FOI 4025
Document 1

Economic Reform Roundtable

19-21 August 2025

Parliament House, Canberra

Annotated agenda for attendees

Note: the purpose of this annotated agenda is to provide context for the structure of the sessions, and provide a non-prescriptive guide on where commonly raised issues could be discussed.

Day 1 – Resilience

Tuesday, 19 August 2025

Time	Agenda item
7.30-8.00am	Arrival
8.00-8.20am	Opening address by the Prime Minister
8.20-8.40am	Remarks from the Treasurer
8.40-9.00am	**Presentation – Some perspectives on economic resilience and productivity** *Michele Bullock, Governor, RBA*
9.00-11.00am	**Session 1 – International risks, opportunities and trade** *The Hon Dr Jim Chalmers MP, Treasurer* Session specific attendees David Jochinke, President, National Farmers' Federation Professor Shiro Armstrong, Australian National University Dr Heather Smith PSM FAIIA, National President, Australian Institute of International Affairs Context: The global economy is facing a period of remarkable change and volatility. Australia has many advantages as a place to invest and trade. To build Australia's economic resilience, Australia needs to capitalise on our comparative advantages, ensure our market settings are fit for purpose, and engage strategically with our international partners.

	As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session: - *relationships with regional partners* - *trade* - *resilience of our financial system* - *critical supply chains and sectors*
11.00-11.20am	*Break*
11.20am-1.30pm	**Session 2 – Skills attraction, development and mobility** *The Hon Dr Jim Chalmers MP, Treasurer* Session specific attendees: Professor Barney Glover AO, Commissioner of Jobs and Skills Australia Professor Jennifer Westacott AC, Chancellor, Western Sydney University Dr Martin Parkinson AC PSM, Chancellor, Macquarie University Context: A highly skilled and adaptable workforce is key to Australia's economic resilience. Addressing skill shortages and growing our skilled workforce requires consideration of the structural shifts in our economy, the responsiveness of our education systems, on-the-job training, migration settings and how we pursue full employment. *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *tertiary outcomes, including meeting business needs and skills recognition* - *lifting investment by employers in work-ready and adaptable skills, including lifelong learning and upskilling, career mobility, and workplace learning* - *skilled migration pathways* - *the responsiveness of the skills system and workplace training, including to AI*
1.30-2.10pm	*Lunch*
2.10-3.40pm	**Session 3 – Capital attraction and business investment** *The Hon Dr Jim Chalmers MP, Treasurer* Session specific attendees Mary Delahunty, Chief Executive Officer, Association of Superannuation Funds of Australia

	Rebecca Mikula-Wright, Chief Executive Officer, Investor Group on Climate Change and Asia Investor Group on Climate Change Paul Schroder, Chief Executive, AustralianSuper Shemara Wikramanayake, Managing Director and Chief Executive Officer, Macquarie Group Context: Australia's ability to attract capital and business investment is central to our prosperity. Capital deepening gives workers better tools and technologies and complements skills and human capital development. While business investment is at a 12-year high, more needs to be done to increase capital deepening. There are opportunities to help unlock more private sector investment, attract foreign capital investment and help small businesses invest. *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *reduced barriers to investment, particularly in national priorities* - *superannuation investment* - *foreign investment* - *expansion and creation of new industries*
3.40-4.00pm	*Break*
4.00-5.30pm	**Session 3 (continued) – Capital attraction and business investment** *The Hon Dr Jim Chalmers MP, Treasurer* *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *investment in critical areas, such as supporting the net zero transition and increasing the supply of housing* - *adaptation to, and mitigation of, climate risks* - *establishing Australia as a place to invest, such as for data centres*
5.30-6.00pm	Day 1 wrap up by the Treasurer

Day 2 – Productivity

Wednesday, 20 August 2025

Time	Agenda item
7.30-8.00am	Arrival
8.00-8.10am	Opening remarks from the Treasurer
8.10-8.30am	**Presentation – Productivity and reform** *Danielle Wood, Commissioner, Productivity Commission*
8.30-10.10am	**Session 1 – Better regulation and approvals** *The Hon Dr Jim Chalmers MP, Treasurer* Session specific attendees Geraldine Slattery, President Australia, BHP Kelly O'Shanassy, Chief Executive Officer, Australian Conservation Foundation Michael Brennan, Chief Executive Officer, e61 Institute Context: There has been persistent growth in regulation across all governments over time. Removing unnecessary regulatory burdens, including through risk-based enforcement, will make it easier for businesses to grow and hire more workers. Speeding up approvals will be crucial to support the energy transition, build more houses and the Government's Future Made in Australia agenda. *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *regulatory certainty and the ability to innovate* - *compliance and reducing regulatory burden* - *regulatory frameworks* - *regulator posture*
10.10-10.30am	*Break*
10.30am-12.20pm	**Session 1 (continued) – Better regulation and approvals** *The Hon Dr Jim Chalmers MP, Treasurer* *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *streamlining approvals, including to support the transition to net zero and support housing* - *housing supply, such as modern methods of construction*

12.20-1.00pm	*Lunch*
1.00-2.30pm	**Session 2 – Competition and dynamism across the federation** *The Hon Dr Jim Chalmers MP, Treasurer* Session specific attendees Christine Holgate, Group Executive Chair, Team Global Express Rod Sims AO, Former Chair of the Australian Competition and Consumer Commission Professor Flavio Menezes, University of Queensland Context: Improving competition and dynamism within the Australian economy will help ensure resources are used more efficiently, enable the most productive industries and firms to grow, boost wages and improve workers' access to the latest technology. To reduce the productivity gap between Australia and the global productivity frontier, we need to encourage more competition within sectors, and reduce the barriers preventing workers, investments and goods and services from moving freely across Australia. *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *recognition of standards and obligations (both internationally and across Australia)* - *working with states on priorities (licensing, housing)* - *policy levers best suited to delivering harmonisation and competition*
2.30-2.50pm	*Break*
2.50-5.10pm	**Session 3 – AI and innovation** *The Hon Jim Chalmers MP, Treasurer* Session specific attendees Robyn Denholm, Chair, Strategic Examination of Research and Development Ming Long AM, Chair of the Commonwealth Scientific and Industrial Research Organisation Context: New technologies, including AI, are evolving quickly and will have a transformational effect on the global economy and broader society. These new technologies will help make people and businesses more productive. Australia needs policy settings that encourage innovation, including adopting AI and the

	discovery, diffusion and commercialisation of ideas. Workers are most likely to benefit where they are trained so AI augments their work. *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *how Australia adopts AI, including opportunities, priorities and regulatory settings* - *infrastructure for AI adoption* - *innovation, including the discovery, diffusion and commercialisation of ideas*
5.10-5.40pm	Day 2 wrap up by the Treasurer

Day 3 – Budget sustainability and tax reform

Thursday, 21 August 2025

Time	Agenda item
7.30-8.00am	Arrival
8.00-8.10am	Opening remarks from the Treasurer
8.10-8.30am	**Presentation – Role of budget sustainability** *Jenny Wilkinson PSM, Secretary to the Treasury*
8.30-10.30am	**Session 1 – Efficient and high-quality government services, spending and care** *The Hon Jim Chalmers MP, Treasurer* Session specific attendees The Hon Victor Dominello, Chief Executive Officer, Future Government Institute Dr Angela Jackson, Commissioner (Social Policy), Productivity Commission Cassandra Winzar, Chief Economist, Committee for Economic Development of Australia Context: Australia has one of the strongest fiscal positions among peer economies, with lower government debt-to-GDP than the G20 average and a AAA sovereign credit rating. Over the medium-term, structural spending pressures on government payments are expected to grow, including from defence spending, the NDIS, aged care, hospitals, Medicare and childcare. At the same time, expanded use of digital and data technology presents an opportunity to improve the quality and delivery of government services. *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *the fiscal position, including fiscal settings* - *savings and offset ideas not covered elsewhere* - *structural pressures/issues* - *adoption of digitisation, technology and AI in government services* - *outcomes in the provision of government-funded services, including health care, disability support, aged care, employment and community services*
10.30-10.50am	*Break*
10.50-11.10am	**Presentation – A better tax system** *Aruna Sathanapally, CEO of the Grattan Institute*
11.10am-1.20pm	**Session 2 – A better tax system: personal taxes** *The Hon Dr Jim Chalmers MP, Treasurer*

	Session specific attendees Dr Aruna Sathanapally, Chief Executive Officer, Grattan Institute Professor Bob Breunig, Australian National University Chris Richardson, Economist Rob Heferen, Commissioner of Taxation Context: Australia's tax system is critical to funding the services Australians rely on but at the same time is under pressure from demographic and economic shifts. As the population ages, a smaller share of the Australian population, working-age people, are set to shoulder the burden of generating income tax revenue. Additionally, without government intervention, bracket creep will result in rising average tax rates. Personal income tax settings also impact on efficiency, as high effective marginal tax rates can discourage labour market participation and savings as well as investment in skills. The inconsistent taxation on savings income is also distorting how and where people save and creating create opportunities for tax planning. *As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session:* - *income tax, including the income tax collection system* - *marginal tax rates or effective marginal rates* - *rewards from work* - *fairness and intergenerational equity* - *simplicity, sustainability and the integrity in relation to personal tax settings* - *interaction between personal tax settings and the broader tax system*
1.20-2.00pm	*Lunch*
2.00-4.00pm	**Session 2 continued – A better tax system: corporate and indirect taxes** *The Hon Dr Jim Chalmers MP, Treasurer* Context: Company tax is significantly impacted by the outlook for the mining industry which accounted for 39 per cent of company tax in 2022-23. Going forward, company tax collections will be exposed to changes in the value or composition of our resources exports. Company tax settings can distort business decisions and disincentivise investment, which can result in lower productivity, fewer jobs and lower wages. At the same time, indirect taxes – including the GST and excise equivalent duties – have fallen from 29 to 22 per cent of total revenue over the past twenty years. This trend is expected to continue with technological developments and changing consumer preferences.

	As a general guide, if you want to raise the below topics or sectors, we'd suggest raising them in this session: - *encouraging business investment and economic growth* - *simplicity, sustainability and the integrity in relation to corporate and indirect tax settings* - *Interaction between corporate and indirect taxes and the broader tax system*
4.00-4.20pm	*Break*
4.20-5.00pm	Close and way forward by the Treasurer

Opening Remarks Day 2 – Economic Reform Roundtable

Welcome everyone to day two of the Economic Reform Roundtable.

Thank you for the time, the energy, and the insight you brought to yesterday's conversations on resilience – and a warm welcome to the additional guests who have joined us.

Katy Gallagher and Daniel Mulino are here, along with Geraldine, Kelly, and Michael.

And later in the day we'll be hearing from Christine Holgate, Rod Sims, Flavio Menezes, Robyn Denholm and Ming Long as well.

Now, one of the reasons I think this roundtable has already been worth the effort is because it's firmly put productivity at the very centre of our government in this second term.

That was a deliberate decision we made really in the hours following our election victory in May.

Not because we think there are quick wins or addressing this challenge will be easy, but because it's how we deliver a better future for our people.

Higher living standards are the holy grail, and that makes productivity the primary focus.

Productivity is the focus that runs through our economic plan, it's the focus of this reform roundtable and it's the focus of today.

The issues paper we released earlier this month makes clear the scale of the challenge in front of us.

As everybody here know~~n~~s, Australia's productivity growth in the 2010s was the slowest in 60 years.

Which just affirms that our productivity problem didn't show up two years ago, it showed up two decades ago.

And not just here, but in almost every comparable country.

Canada and New Zealand have downgraded productivity growth assumptions in their official forecasts.

And our own Treasury revised their long-term productivity assumption from 1.5 per cent to 1.2 per cent a year in 2022.

Productivity growth has been elusive over the last couple of decades, but it will be absolutely essential to the couple of decades ahead.

And that means addressing the four key issues outlined in May's incoming government brief.

First, our economy is not dynamic or innovative enough.

Second, private investment has picked up, but not by enough to make our capital deep enough.

Third, skills aren't abundant enough or matched well enough to business needs.

And finally, our changing industrial base and the growth in services has made productivity gains harder to find.

Over the last three years we've developed and started delivering on a strategy to turn this around.

We agreed a 5 pillar productivity agenda with National Cabinet based on:

Creating a more dynamic and resilient economy.

Investing in the net zero transformation.

Building a skilled and adaptable workforce.

Harnessing data and digital technology.

And delivering quality care more efficiently.

We've made good progress on all these fronts.

~~Acting on~~Responding to around two-thirds of the Productivity Commission's 2023 five-year review directives.

Strengthening our competition settings and ~~improving workforce skills programs~~investing in skills and education.

Abolishing non-compete clauses for most workers.

~~Attracting~~ With business ~~more~~ investment increasing, ~~to~~ deepening the capital base of our economy.

And cutting around 500 nuisance tariffs.

Today our task is to build on this work with the urgency that comes from knowing that every gain we can make now sets Australia up for decades of success and a new generation of prosperity.

We'll start with an opening presentation from Productivity Commission Chair Danielle Wood to set the scene.

The PC's interim reports under each of the five pillars are now out in the world and they're key inputs into the discussion we will have today.

Not just because of the specific reform ideas they outline.

But because of the constructive way Dani has framed the challenge before us.

To make real progress on productivity we must work together to:

Regulate with growth in mind.

Promote new ideas and technologies.

And be persistent.

With Dani's principles in mind, we'll begin today by discussing how we can improve regulation and approvals – making them faster, clearer, and more consistent.

Before turning to competition and dynamism across the federation in session two.

And exploring the potential of artificial intelligence to boost productivity, living standards, and resilience in session three.

So today is about better, bolder regulation; fiercer, fairer competition; and empowering workers to adapt and adopt game-changing technology.

But most of all it’s about what we can achieve as a country when we combine our efforts in service of a more productive and more prosperous future.

The best kind of change is the change that we embark on together, and that's what's driving us.

Working out where there’s momentum, where there’s consensus, and where there’s appetite to keep pushing for change.

So we can give our people access to better opportunities, with better incomes, in an even better country.

With that, I’ll thank the media, and hand over to Dani.

Opening Remarks Day 3 - Economic Reform Roundtable

Welcome to the final day of the Economic Reform Roundtable.

Thank you again for your time, your ideas, and your willingness to test them with each other in this room.

To our presenters and guests today – Jenny, Aruna, Victor, Angela, Cassandra, Bob, Chris and Rob – we're grateful for your insights and the expertise you bring.

From the outset, I said one of the reasons we're in the Cabinet room is because we want you to grapple with the same issues, trade-offs, and opportunity costs Cabinet faces.

Nowhere are those trade-offs more fiercely fought and more vigorously debated than when it comes to the budget.

The budget, and this room, are where good ideas compete for scarce dollars.

Assessing those trade-offs in a methodical, consultative and considered way and making the hard calls is what responsible governments do and what this government does.

That's why responsible economic management has been and will continue to be a defining feature of our government.

The really substantial progress we've made addressing the structural challenges in the budget is a powerful demonstration of that.

Since coming to office, the Budget is $207 billion better off.

We've identified around $100 billion in savings and reprioritisations.

Gross debt was $177 billion lower last financial year.

We've delivered the first back-to-back surpluses in almost 20 years.

And we expect last~~this~~ year's deficit to be a quarter what was forecast when we were first elected and half what was expected only months ago.

Commented [A1]: For the TO's consideration: $177b is the figure as per the last published set of debt figures in the 25-26 Budget. The 24-25 FBO will show that this figure is $188b. The 2024-25 end-of-year gross debt figure can be found on the AOFM's website, so the $188b figure is calculable but not public.

Real payments growth is estimated to average 1.7 per cent per year over the seven years to 2028-29, around half the average under our predecessors.

At the height of ~~During~~ COVID, spending as a share of GDP was ~~close to~~almost ~~more than~~ a third of our economy.

We got that down to under a quarter and it’s forecast to settle a little bit higher than that.

Here, I pay tribute to Katy Gallagher but also to the Prime Minister, all the Cabinet colleagues and the broader caucus.

We’ve made this remarkable progress in the budget through that spending restraint but also finding savings and banking revenue upgrades.

And relevant to today, we’ve made this progress as a direct result of the tough decisions we’ve grappled with, debated and made at this very table.

We know there’s still more to do because some of the structural pressures on our budget are intensifying, not easing.

~~Treasury’s~~ The Government’s issues paper sets out seven structural spending pressures on the budget, where payments are expected to grow fast.

Five are in the care economy, the other two are interest costs and defence investments.

We’ve already made really good progress across three of them.

We’r~~v~~e on track to meet our NDIS growth target of 8 per cent a year – and the Health Minister outlined our next steps here at the Press Club yesterday.

