees. However, to ensure IFAs continue to align with the modern awards objective, we recommend some specific variations to the current provisions:

2.1 Strengthen Transparency and Employee Understanding:

2.1a Introduce mandatory training for both employers and employees on the proper use of IFAs, ensuring all parties understand their rights and obligations.

2.1b Require a clear and transparent process for negotiating IFAs, including a designated "cooling-off" period for employees before signing.

2.2 Review core structures of work:

2.2a The core structures of work are defined as the fundamental components and frameworks that define how tasks are organised, roles are delineated, and goals are pursued within a workplace. Key core structures of work include:

- Job Design
- Workflows and Processes
- Communication Channels
- Performance management
- Organisational Culture

2.2b All IFAs should require a review of the core structures of work for the individual to ensure the job demands do not exceed what a person can reasonably do within the flexibility agreement. For example, if an employee agrees to a four-day work week but is still given five days' worth of work (which results in the person working outside the agreement without pay), this is not a viable agreement. Job design, workflows and processes must be reviewed by the employer in order to ensure job demands are reasonable within the time frame.

4. Working from home - discussion question:

Are there any specific variations needed in modern awards regarding working from home arrangements that are necessary to ensure they continue to meet the modern awards objective?

Burnout is a growing epidemic in the modern workplace. The latest research shows that people in a hybrid environment (working two to three days a week at home) experienced the lowest rates of burnout and the highest rate of individual wellbeing.¹

In contrast, people working mainly (4+ days) in the workplace (i.e., office, store, field) experienced the highest rate of burnout, and, strikingly, people working mainly from home (4+ days) showed significantly lower rates of wellbeing. This suggests two things: the lack of flexibility caused by primarily working in the workplace increases the likelihood of burnout – and the lack of opportunity for in-person collaboration and socialising resulting from working primarily remotely is detrimental to individual wellbeing. In other words, neither 100% remote nor 100% in-person will optimally protect employee health.

While more research is needed to provide more evidence on access to flexible working arrangements and the different contexts to which it is most beneficial, there is a strong volume of research that supports flexible working as beneficial for women with childcare duties, allowing them to manage the conflicting demands of work and family life.² Other research has found that while flexible working primarily benefited women, men also experienced positive effects on employment stability and work-life balance.³

When done well, hybrid work can balance people's needs for flexibility and autonomy while also ensuring a level of connectivity and in-person interactions which are necessary to build strong team connection, communication and belonging. In our view, however, a hybrid modality should not simply be mandated: building a healthy and sustainable workplace requires a nuanced approach to change, with buy-in and role modelling from senior leaders particularly key.

¹ Chan, F. M., & Clarke, S. (2024) The State of Workplace Burnout 2024, Infinite Potential, Sydney, Australia.

² Chung H, van der Lippe T. Flexible Working, Work-Life Balance, and Gender Equality: Introduction. Soc Indic Res. 2020;151(2):365-381. doi: 10.1007/s11205-018-2025-x. Epub 2018 Nov 26. PMID: 33029036; PMCID: PMC7505827.

³ Esposito, P.; Mendolia, S.; Scicchitano, S.; Tealdi, C. (2024) : Working from home and job satisfaction: The role of gender and personality traits, GLO Discussion Paper, No. 1382, Global Labor Organization (GLO), Essen

We recommend including the following specific variations to the current modern awards provisions regarding working-from-home arrangements:

4.1 Employers should explore hybrid work models by undertaking a review of all job roles to determine:

4.1a Are the workload and job demands reasonably able to be carried out within the time allocated? Can a person be reasonably expected to complete the tasks required of them within their paid working time?

4.2b Which parts of the role can a person optimally accomplish working from home and which will require the person to be in a specific work location?

4.3c What steps will the employer take to ensure the wellbeing of their people working in the workplace/office and at home?

4.2 Employee compensation for travel into the workplace / office over 3 days/week.

Employers who require employees to come into the workplace / office more than 60% of the time should provide reasonable reimbursements for travel expenses. If the job role evaluation concludes that the role can only be accomplished in the workplace (e.g., frontline roles), a travel award should be included as part of the remuneration.

4.3 Establish clear expectations and norms around working from home.

Employers and employees often have very different and conflicting interpretations of what's expected of the employee. Organisations need to create the right balance between setting organisation-wide guidelines, to ensure clarity on what work is expected to be done in person and what can be done remotely, and allowing managers to work with their teams to determine an approach that unlocks benefits for both employee and organisational outcomes.

19. Other variations to modern awards?

Are there any other specific variations to modern award provisions that would assist employees meet their caring responsibilities and are necessary to meet the modern awards objective?

Data shows that structurally shorter working hours, with no reduction in pay, improve employee wellbeing, engagement, retention, quality of work and productivity while reducing workplace isolation and psychosocial hazards.¹ It offers people more scope to manage family and other personal responsibilities (including care responsibilities) outside work hours. These improvements set the foundation for greater gender equality, improve employee health and wellbeing, improve productivity, engagement and job satisfaction, and significantly reduce absenteeism, sick leave and turnover.² Further, structurally reduced working hours at the same pay facilitates a redistribution of paid and unpaid work between genders, creating greater gender equity in both arenas.

The work required for an organisation to move into a reduced work hour modality can be the key to increasing productivity for organisations and society. Positive impacts on employees in a reduced work modality have been shown to increase productivity and reduce turnover.⁵ Studies have indicated that longer working hours can lead to decreased efficiency during the time employees are on the job.⁶

Structurally reduced working hours also drastically reduce the incidence of workplace burnout: according to the latest data, while 42% of people working full-time 40 hours or more are experiencing burnout, only 9% of those working on a full-time reduced hour model (e.g., 32-hour work week) are experiencing burnout.¹

Shifting entire teams and organisations to reduced working hour modalities eliminates the onus on individuals to make arrangements that enable them to meet their responsibilities as carers as well as continue to earn a living. A fairer baseline is created, reducing the need for part-time work (and the incidence of the ‘part-time promotion cliff’, as identified by the WGEA), casualisation, occupational downgrading and other

² Kelly, O., Schor, J., Fan, W., Bezdenezhnykh, T., Gu, G., & Bridson-Hubbard, N. (2022). The Four Day Week: Assessing global trials of reduced work time with no reduction in pay: Evidence from Ireland.

⁵ Bloom, N. & Van Reenen, J. (2007). Measuring and Explaining Management Practices Across Firms and Countries. *The Quarterly Journal of Economics*, 122(4), 1351–1408.
<https://doi.org/10.1162/qjec.2007.122.4.1351>

⁶ Collewet, M., & Sauermann, J. (2017). Working hours and productivity. *Labour Economics*, 47, 96-106.
<https://doi.org/10.1016/j.labeco.2017.03.006>

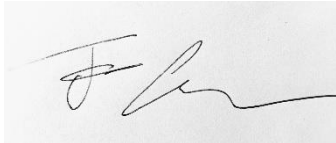
impacts for carers which negatively impact their career in terms of growth, progression and pay.

It is important to note that while the most popularly known modality for work time reduction is the four-day work week, other modalities, which may prove more suitable to different industries, can and should be explored. Rather than mandating a four-day week, organisations should be encouraged to explore ways of reducing working hours that suit their industry and the needs of their employees.

19.1 We recommend the implementation of Final Recommendation 27 of the Senate Select Committee on Work and Care regarding a review of standard working hours to reduce the standard working week.

Should you have any queries please contact Dr. John Chan (Managing Director & Head of Research) on 0432087099 or john.chan@infinite-potential.com.au .

Sincerely,



Dr. John Chan

Managing Director & Head of Research

