



### Create a national test case through the Fair Work Commission and establish a National Institute for the Four Day Work Week

Party: Australian Greens

#### Summary of proposal:

The proposal would support a four-day work week through the following components:

- **Component 1:** support a national four-day work week test case through the Fair Work Commission, aiming to reduce working hours to a four-day week with no loss of pay
- **Component 2:** establish a National Institute for the Four-Day Work Week to plan and guide implementation. The institute would be funded to deliver the test case with \$10 million per year.

The proposal would be ongoing, not indexed and would start from 1 July 2026.

### Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$30 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

**Table 1: Create a national test case through the Fair Work Commission and establish a National Institute for the Four Day Work Week – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-10.0	-10.0	-10.0	-30.0
Underlying cash balance	-	-10.0	-10.0	-10.0	-30.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

### Key assumptions and methodology

Component 1 of the proposal is assumed to have no administered or departmental expenses given that the Fair Work Commission is resourced to run national test cases in the course of its usual activities. The announcement specifies that there would be “no loss of pay” as part of this measure. The PBO has not assessed the likelihood of this, but has assumed there would be no reductions in salary and wages flowing through to direct impact on tax revenue.

Component 2 of the proposal is capped at a fixed amount, provided annually from the commencement date. All funding is departmental in nature and is not indexed.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Create a national test case through the Fair Work Commission and establish a National Institute for the Four Day Work Week – Financial implications

**Table A1: Create a national test case through the Fair Work Commission and establish a National Institute for the Four Day Work Week – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<i>Total – departmental</i>	-	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-30.0	-100.0
<b>Total (excluding PDI)</b>	-	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-10.0	-30.0	-100.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Create a national test case through the Fair Work Commission and establish a National Institute for the Four Day Work Week – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	-0.2	-0.7	-1.1	-1.6	-2.2	-2.7	-3.3	-3.9	-4.5	-5.2	-2.0	-25.4
<i>Underlying cash balance</i>	-	-0.2	-0.6	-1.0	-1.5	-2.0	-2.6	-3.1	-3.7	-4.4	-5.0	-1.8	-24.1

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://www.pbo.gov.au/online-budget-glossary)