We’ve reformed aged care to save around $11 billion over a decade while also improving the quality and choice of services.

And our progress on the budget has helped us avoid about $60 billion in interest costs.

It's not just the spending side of the ledger where structural forces are intensifying – our revenue base is also evolving.

Our population is ageing and there ~~are~~ will be proportionally ~~less~~ fewer working age Australians.

The net zero transformation is changing our industrial and energy base, and our resources revenue as a consequence.

That's one of the reasons we'll have a session on a better tax system later today.

We recognise no meaningful progress can be made on resilience, productivity and budget sustainability without considering tax.

Tax reform isn't just related to budget sustainability – it's also about incentivising work and investment, lifting productivity, making the system simpler and more sustainable, and improving intergenerational equity.

Those ideas underpin the broad and ambitious agenda we've been rolling out:

- Personal income tax reform to cut rates, lift thresholds, return bracket creep and incentivise participation – with a tax cut last year, next year and the year after.
- A standard deduction for work related expenses to simplify returns.
- Tax breaks for small business and build to rent.
- Production tax incentives for critical minerals and hydrogen.
- Reforms to the PRRT and multinational tax avoidance.
- And our proposal to make superannuation tax concessions more equitable and sustainable.

But we don't see budget sustainability as just pulling one lever and leaving the rest unchanged.

Part of it is about raising revenue fairly and efficiently, but it's also about spending it wisely, improving the quality of our investments and squeezing the best results from every dollar.

That's part of the reason we want to begin by looking at efficient and high-quality government services, spending and care.

Without a more sustainable budget, resilience is harder to fund and productivity is harder to achieve.

The stronger our productivity and resilience, the stronger our budget becomes.

That's why these three pillars stand together.

If we can bring the same openness, pragmatism and ambition we've seen over the past two days into the months ahead, I'm confident we can deliver on all of them.

The timing for this gathering couldn't be better and the responsibility on all of us couldn't be bigger.

Our responsibility is to lift wages and incomes so future generations enjoy a better standard of living than we do today.

It's why we're here to build consensus and momentum on what's next, together.

It's why productivity, resilience and budget sustainability matter.

And it's why this third day matters.

With that, I'll thank the media, and hand over to Jenny.

FOI 4025
Document 6

s 22 [redacted]

From: s 22 [redacted] @TREASURY.GOV.AU>
Sent: Tuesday, 19 August 2025 12:53 PM
To: Williamson, Bryce <Bryce.Williamson@TREASURY.GOV.AU>
Cc: McKay, Claire <Claire.McKay@treasury.gov.au>; s 22 [redacted] @TREASURY.GOV.AU>
Subject: updated seating plan - better reg [SEC=OFFICIAL]

OFFICIAL

Updated as discussed for better reg after break and the swap in better reg 1

Kind regards,

s 22 [redacted]

Claire McKay, Assistant Secretary – Reform Roundtable Taskforce
s 22 [redacted]
Competition and Consumer Policy Division | Markets Group
P s 22 [redacted]

treasury.gov.au
Langton Crescent, Parkes ACT 2600
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The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

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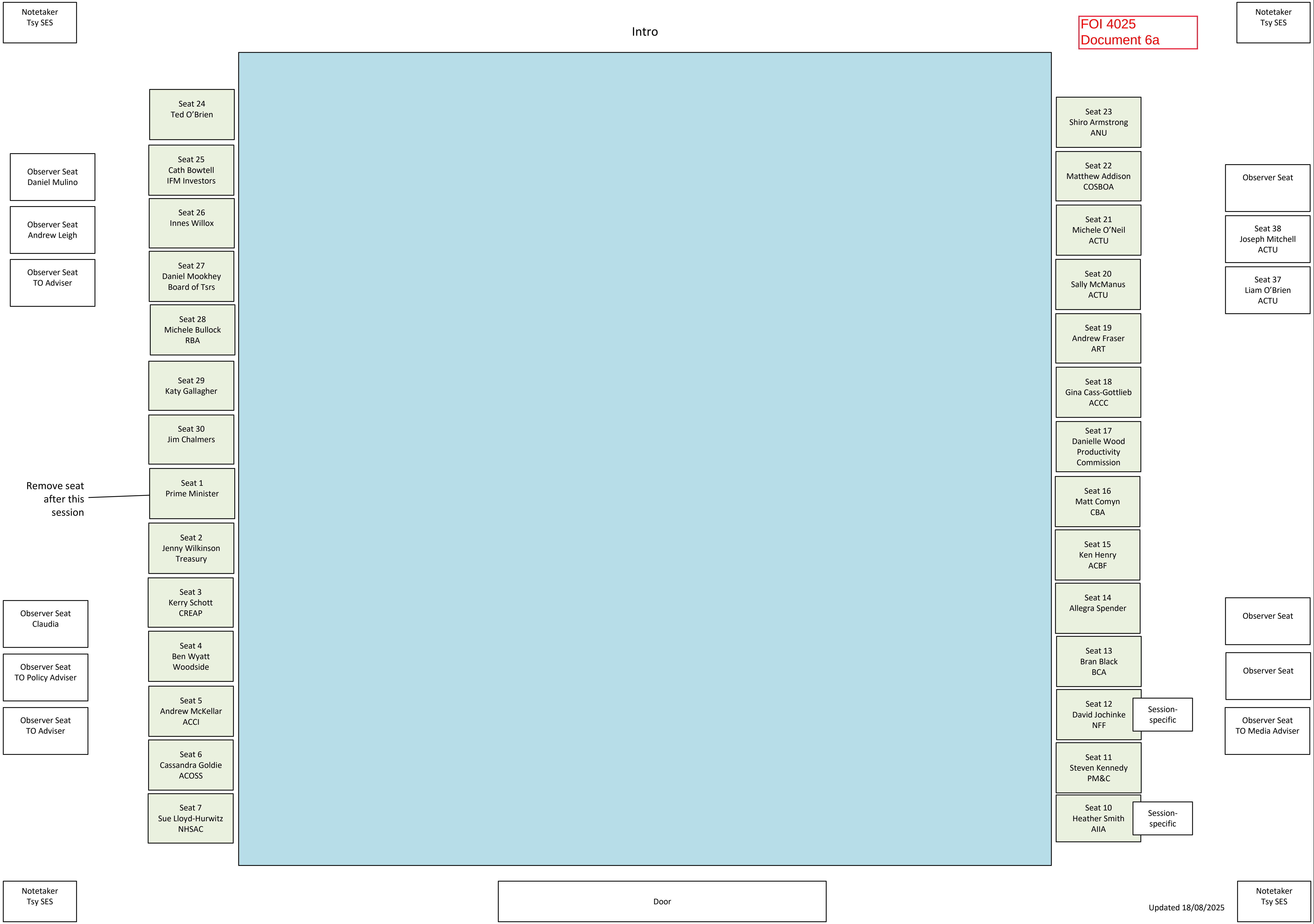
Document 6a

Intro



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Andrew Leigh

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TO Adviser

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Ted O'Brien

Seat 25
Cath Bowtell
IFM Investors

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Innes Willox

Seat 27
Daniel Mookhey
Board of Tsrs

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Michele Bullock
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Katy Gallagher

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Jim Chalmers

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Prime Minister

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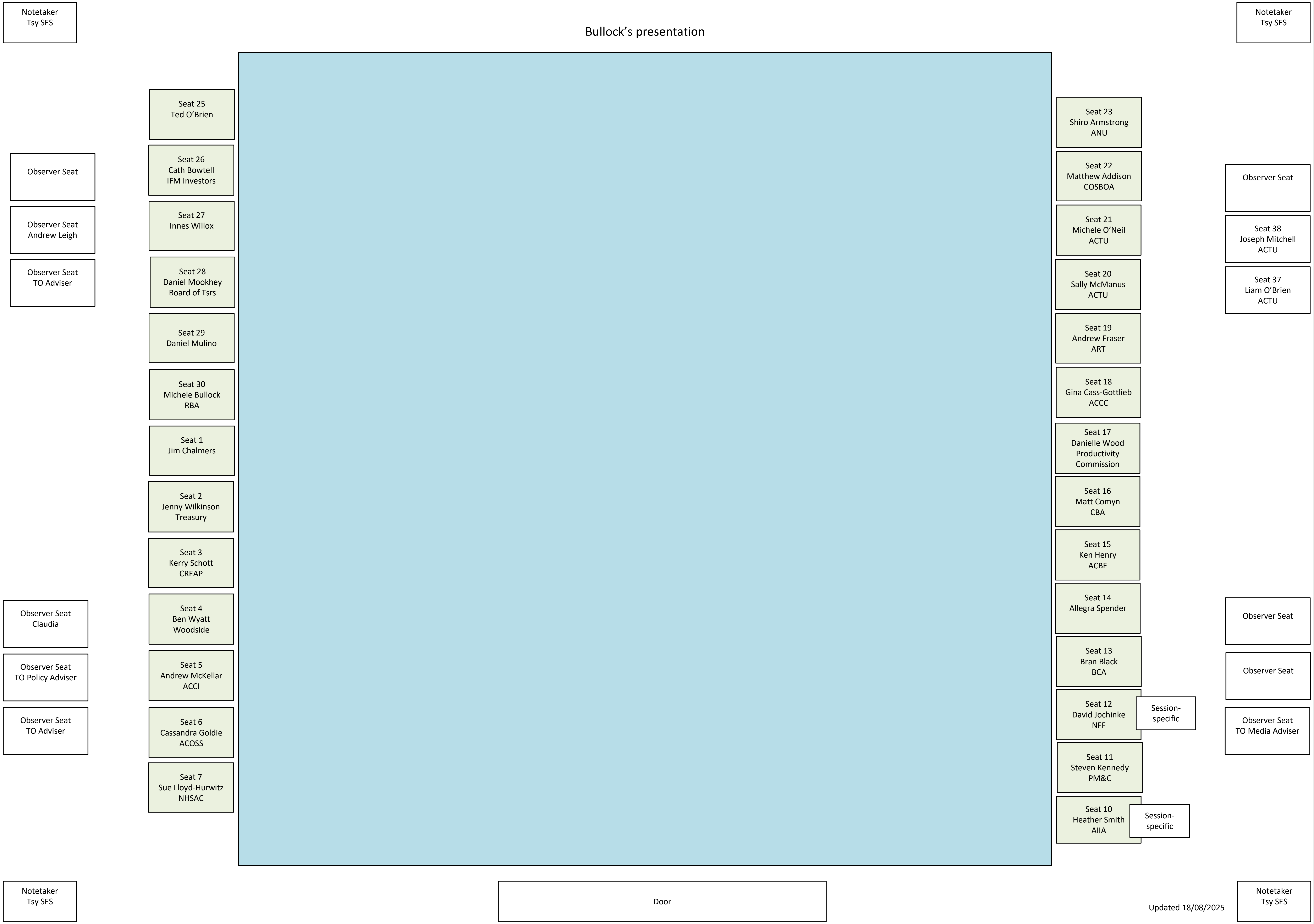
Updated 18/08/2025

Bullock's presentation



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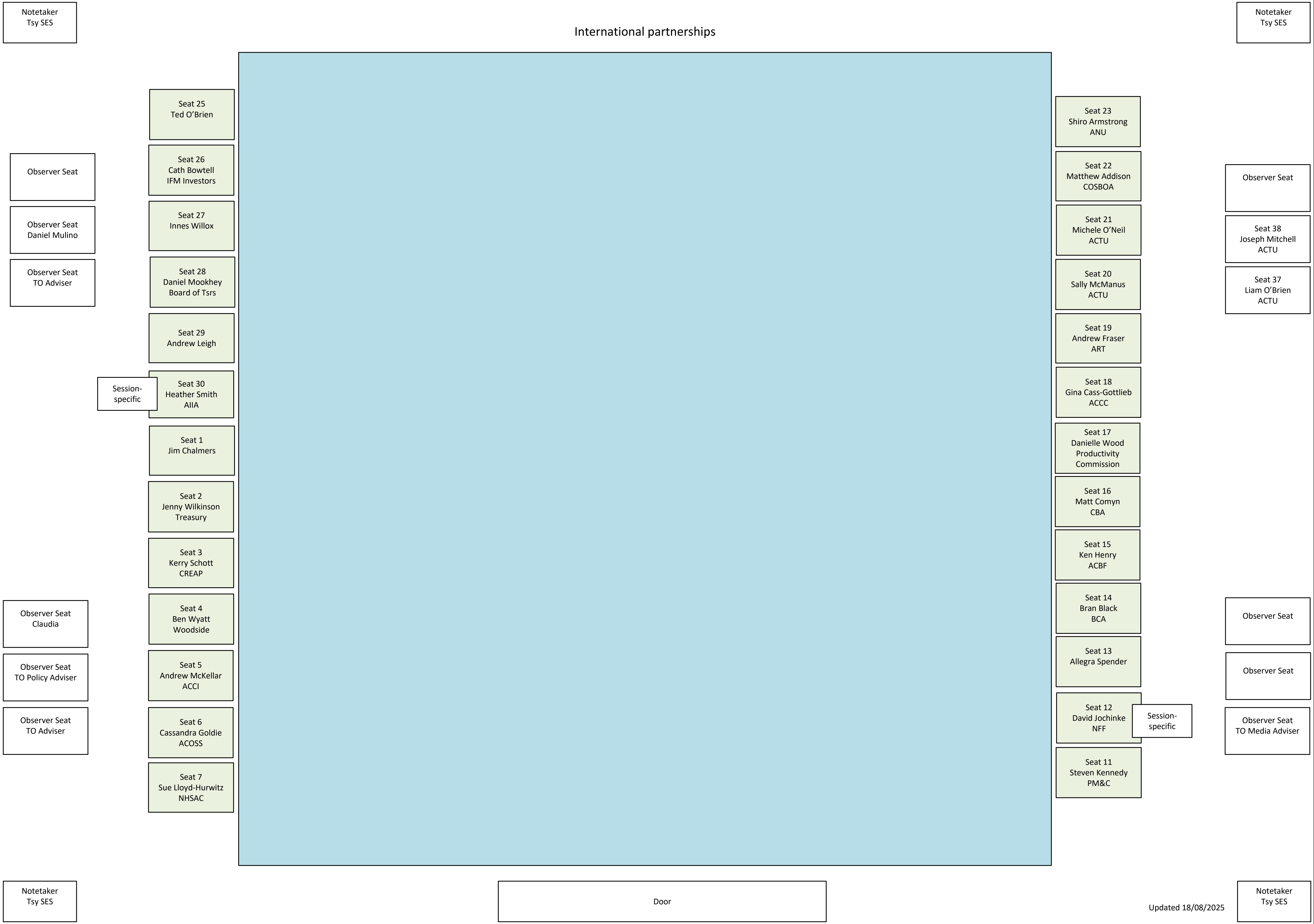
Updated 18/08/2025

International partnerships



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Updated 18/08/2025

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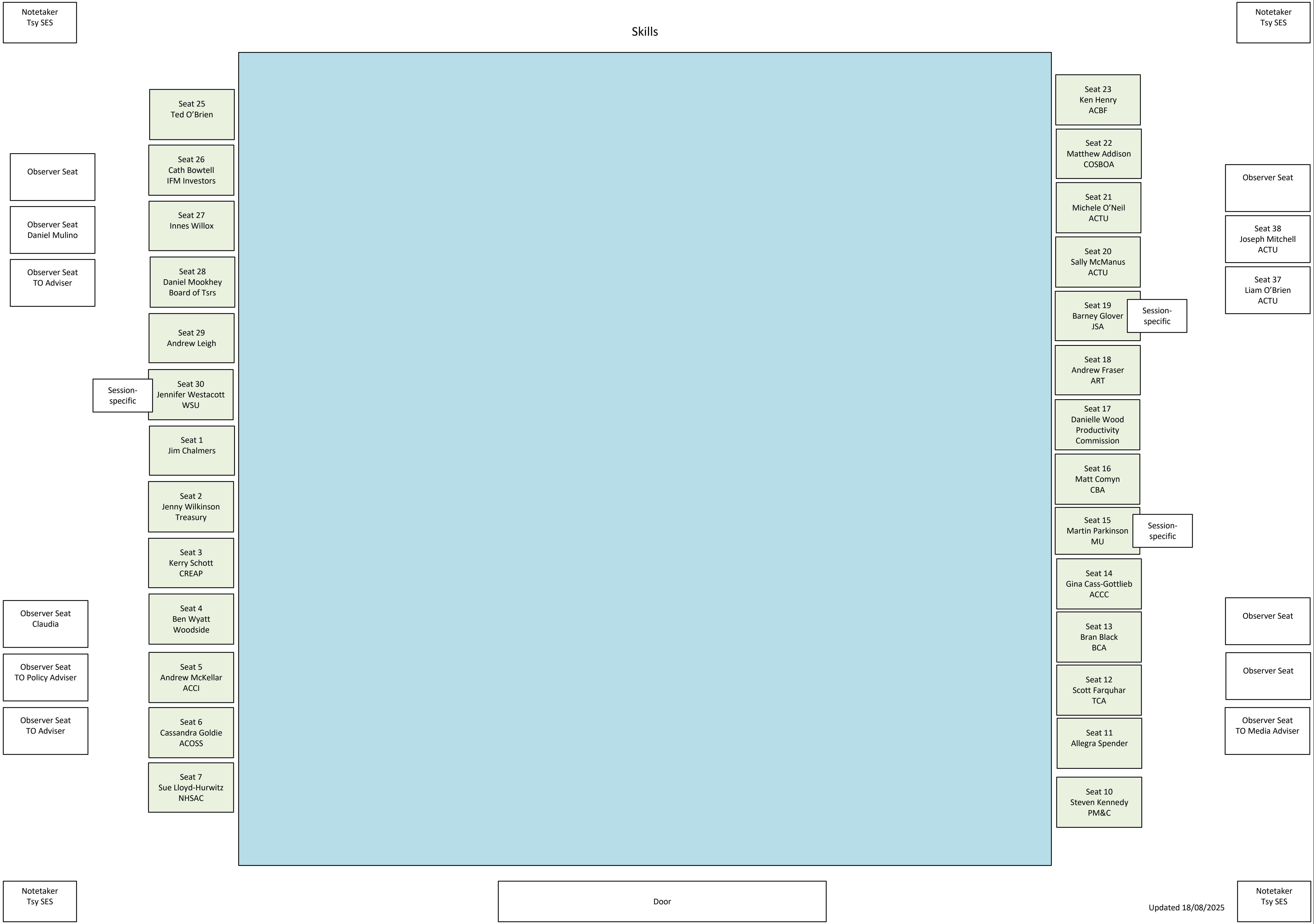
Skills



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JSA

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Andrew Fraser
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Danielle Wood
Productivity
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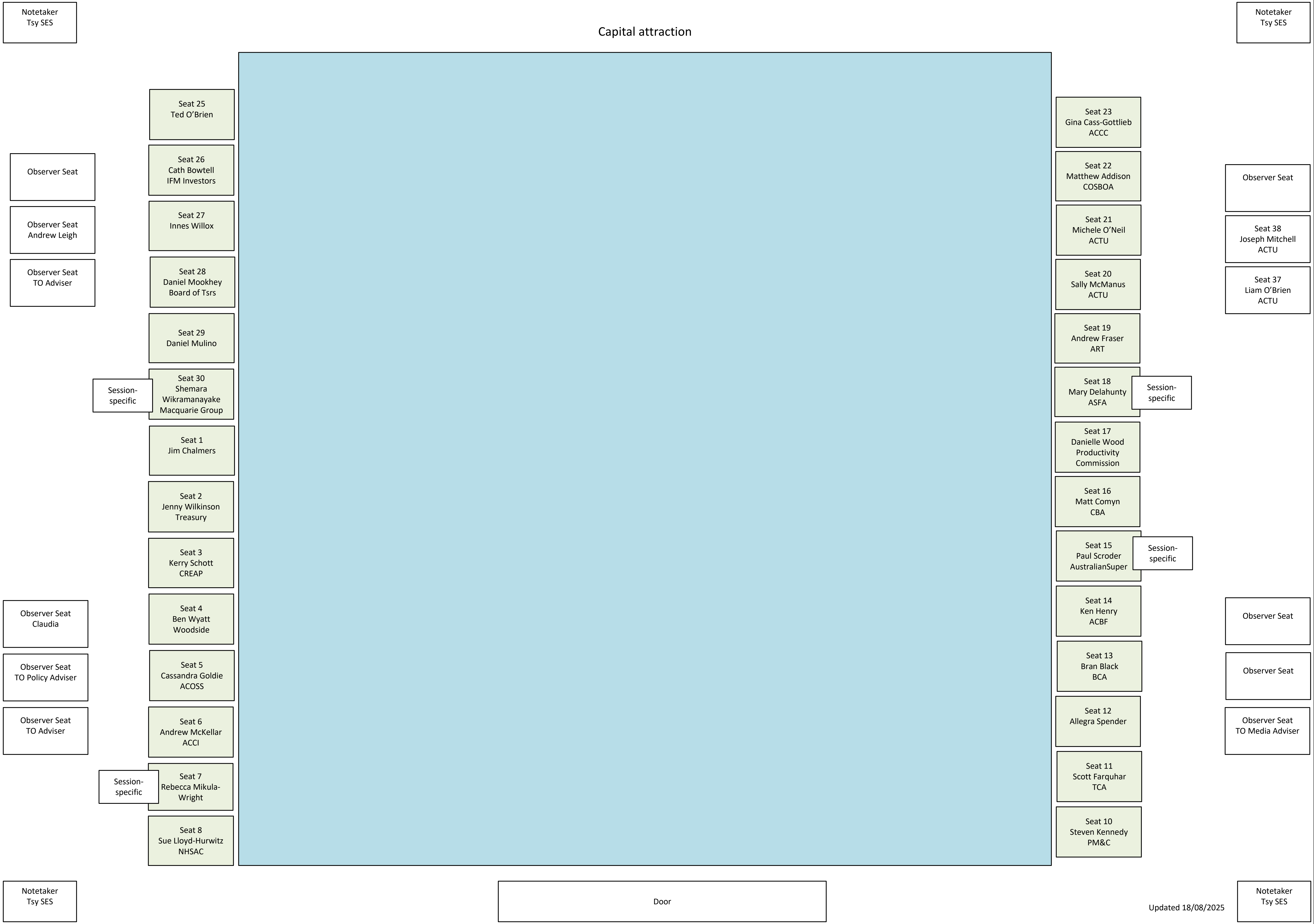
Capital attraction



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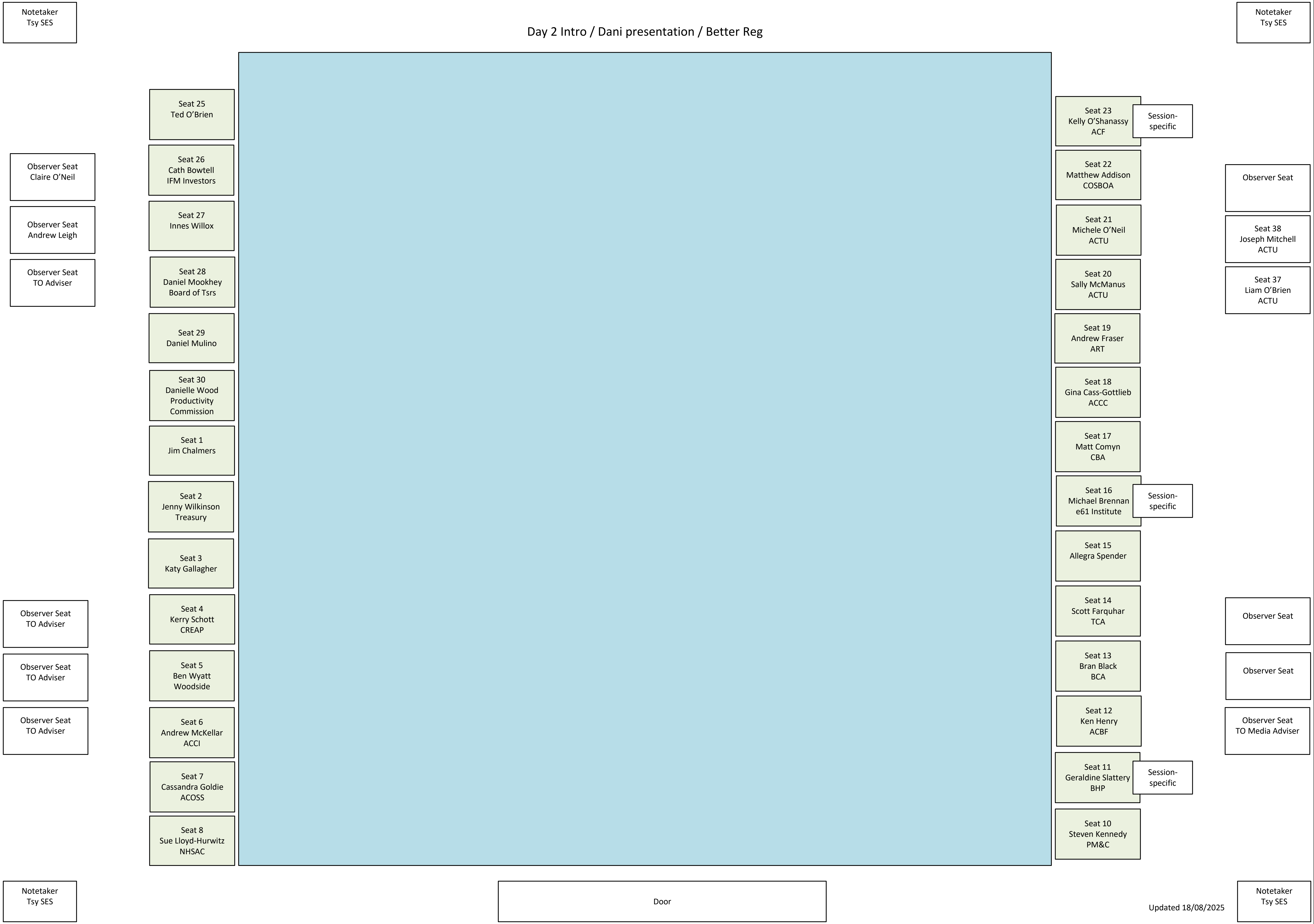
Day 2 Intro / Dani presentation / Better Reg



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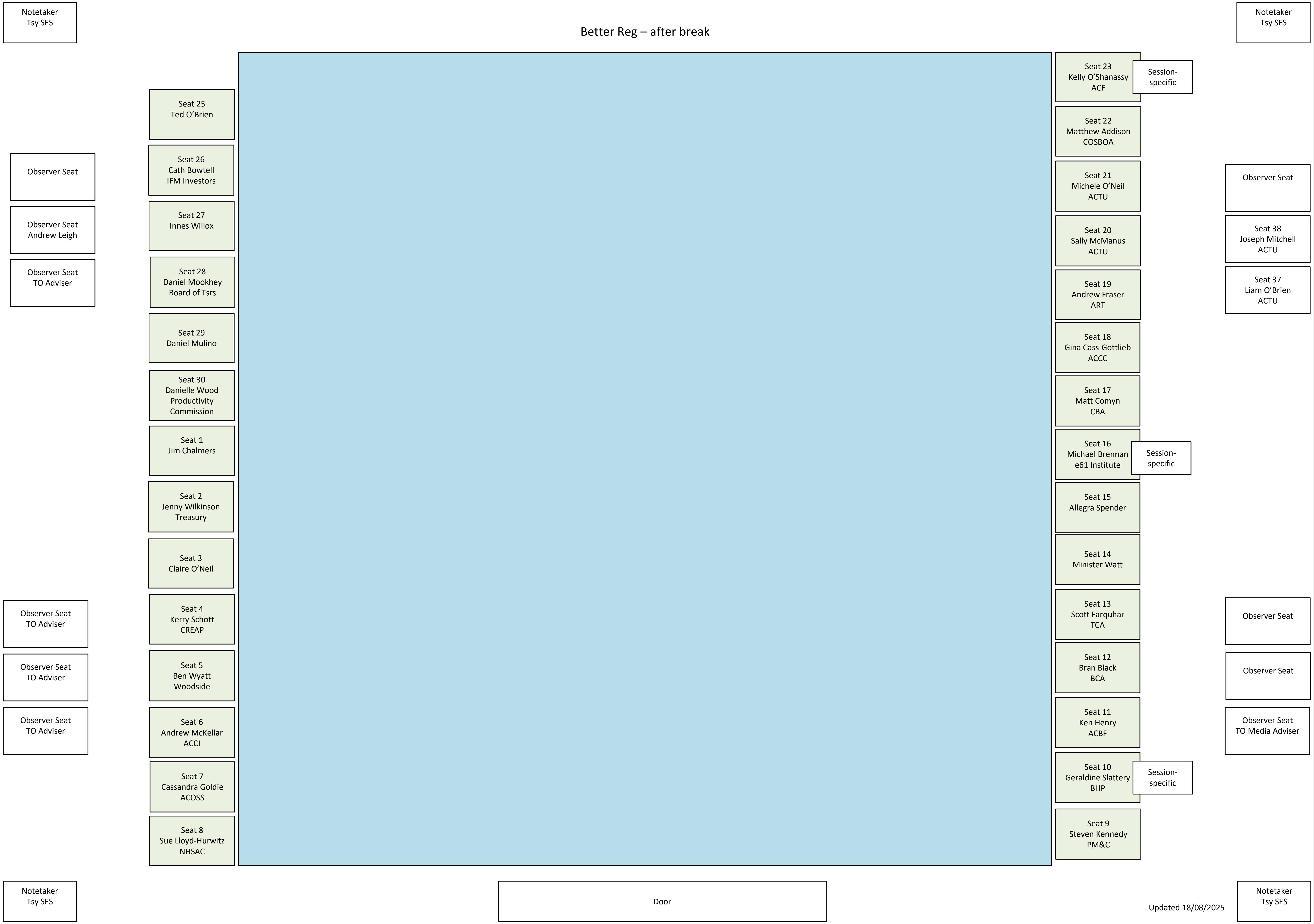
Better Reg – after break



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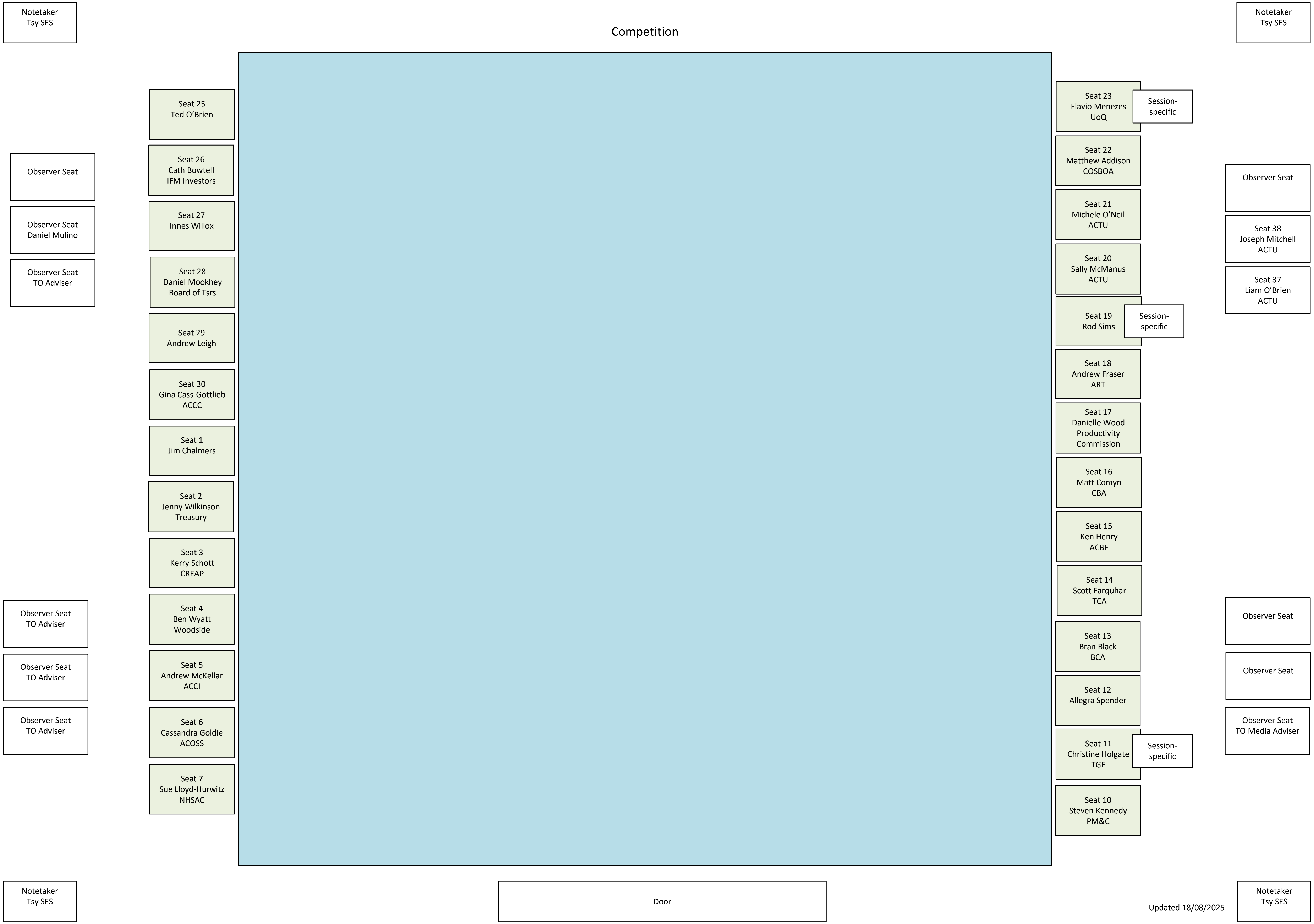

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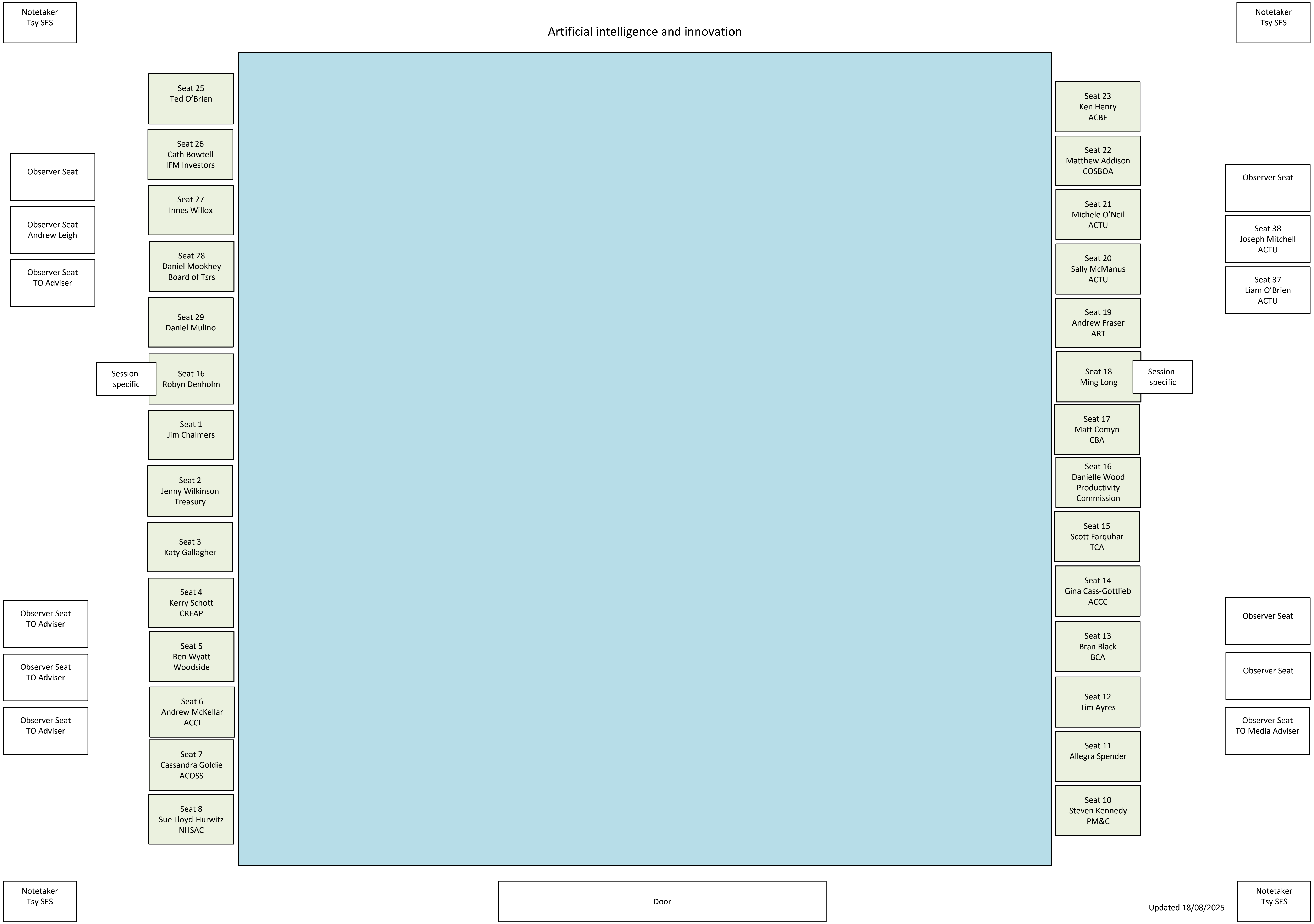
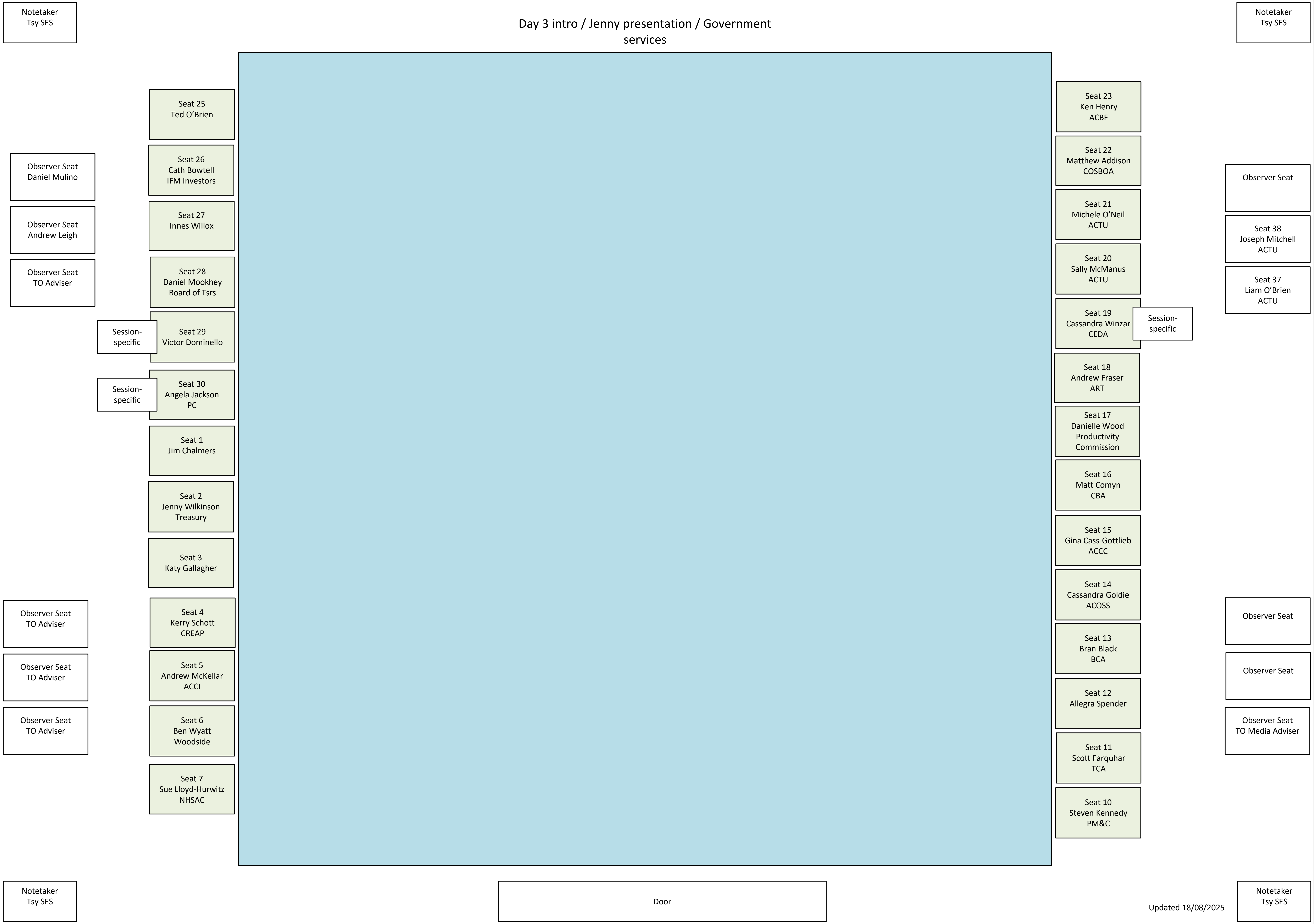
Artificial intelligence and innovation



Day 3 intro / Jenny presentation / Government services



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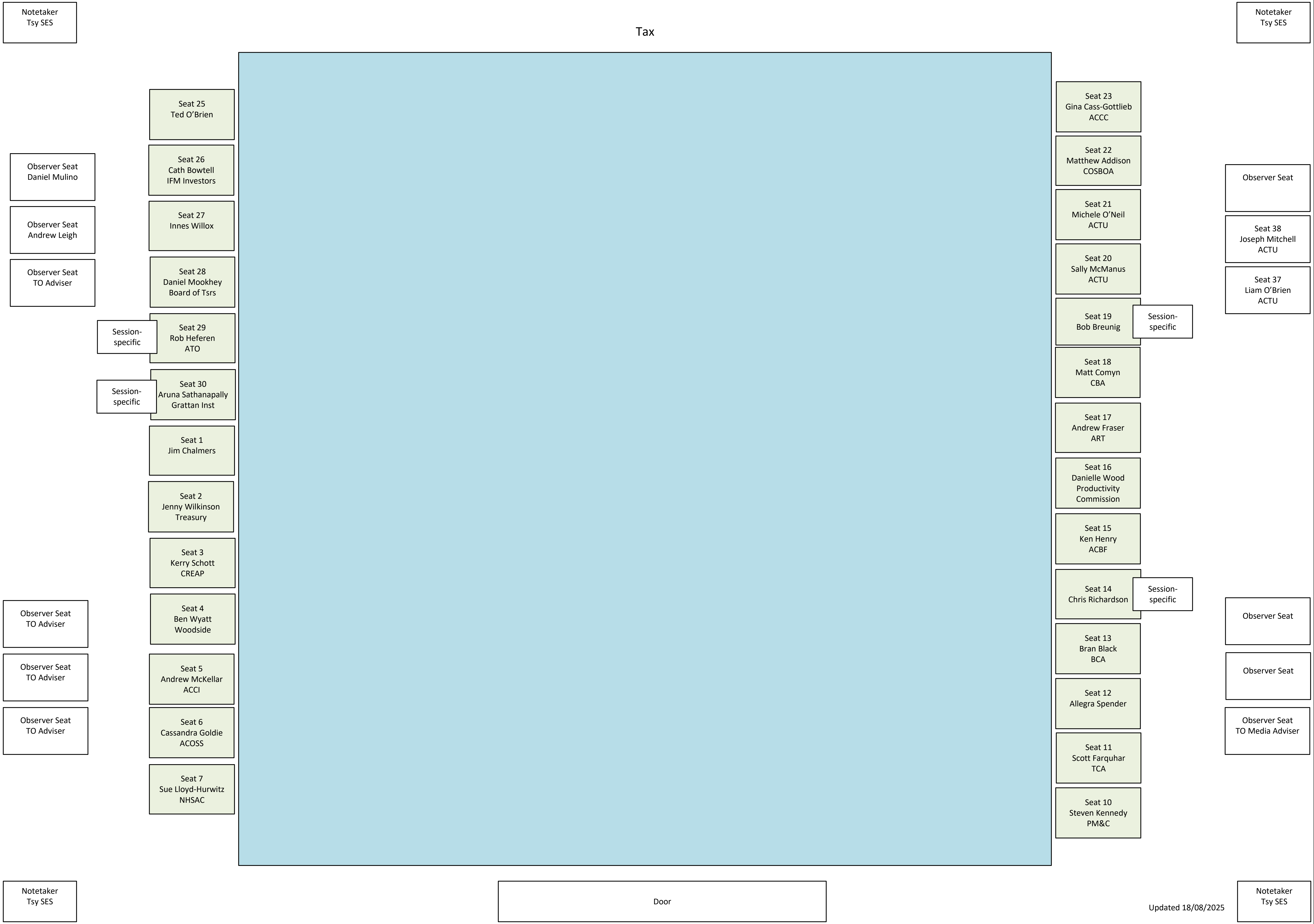

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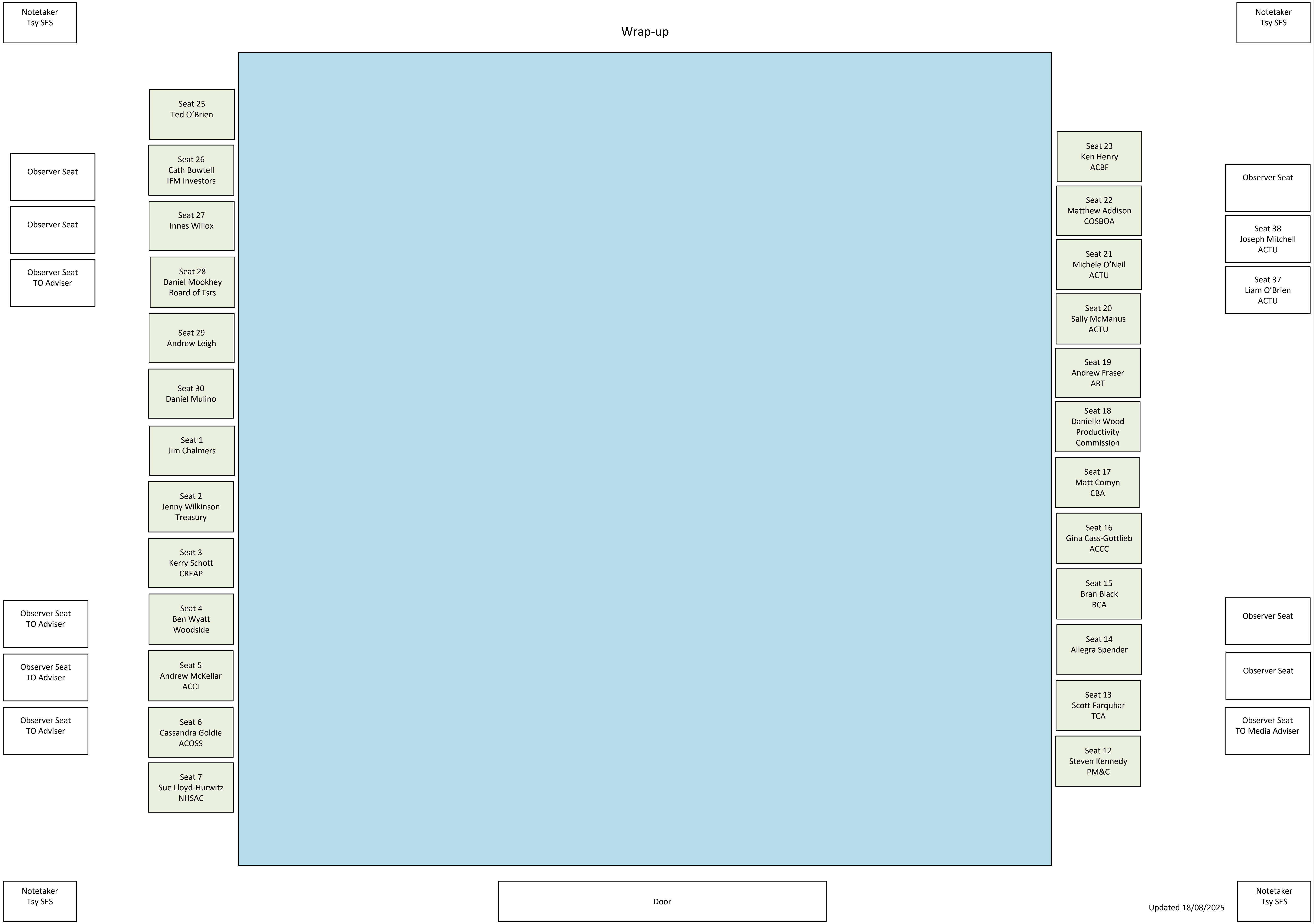
Wrap-up



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FOI 4025
Document 8

Australian Government
The Treasury

Meeting Brief

MB25-000760

FOR INFORMATION - Meeting Brief - Treasurer and University of Sydney - 27 August 2025

TO: Treasurer - The Hon Jim Chalmers MP

PURPOSE OF MEETING

s 22 [redacted]

KEY MESSAGES

Economic Reform Roundtable (ERRT) and the university sector

- The Australian Government held an Economic Reform Roundtable between 19 and 21 August 2025, bringing together leaders from business, unions, civil society and government.

- The discussions at the Roundtable highlighted the opportunity and appetite to boost living standards by making our economy more resilient, more productive and through strengthening budget sustainability.

- Almost 900 submissions were received as part of the public consultation process prior to the Roundtable, including from the University of Sydney.

- The Roundtable identified ten areas of consensus which will help set reform directions for government. The Treasurer announced a number of immediate actions across different portfolios, and outlined areas for further work.

  – The area for further work most related to the university sector would be to improve the recognition of qualifications, whether they are international or domestic, better joining up the tertiary system, the role of Jobs and Skills Councils and improving access to credit transfer.

s 22 [redacted]

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Submissions to the ERRT

- The University of Sydney’s submission to the ERRT contained specific recommendations to support education and skills development and R&D. This included themes common in other submissions such as developing a national lifelong learning and AI-capability strategy, lifting industry innovation capacity, targeting the R&D Tax Incentive (R&DTI), and boosting private investment to lift R&D intensity.

BACKGROUND

s 22

[redacted]

Submissions to the Economic Reform Roundtable

- The University of Sydney’s submission to the ERRT made 10 recommendations:

  1. Boost Year 12 completion rates, strengthen foundational and STEM skills.

2. Review the student income support system.
3. Establish integrated approaches to address future skills needs in key sectors.
4. Develop a national lifelong learning and AI-capability strategy.
5. Lift industry innovation capacity.
6. Drive sector-wide R&D efforts through mission-based research funding in university compact.
7. Adopt a national approach to venture capital investment.
8. Target the R&DTI.
9. Support national research infrastructure and innovation precincts.
10. Boost private investment to lift R&D intensity.

- The Group of Eight (Go8), of which the University of Sydney is a member, made a submission to the ERRT with recommendations focused on:
  - Developing a R&D and innovation investment roadmap as well as a National R&D Strategy, with a goal to increase R&D investment from 1.7 per cent of GDP to 3 per cent.
  - Incentivising R&D and innovation by small and medium-sized enterprises (SMEs) through the Government's procurement system and changes to the R&DTI.
  - Supporting university-industry collaboration based on proven models from Australia and overseas.
  - Increased support for research infrastructure and grant funding.
  - Addressing unnecessary, redundant, and duplicative regulation and reporting in the university sector as part of a broader commitment to reduction in red tape for the business sector.
- Universities Australia, of which the University of Sydney is a member, made a submission to the ERRT with the following recommendations for government:
  - A better educated and productive workforce by reforming Job-ready Graduates, expanding Commonwealth Prac Payments, and supporting microcredentials and lifelong learning.
  - Driving innovation through research and development and support for SMEs, ensure that the funding and regulatory systems for R&D, provide incentives to achieve a step-change in SME-university collaboration, enhance SME access to infrastructure that supports productivity and innovation and support international collaboration.

- Reducing red tape by directing the Australian Tertiary Education Commission (ATEC) to implement recommended reforms from the Universities Accord to reduce regulatory burden, review legislative duplication, review the remit of various government departments and agencies and reducing overlap and simplifying the Higher Education Support Act.
- Supporting Indigenous advancement through funding Indigenous-led research institutes and partnerships, expanding FEE-FREE Uni Ready courses, reform HELP to improve financial equity, incentivise university performance through mission-based compacts, establish and expand Indigenous economic and education hubs and advance Indigenous-led R&D and enterprise innovation.

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From: s 22 @pc.gov.au>
Sent: Monday, 18 August 2025 4:18 PM
To: McKay, Claire <Claire.McKay@treasury.gov.au>
Cc: Wood, Danielle (Productivity Commission - Unclassified DLM) <Danielle.Wood@pc.gov.au>; Bell, Rosalyn (Productivity Commission - Unclassified DLM) <rosalyn.bell@pc.gov.au>; Studdert, Lisa (Productivity Commission - Unclassified DLM) <lisa.studdert@pc.gov.au>; Liz Callaghan <liz.callaghan@pc.gov.au>; s 22 @pc.gov.au>; s 22 @pc.gov.au>; s 22 @TREASURY.GOV.AU>
Subject: Danielle Wood's slides for economic reform roundtable [SEC=OFFICIAL:Sensitive]

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Hi Claire,

Danielle's slides for her item at the economic reform roundtable are attached.

Thank you again for organising to print the handouts for participants for us. Some of these she'll run through quite quickly (particularly in the front section), so it will be good for participants to have the visuals at hand. Let me know if you have any issues with the formatting.

All the best for the next few days. We're delighted that Danielle was invited to open the second day, and we're looking forward to seeing what comes next.

Kind regards,

s 22

Productivity Commission
Ngunnawal Country
4 National Circuit, Barton ACT 2600
p. s 22 | s 22 @pc.gov.au

pc.gov.au

The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to Aboriginal and Torres Strait Islander Cultures, Country and Elders past and present.

OFFICIAL: Sensitive

FOI 4025
Document 9a

Australian Government
Productivity Commission

Productivity and reform

Economic Reform Roundtable, Day 2

Danielle Wood, PC Chair

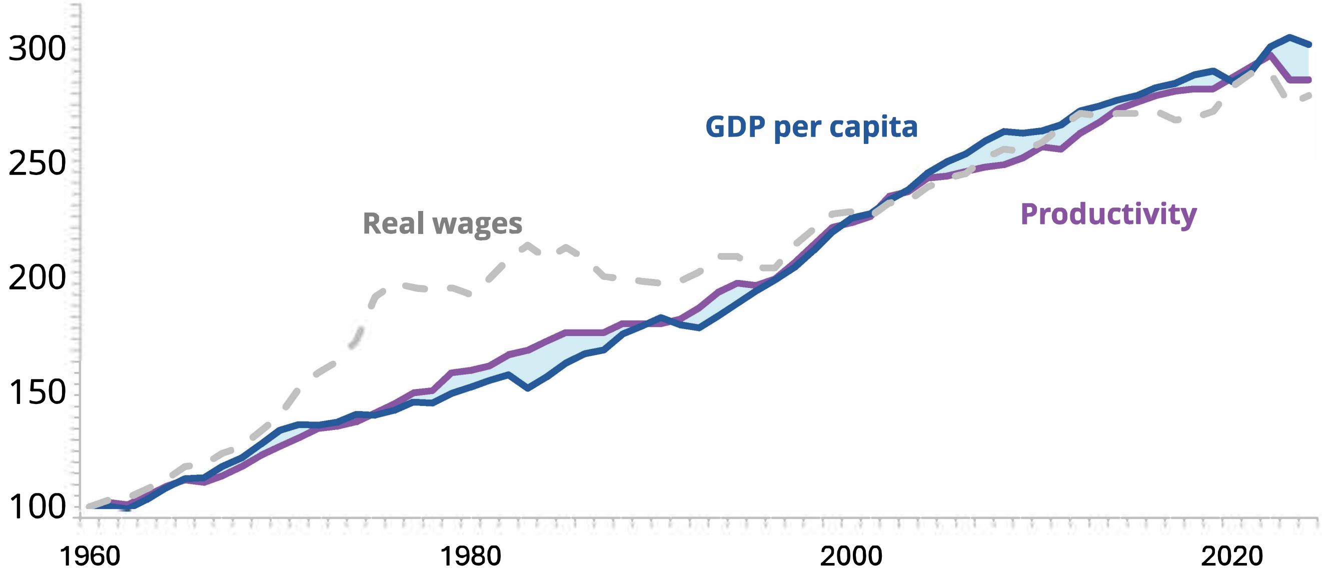
pc.gov.au

20 August 2025

OFFICIAL: SENSITIVE

It's productivity that drives improvements in living standards

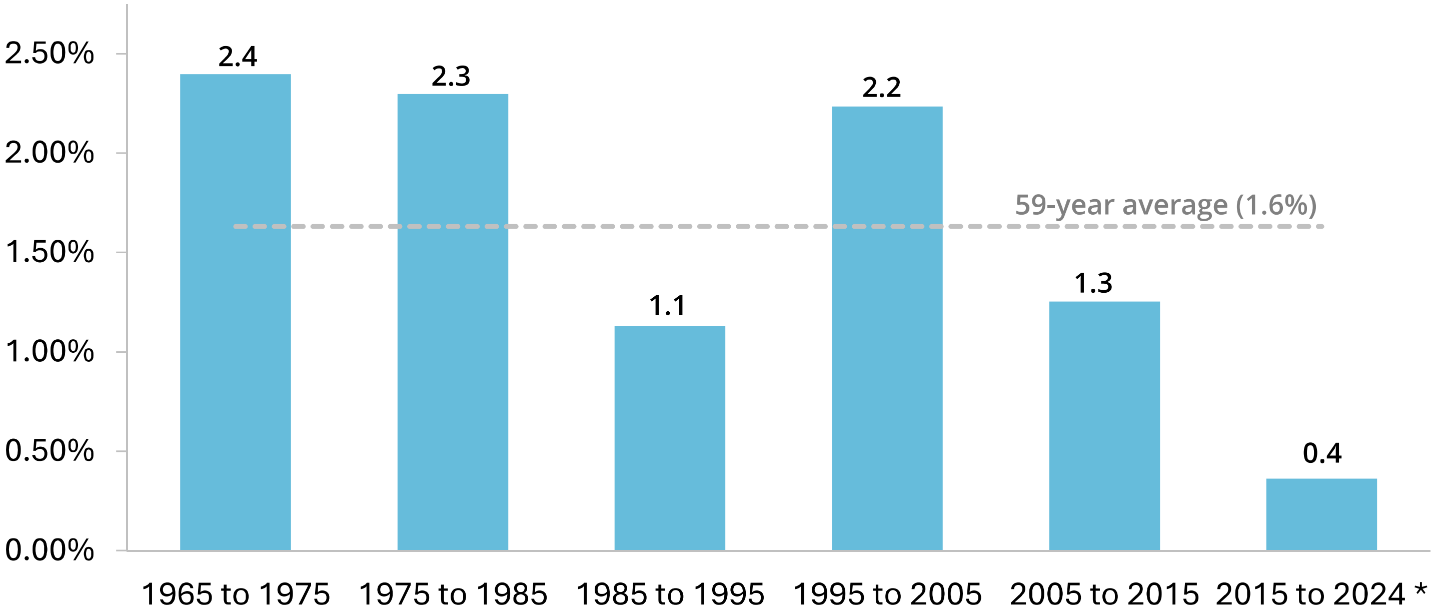
Index = 100 in 1960, 1960 - 2024



Notes: Consumer wages shown. Producer wages demonstrate a similar trend. See Productivity Commission 2023, *Productivity growth and wages – a forensic look*, PC Productivity Insights, Ca
September, for more information. Source: Productivity Commission estimates using ABS national accounts data; PC 2025, *Growth Mindset: How to boost Australia's productivity*, Canberra, July

Our productivity growth is at its slowest rate in 60 years

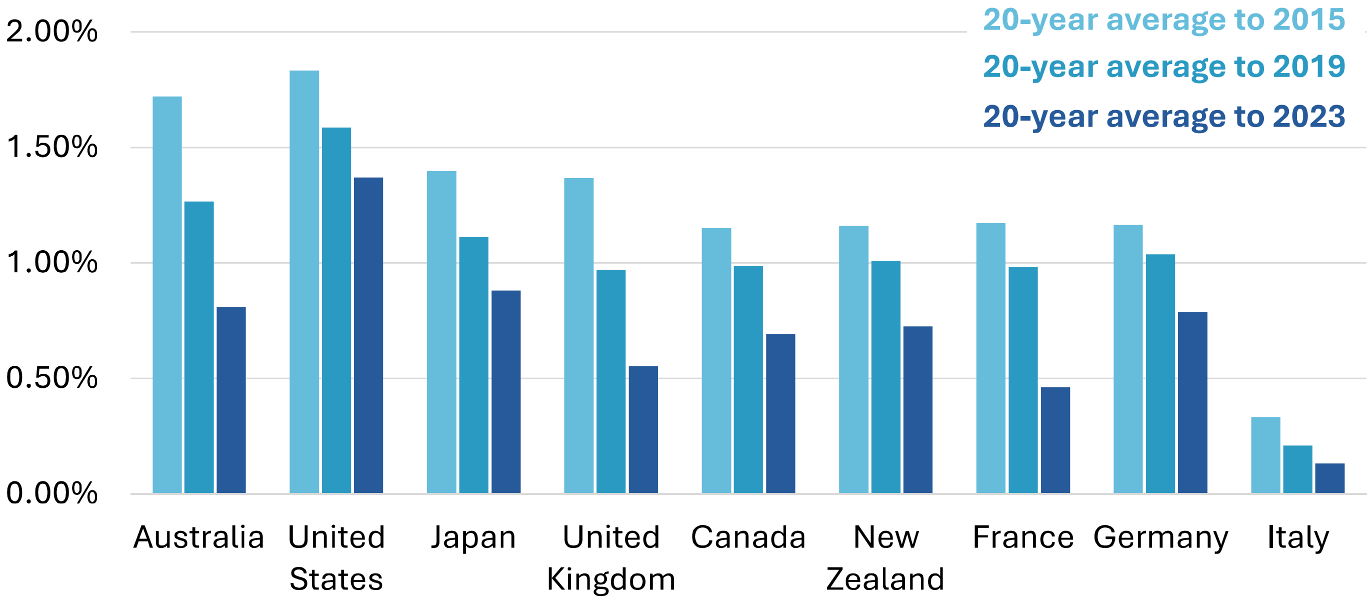
Average annual labour productivity growth



Note: * 2015 to 2024 average is calculated over a nine-year period. Labour productivity calculated as GDP per hour worked, GDP data sourced from the ABS between 1964-65 and 2022-23. Hours worked data from Penn World Tables for between 1964-65 and 1973-74 and from the ABS between 1974-75 and 2023-24. Sources: ABS (Australian System of National Accounts, 2023-24 financial year, Cat. No. 5204.0., table 1); [Penn World Tables] Feenstra, Robert C., Robert Inklaar and Marcel P. Timmer (2015), "The Next Generation of the Penn World Table" American Economic Review, 105(10).

This is not just an Australian phenomenon

20-year average productivity growth rates across advanced economies



Source: Treasury estimates using OECD GDP per hour worked index, 1995-2023.

Why did productivity growth slow?

Shift to less capital-intensive industries – the march of the services sector

Reduced boost from technological change

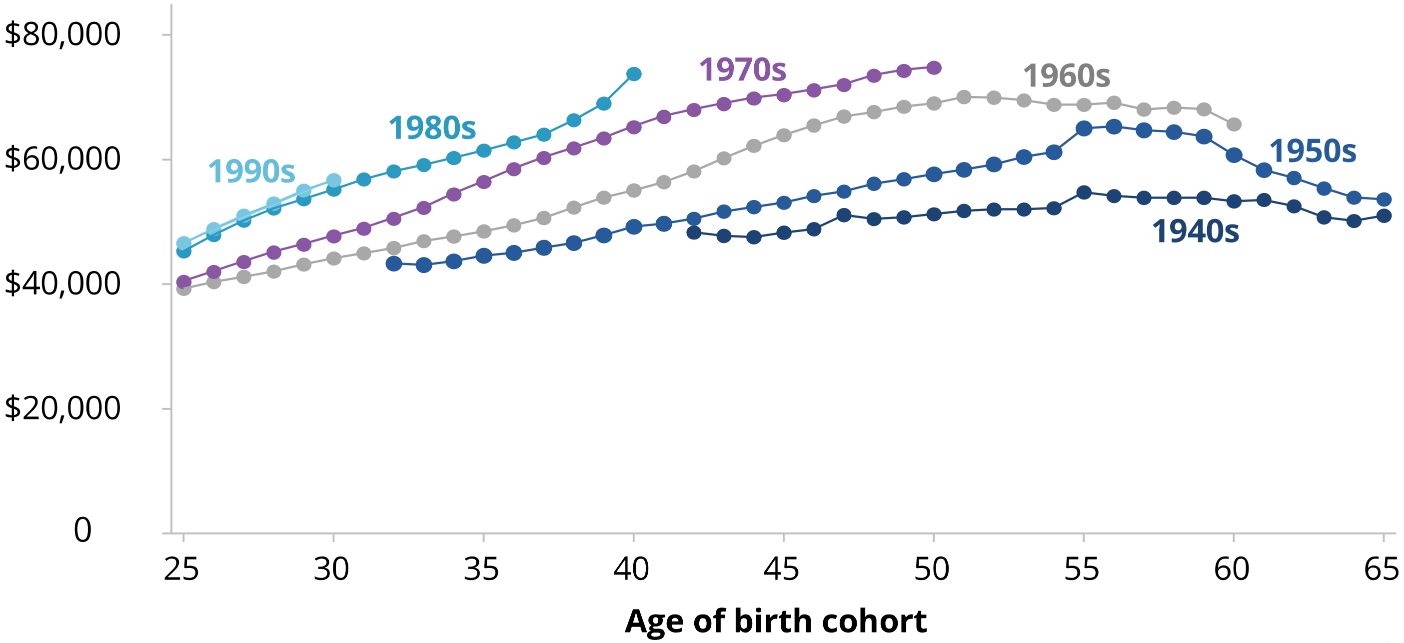
Low investment

Reduction in economic dynamism

Lack of policy reform / declining emphasis

Generation-on-generation income growth has stalled

Average individual disposable income by birth decade and age



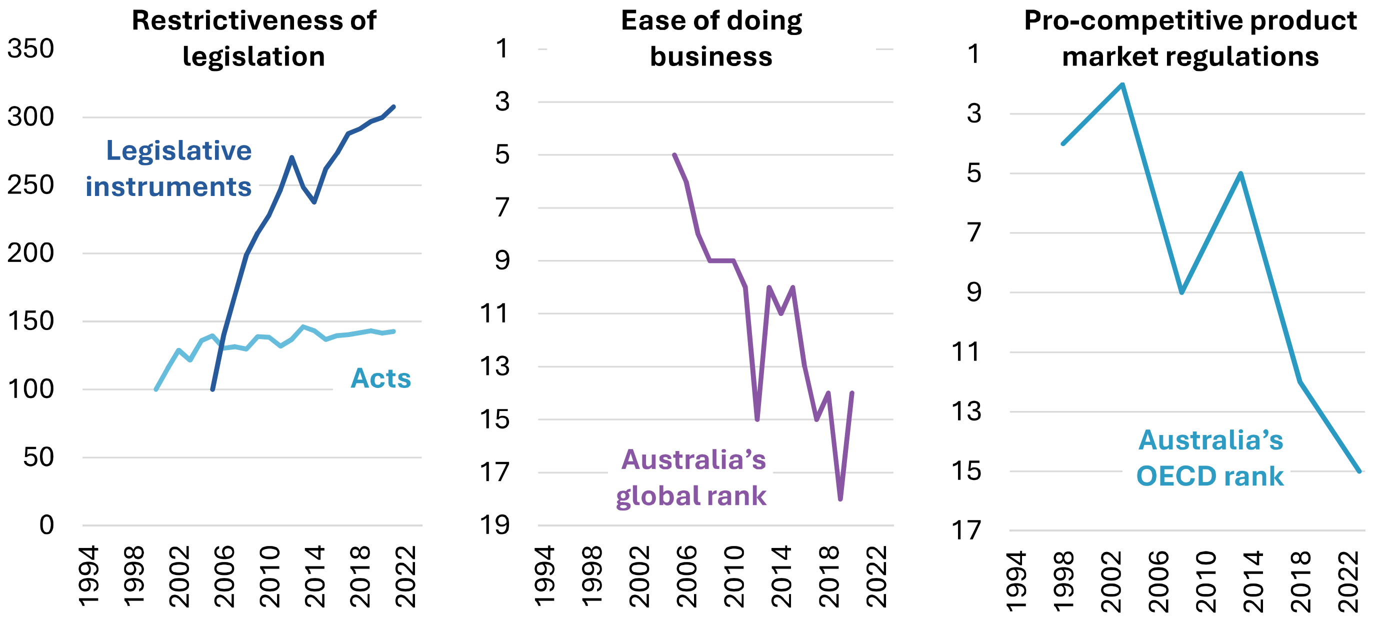
Source: Productivity Commission estimates using ALife.

The five pillars of productivity reform

Creating a dynamic and resilient economy		Support business investment through **corporate tax reform**	**Reduce regulatory burden** through new leadership approach for government and the public service		
Investing in cheaper, cleaner energy and the net zero transformation		**Reduce the cost of meeting emissions targets**	**Speed up approvals for new energy infrastructure**	**Encourage adaptation** by addressing barriers to private investment	
Harnessing data and digital technologies		**Right size regulatory approach to AI**	**Unlock benefits of consumer data**	Reduce burden through **outcomes-based approach to privacy regulation**	Enhance reporting efficiency, transparency and accuracy through **digital financial reporting**
Building a skilled and adaptable workforce		**Improve curriculum resources and ed-tech** to boost school student outcomes	**Boost lifelong learning** by recognising prior learning/credit and providing better **workplace training incentives**	**Fit-for-purpose occupational entry regulations**	
Delivering quality care more efficiently		**More consistent quality and safety regulation** to support a more cohesive care economy	**Collaborative commissioning of health services** to improve health outcomes	A national framework to **support government investment in prevention**	

Better regulation and approvals

Context: It's getting harder to do business in Australia compared to other countries



Notes: 'Restrictiveness of legislation' is defined as the number of restrictive clauses such as 'if', 'but', 'except' in federal acts of parliament and legislative instruments. 'Acts' series is indexed to 2000 and legislative instruments series is indexed to 2005. Ease of doing business series measures Australia's global ranking for ease of doing business, and 'Pro-competitive product market regulations' is Australia's rank among 28 OECD countries on the OECD's Product Market Regulation indicators. A falling rank for Australia suggests Australia is performing less well on these measures compared to other countries. Source: World Bank (2005, 2020, 2024) and QuantGov (n.d.).

Thickets of regulation stymie growth for business and NGOs

> "Telecommunications carriers and carriage service providers in Australia are subject to more than 500 pieces of legislation and regulation… in 2024 alone, around 20 new sector-specific regulatory requirements were introduced or in development.
>
> **Telstra, sub. 35, p. 9**"

> "Protracted visa processing severely hampers access to critical talent, especially in specialist areas such as AI, quantum, and advanced software engineering. Delays of six months or more for skilled-migration outcomes force companies to defer project milestones or rely on interim contractors, increasing costs and disrupting continuity.
>
> **Tech Council of Australia, qr. 57, p.3**"

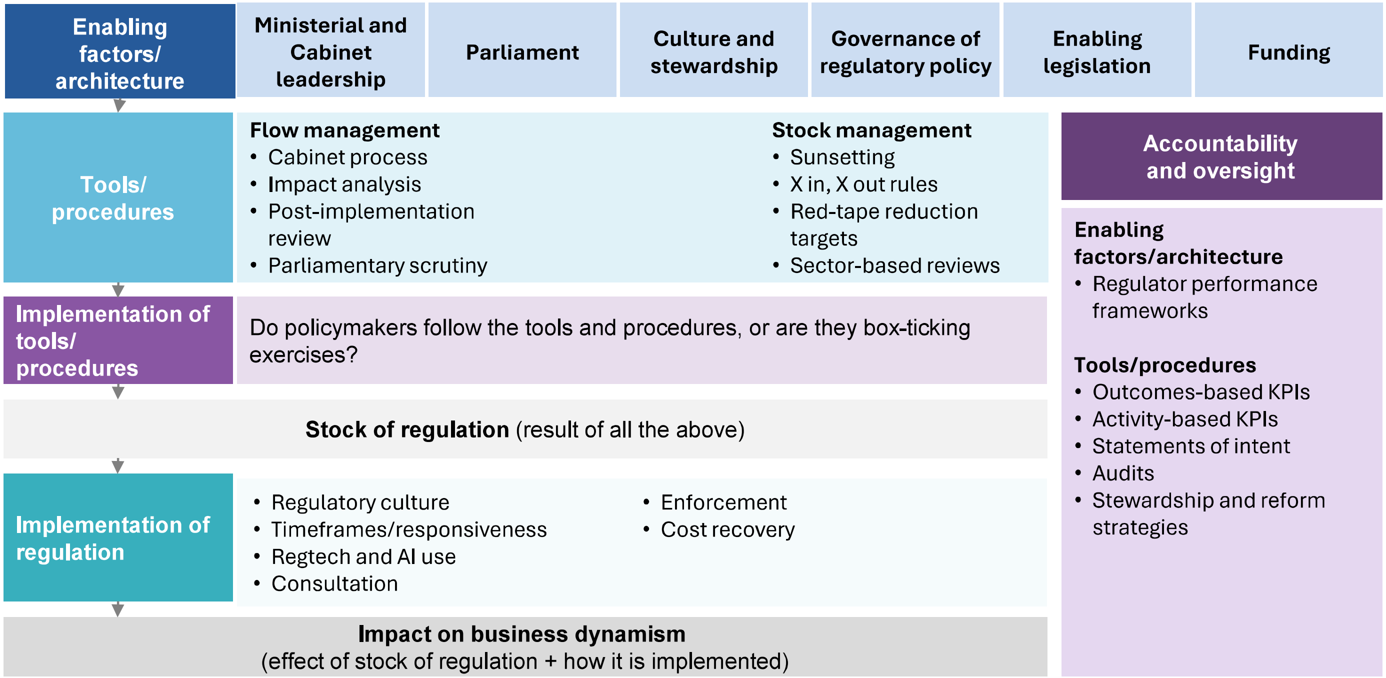
> "… regulatory burden was ranked as a leading barrier to productivity [in a NSW Small Business Commission survey], with over 60 per cent of respondents reporting they spent more time on compliance than five years ago.
>
> **NSW Small Business Commission, qr. 76, p. 4)**"

> "Over the past three years, the regulatory landscape has become even more demanding, with government extending its influence over businesses through new regulatory measures and increased transparency requirements.
>
> **ACCI, sub. 17, p. 5**"

> "Our partners… report their current focus on compliance and meeting significant regulatory reform agendas has severely limited their opportunity to participate in research, development and innovation activities – **Care Economy CRC, qr. 51, p. 1**"

> "In total, Benevolent is accountable to over 350 pieces of legislation and regulations. … [compliance obligations translate] into a minimum of 16 program audits every three years **Benevolent Society (qr. 73, p. 1),**"

The tool kit for improving regulation



Enabling factors/ architecture

- Ministerial and Cabinet leadership
- Parliament
- Culture and stewardship
- Governance of regulatory policy
- Enabling legislation
- Funding

Tools/ procedures

Flow management
- Cabinet process
- Impact analysis
- Post-implementation review
- Parliamentary scrutiny

Stock management
- Sunsetting
- X in, X out rules
- Red-tape reduction targets
- Sector-based reviews

Implementation of tools/ procedures

Do policymakers follow the tools and procedures, or are they box-ticking exercises?

Stock of regulation (result of all the above)

Implementation of regulation

- Regulatory culture
- Timeframes/responsiveness
- Regtech and AI use
- Consultation
- Enforcement
- Cost recovery

Impact on business dynamism
(effect of stock of regulation + how it is implemented)

Accountability and oversight

Enabling factors/architecture
- Regulator performance frameworks

Tools/procedures
- Outcomes-based KPIs
- Activity-based KPIs
- Statements of intent
- Audits
- Stewardship and reform strategies

What could shift the dial?

Role for ministers

Whole of government **statement on regulation,** agreed by cabinet	Commit to regulatory outcomes that better promote growth and dynamism Commit to immediate and concrete reforms to reduce regulatory burden Possibly quantitative targets for regulatory burden
Enhanced cabinet scrutiny of regulatory proposals	Apply the same rigour to regulatory proposals as applied to expenditure and taxation proposals, modelled on budget process, and with support from central agencies
Ministerial statements of expectations	Specify appetite for risk and that regulators and policymakers should consider growth and dynamism

Role for others

Stronger scrutiny, review and evaluation	Independent statutory commissioner to oversee the Office of Impact Analysis Senate scrutiny committees to consider impact analysis quality
Support for regulatory stewardship	Regulators to act as stewards of the system they oversee including actively considering scope for improvement and cost reduction

More use of ‘root and branch’ or ‘zero base’ reviews to address stock of regulation

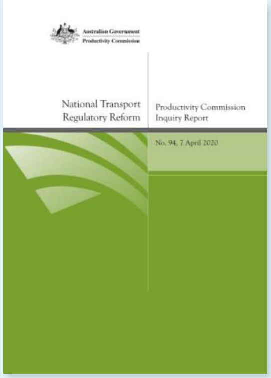
Need to address issues with the stock of high cost/high complexity regulation

Government should pursue a systematic program of reviews targeting sectors or systems where there are strong concerns about the build up of regulation

[Shameless plug]: the Productivity Commission is well placed to undertake such reviews

Potential early contenders

- Construction
- Financial Services



Australian Government
Productivity Commission

National Transport Regulatory Reform

Productivity Commission Inquiry Report

No. 94, 7 April 2020

Regulatory approvals process now pose a real challenge to building the houses and infrastructure we need

> Development approvals now commonly take over two years, adding uncertainty and inflating holding costs. Measures intended to streamline the system have added layers of discretionary assessment that often undercut their purpose
>
> **Urban Taskforce Australia**

> … the EPBC Act is failing on all fronts. It does not adequately protect nature, and it is delaying the renewable energy and transmission projects needed to rapidly decarbonise the economy
>
> **CEIG, ACF, WWF Australia, RE-Alliance, ETU, CEC, AMCS, Biodiversity Council.**

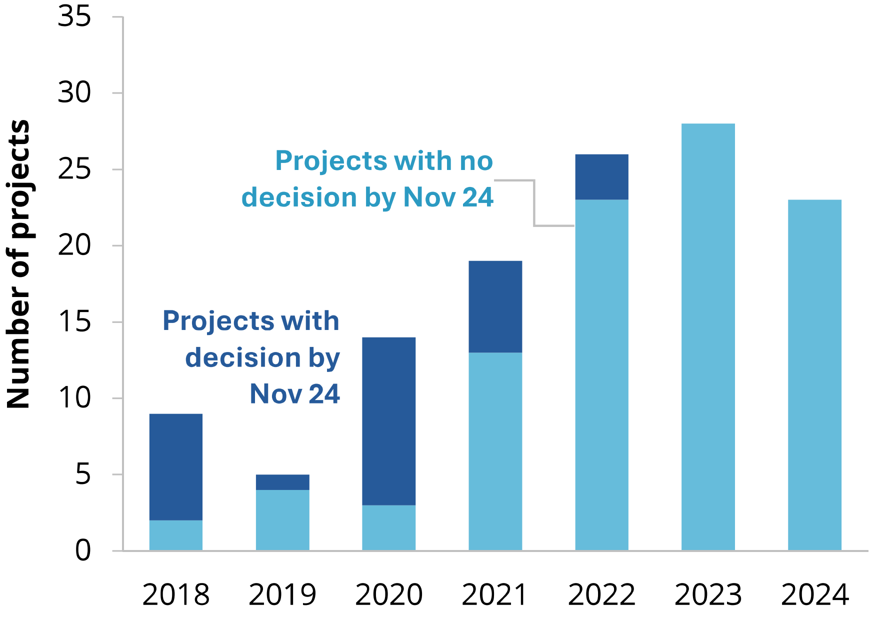
> The cost of planning delays within [Victoria is] in the realm of $400–600 million per year. This is no small figure and directly drives up the costs of housing across our state
>
> **Abundant Housing Network**

> Speeding up approvals for all major infrastructure and housing projects in regional Australia, including energy infrastructure, will improve productivity and deliver the benefits of investment faster
>
> **Regional Australia Institute**

> Australia’s [environmental impact assessment systems] are incapable of supporting an economy in transition to net zero and they are undermining productivity. We cannot afford slow, opaque, duplicative and contested environmental planning decisions based on poor information, mired in administrative complexity
>
> **Ken Henry at the National Press Club, 16th July 2025**

Example: Approvals for clean energy infrastructure are too slow

Number of clean energy projects in NSW, Vic and QLD that require approval under EPBC Act



The average time for an EPBC decision was **over 500 days** for clean energy projects requiring approval

45 projects from 2018 to 2022 still **had no decision by Nov 2024**

The infrastructure build required for reliable energy and to meet net zero is massive –

Australia needs **10,000kms of new transmission lines** and **a six-fold increase in grid-scale renewable energy** to reach net zero by 2050

Notes: Total projects requiring approval is the number of projects referred under the EPBC Act that are controlled actions. Data is sorted according to the year of EPBC Act referral. For example, a referral 'made in 2021' is a referral with an EPBC project number commencing in 2021. Source: Herbert Smith Freehills and Clean Energy Investor Group 2024, Delivering Major Clean Energy Projects: Review of the EPBC Act for Renewable Energy Projects in Queensland, New South Wales and Victoria; AEMO 2024, Integrated System Plan for the National Electricity Market, Australian Government.

Opportunity : we can expedite approvals without compromising protections

Reform environment laws (Samuel review)
- national environment standards – clear benchmarks
- regional planning – more efficient than project-by-project assessments
- better information about the environment (reduce duplication)
- efficient and robust offset arrangements

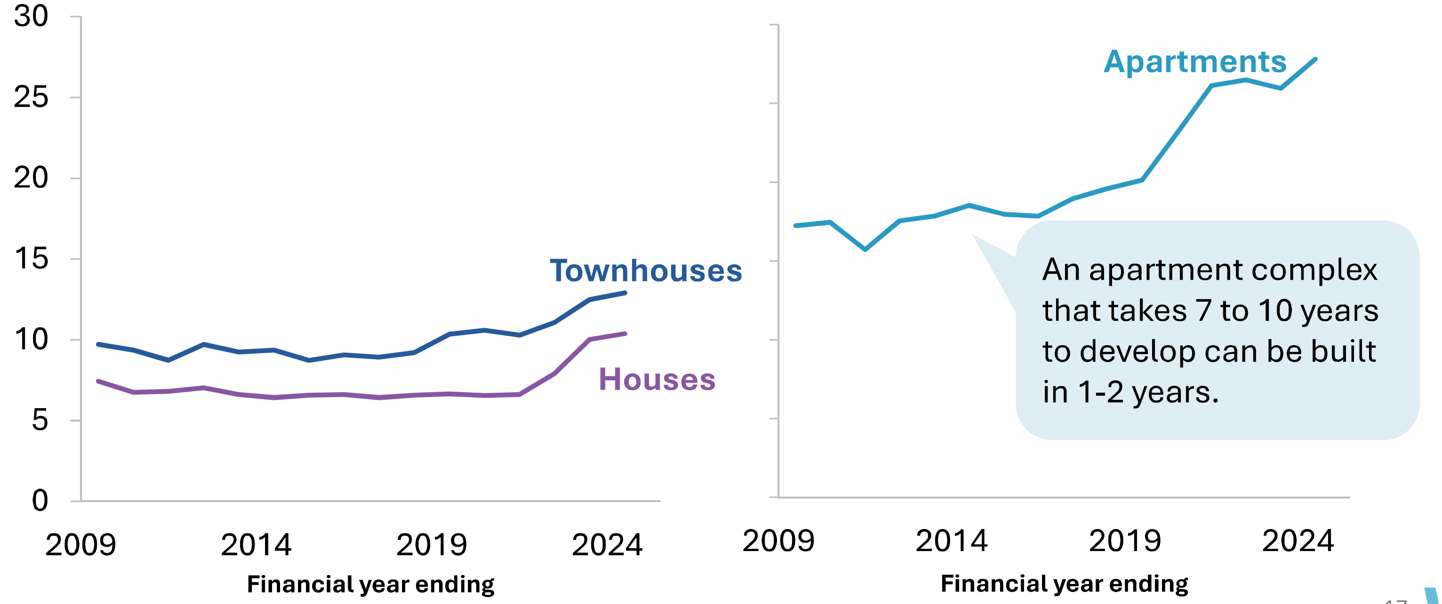
Focus on high-priority projects
- a strike team for EPBC Act assessments
- a Coordinator-General to remove roadblocks across government & track progress

Consider the energy transition in approval decisions
- give weight to the needs of the energy transition

The reward?
- Faster approvals can reduce emissions, reduce costs for developers, attract
- investment and make energy cheaper – all of which support productivity growth

Example: Homes are taking longer to build, but actual building is a small fraction of the time taken

Number of months taken to complete



An apartment complex that takes 7 to 10 years to develop can be built in 1-2 years.

Note: Average completion times are for apartments in NSW, Victoria and QLD only. Source: Productivity Commission 2025, *Housing Construction Productivity: Can we fix it?*, Research Paper, Canberra, Figure 1.2.

Opportunity in housing: improving planning and approvals process

Reform planning laws

- Opportunity to provide more targeted incentives to states to reform restrictions on planning (NCP or other mechanism) – including density, heritage, carparking

Ease the burden of approvals processes

States should review the suite of approvals needed for housing

    - Expand performance reporting on approval timeframes for all approvals (not just planning)
    - Move to digital applications and assessment

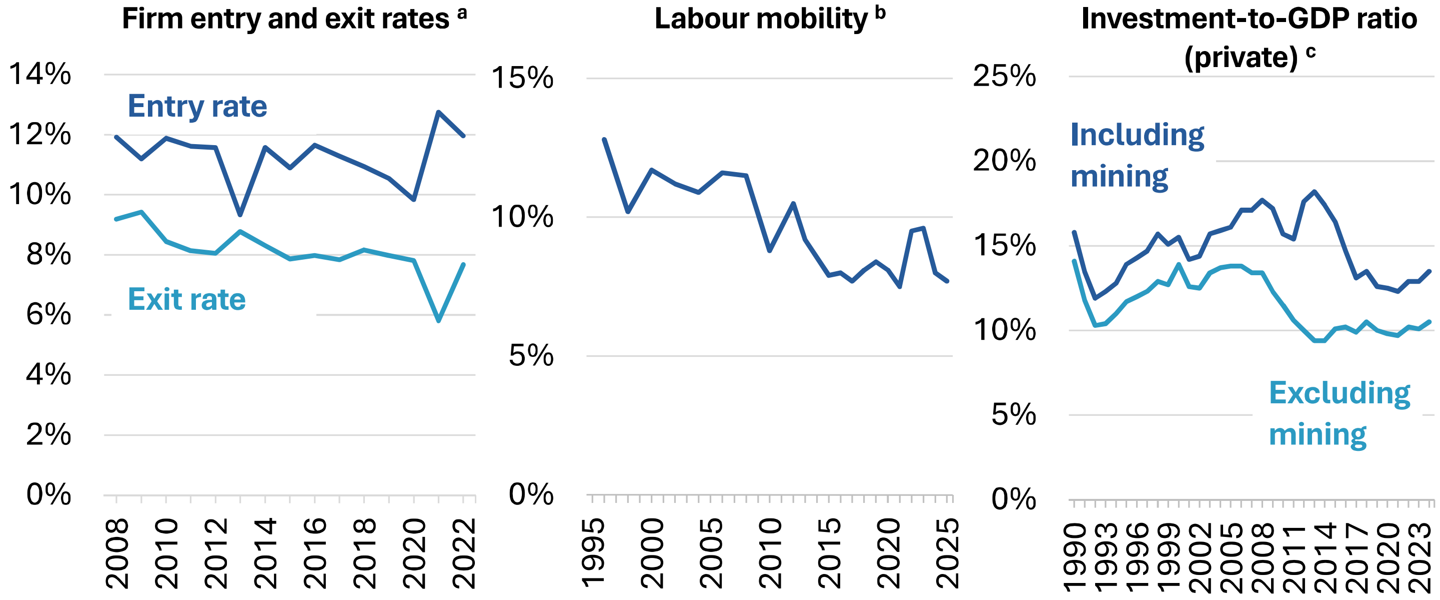
- Adopt coordination bodies to help with end-to-end process and address planning obstacles (e.g. Qld Coordinator general)
- Make sure decision bodies (esp local councils) are properly resourced

Review of the National Construction Code

- Root and branch including opportunities for significant streamlining, governance and process for future updates
- Pause updates while review takes place

Competition and dynamism across the Federation

Measures of business dynamism slowed pre-covid



Firm entry and exit rates [a]

Labour mobility [b]

Investment-to-GDP ratio (private) [c]

Notes: [a] Entry and exit rates are expressed as a percentage of the number of businesses operating at the beginning of the period. Data is for financial years ending and includes employing businesses only. [b] Labour mobility is measured as the share of employees who changed employers in the past 12 months. Data collection is not uniform between 1980 and 2021; some points are interpolated. [c] Investment to output ratio uses chain volume measures. Non-mining measure excludes mining value add to GDP. Sources: ABS, *Counts of Businesses, Including Entries and Exits,* various issues, cat no. 8165.0; Australian Bureau of Statistics, Job mobility February 2025; PC estimates using ABS (Australian System of National Accounts, 2023-24)

One contributor is fragmentation across the Federation

> As a business operating nationally with retail operations across NSW, ACT, QLD, VIC, WA and SA, it is becoming increasingly more challenging and costly to implement plastic bans on a state-by-state basis... By alleviating unnecessary administrative burden for companies, resources can be better spent on the significant task of improving the sustainability of operations – **IKEA, NCP sub. 59, p.1**

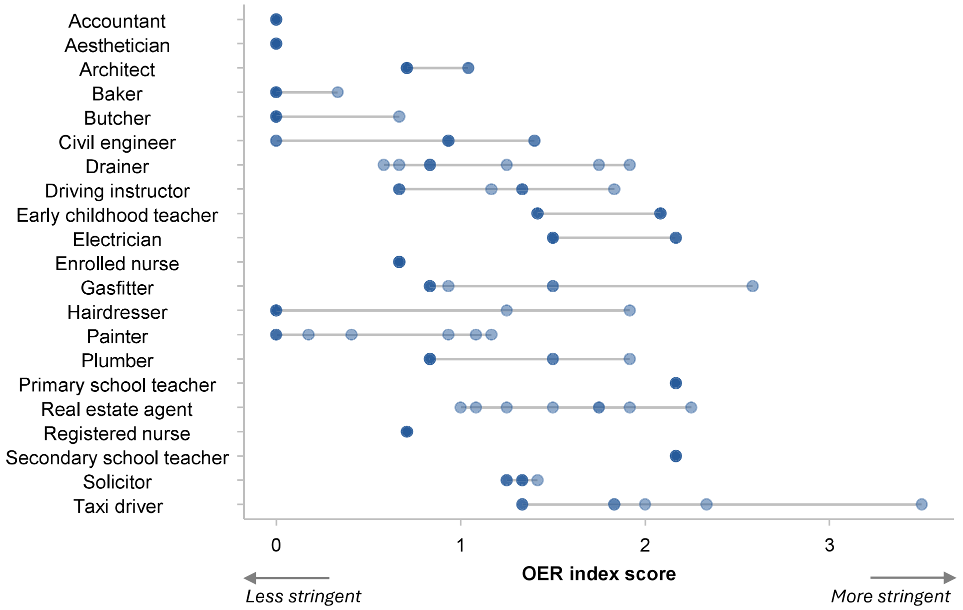
> Engineering work frequently spans multiple jurisdictions. Under the current fragmented system, individual engineers must maintain separate registrations in each jurisdiction, comply with varying continuing professional development (CPD) and legal obligations, and manage duplicative record-keeping. This imposes significant administrative burdens, which can reduce mobility, discourage cross-border work, and limit productivity
> **Engineers Australia (qr. 87)**

> The greatest inefficiencies in the flooring sector stem from inconsistent standards and regulations across Australian states and territories – **Carpet Institute of Australia, NCP sub. 6.**

> Technical regulation of the sector is increasingly dis-uniform which… impedes innovation and investment certainty – **Australian Institute of Building Surveyors, NCP sub. 55**

> [vehicle access and design standards create] operational inefficiencies, particularly at jurisdictional boundaries. This fragmentation discourages investment in safer, more productive vehicles.
>
> **Australian Logistics Council, NCP sub. 28, p. 2**

Example: Occupational entry regulations can vary widely across occupations and jurisdictions



Source: PC estimates based on OER stringency index methodology developed by the OECD.

Example: inconsistent standards

Bike helmets and packaging

- There are **893** current standards in legislation. Only 9 are implemented by all States & Territories. 24% are done by Commonwealth only.
- **74%** are inconsistently mandated by some States or Territories.

- **Bike helmets** are subject to mandated standards, but lack of alignment on road use laws across states and territories is costing businesses **$14m p.a.**
- **Packaging requirements** diverge from overseas and are inconsistent across Australia, leading to waste.

Source NCP 2025 Study Interim Report appendix B, Box B.3 pp. 49-50; For packaging, see appendix B p. 50 based on submissions from BCA and IKEA

Opportunity: National Competition Policy can support a seamless national economy

Principle 5
Governments should promote a single national market

Parties will not create or entrench barriers to buying and selling goods and services, operating businesses, and working across state and territory and international borders, where appropriate.

All levels of government place different requirements on businesses -- how they use their premises, handle materials, report to government and the fees and taxes they pay

NCP could be leveraged to create a national market, with a national approach to simplify business start up and expansion across internal borders.

Opportunity: National Competition Policy could also be used to advance big reform agendas

Planning reform

Commonwealth should incentivise states to reform planning laws to significantly increase the supply of well-located homes

The Housing Accord seeks to do this but likely unachievable (even with good efforts from some states) due to higher-than-expected construction and financing costs

More direct incentives could be provided based on the additional number of homes a state's package of planning reforms is expected to deliver

Road user charging

Road user charging could improve efficiency of use, and investment in, road network

Road users currently face muted signals and, for EVs, no signal about the costs of their road use

Emissions-reduction incentives for heavy vehicles are inadequate

Distance based (or even location and distance based) charges are now feasible

Revenue from charges could feed back into road investment decisions

AI and digital technology

AI is changing how Australians work, and the productivity benefits could be large

The productivity benefits of AI for Aus are uncertain, but could be large – perhaps a **4.3% boost** to labour productivity growth over the next decade

=

$116 b
increase
in GDP

=

$4,300
increase
in per capita
incomes

AI is already changing Australian workplaces

PC found examples of it being used in many industries:

- Alerting bank customers of potential scams
- Identifying if bank customers have been coerced
- Drafting legal material and research
- Prioritising deliveries and routes
- Cataloguing Aboriginal rock art
- Inspecting coastlines for fishing net waste

What is the role for government?

Removing digital infrastructure roadblocks

Regulatory environment supports roll out of digital infrastructure
(data centers, fibre optics cables etc)
Address regional digital divide

Shaping markets through its own adoption

Government 25% of the economy uptake of AI and digital tech influences suppliers and customers
Government participation deepens innovation ecosystem
Digital government will improve quality and efficiency of government service provision

Building the skills base

Supporting upskilling through more flexible routes into uni and VET
Support for more work-related training for SMEs

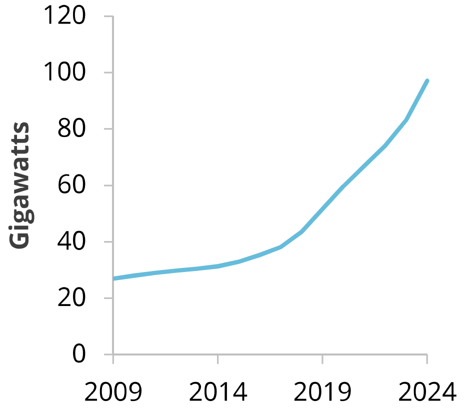
Setting regulatory environment

Getting the balance on managing risks while not stifling the opportunity

The inability of individuals and businesses to access data that relates to them is holding back productivity gains

The volume of data creation is increasing exponentially…

Global data center capacity



Source: IEA (2025)

…but individuals & businesses can't easily put it to use

Data holders can deny access…

…and make it difficult use data

- unstructured (pdfs)

PDFs

- view-only

- incompatible

Unlocking data could help to power productivity growth

Switching between providers

Linking related products / services

More personalised services

Improved data access could add up to $10 bn to GDP

New pathways to expand data access

New lower-cost and flexible pathways are needed to enable individuals and businesses to readily access and use data that relates to them

Efforts should begin with sectors where improved data access is of high benefit but relatively low cost; and there is clear value to consumers

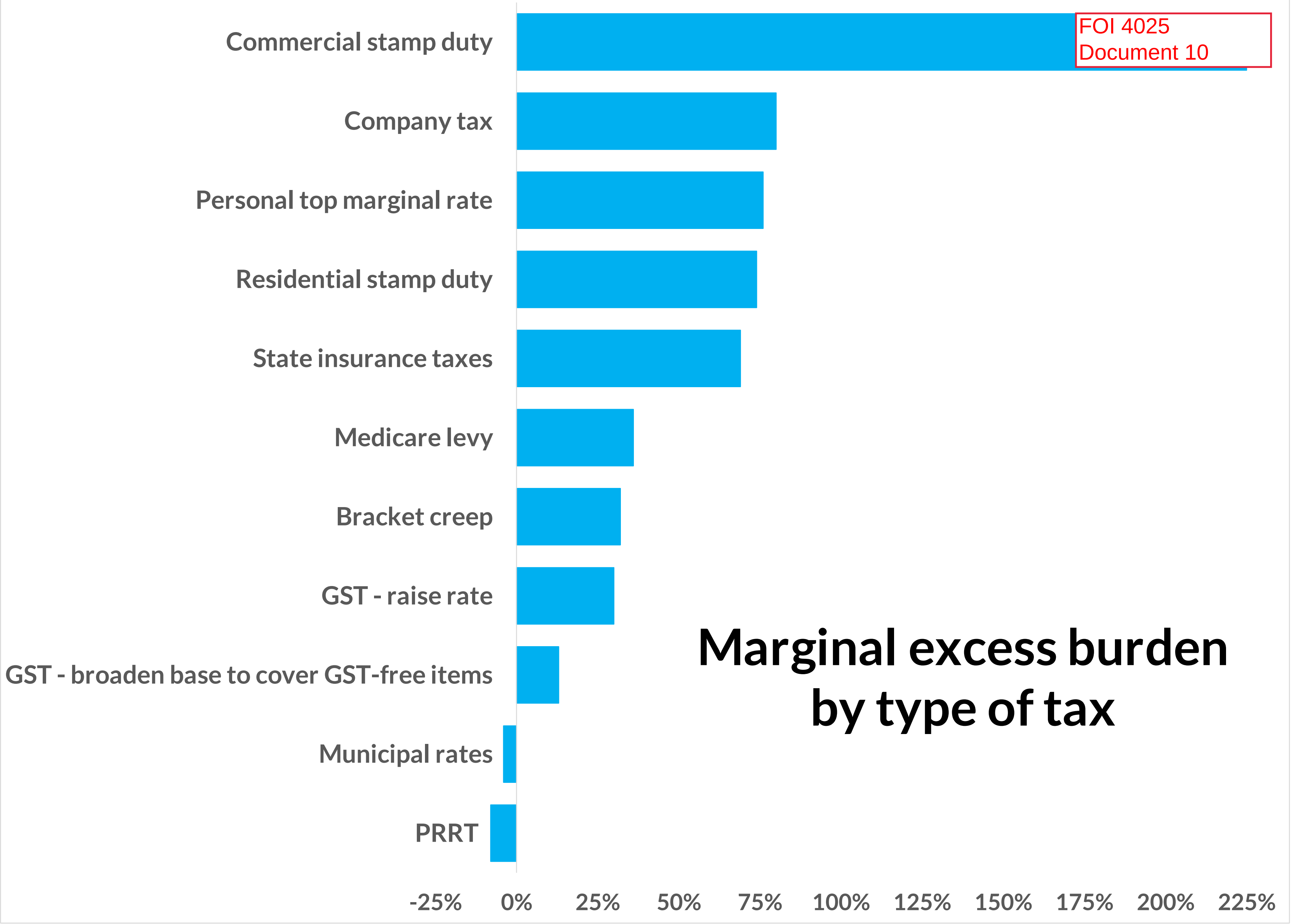
	New pathways		Current approach
	Industry-led basic access	***Standardise data transfers***	***CDR (Accredited sharing)***
Form of access:	• Machine-readable data exports	• Common data standards • Interoperable access mechanisms (e.g. open APIs) • Direct transfer to 3rd parties	• Centralized and secure API design • Action initiation (write-access) • Continuous or real-time data streaming capability
Requirements:	• Agreed data classes • Good practice access guidelines • Comply or explain	• Minimum functional standards (e.g. continuous or real-time transfers) • Baseline security standards and consent protocols	• Mandatory accreditation and consent verification • Privacy safeguards • Assurance processes and monitoring
Examples:	• *Retail (e.g. reward programs)* • *Real estate (e.g. tenancy ledger)*	• *Agricultural machinery and equipment data* • *Streaming services / digital platforms*	• *Banking and related financial services* • *Energy*

Data value / level of sensitivity →

pc.gov.au

chair@pc.gov.au

FOI 4025
Document 10



Marginal excess burden by type of tax

Source: https://murphyeconomics.com.au/Information/tax/Tax%20Reform_20250819.pdf

1. What’s big enough to matter?

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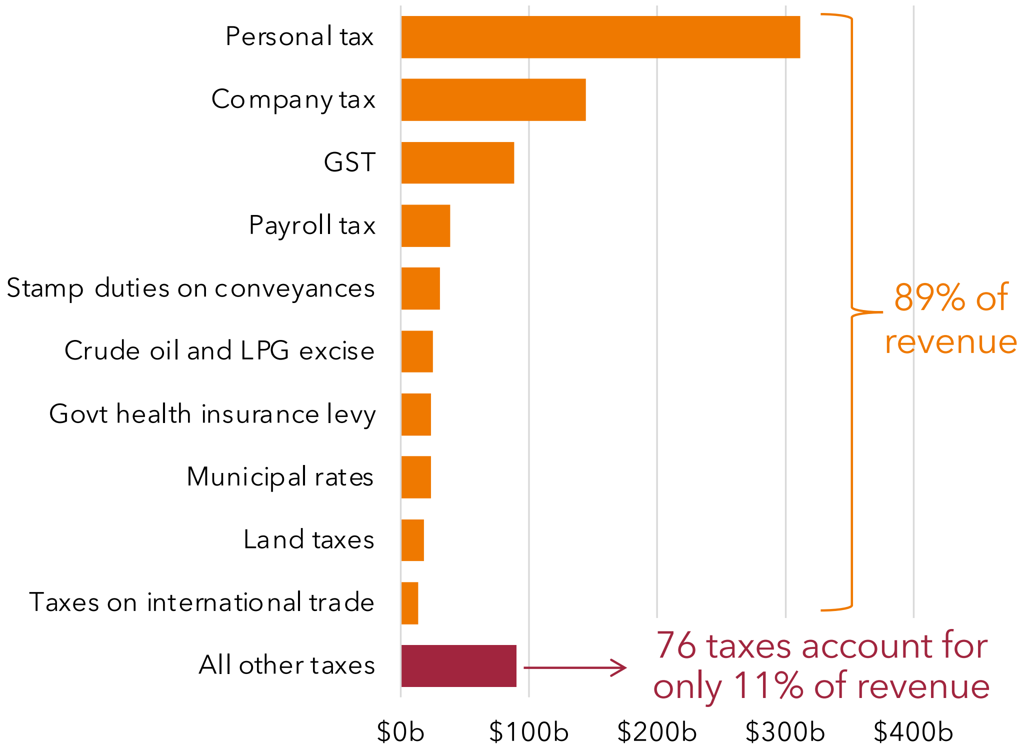
Top 10 taxes, 2023-24

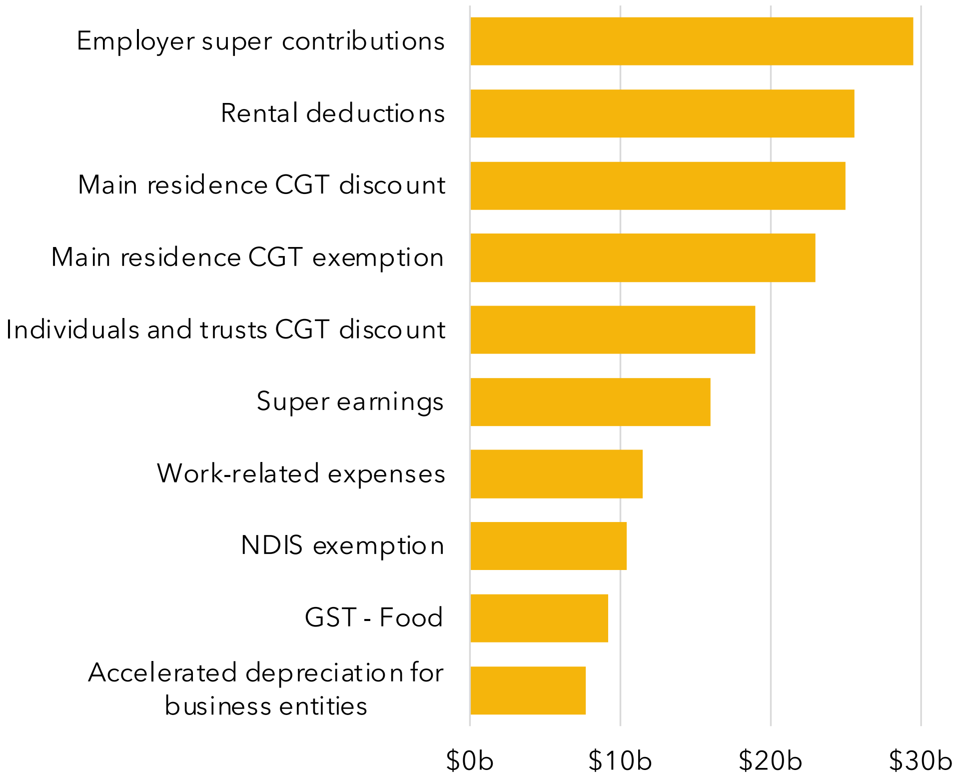


89% of revenue

76 taxes account for only 11% of revenue

Notes: Includes Commonwealth and state government tax revenue.
Source: Australian Bureau of Statistics. (2023-24). *Taxation Revenue, Australia*. ABS. https://www.abs.gov.au/statistics/economy/government/taxation-revenue-australia/latest-release.

Top 10 tax expenditures and deductions, 2023-24



Notes: The CGT discount for main residence and individuals and trusts refers to the capital gains tax exemption of 50% of the nominal gain where the asset has been owned for at least 12 months. Exemption for NDIS amounts refers to payments and benefits provided under the NDIS to participants for approved reasonable and necessary supports are exempt from income tax.
Source: 2024-25 Tax Expenditures and Insights Statement https://treasury.gov.au/publication/p2025-607085.

2. Australia is a lower-tax country than many of our OECD peers

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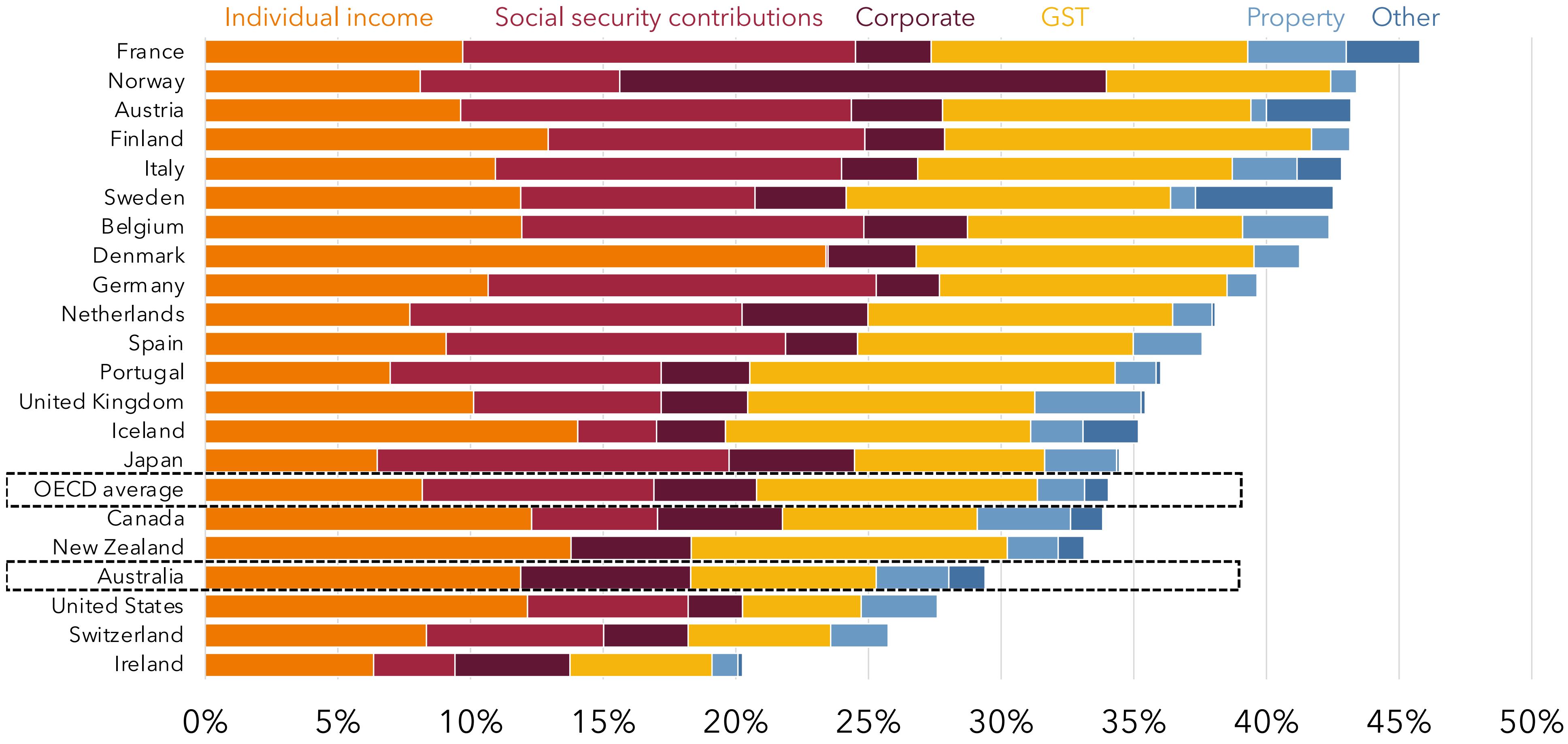
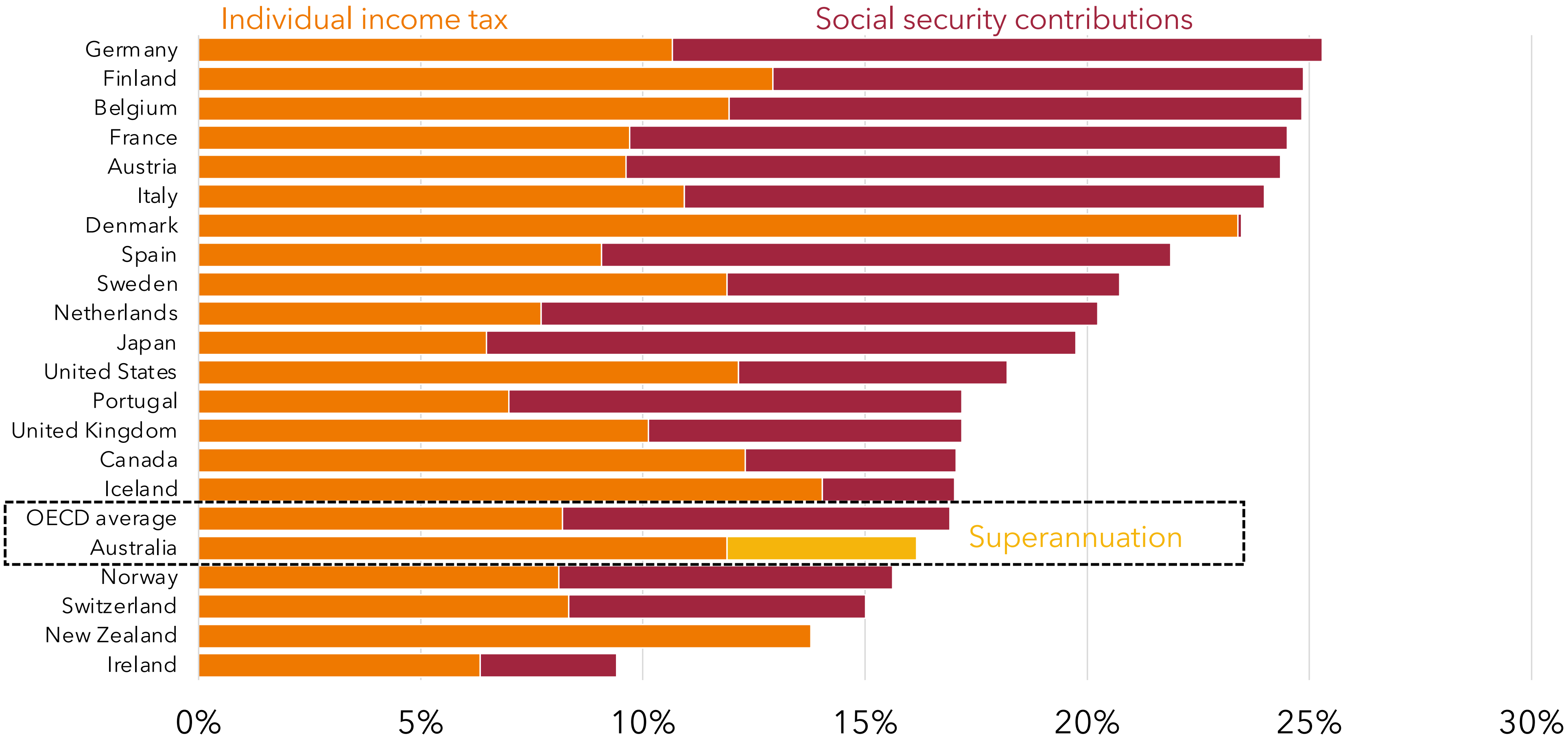
Revenue sources as a share of GDP, 2022



Source: OECD (2024) Global Revenue Statistics.

3. Taxes on employee earnings: how Australia compares

Share of GDP, 2022



Sources: OECD (2024) Global Revenue Statistics, ABS (2025) Australian National Accounts: National Income, Expenditure and Product, APRA (2025) Quarterly superannuation statistics.

4. The big personal income tax concessions

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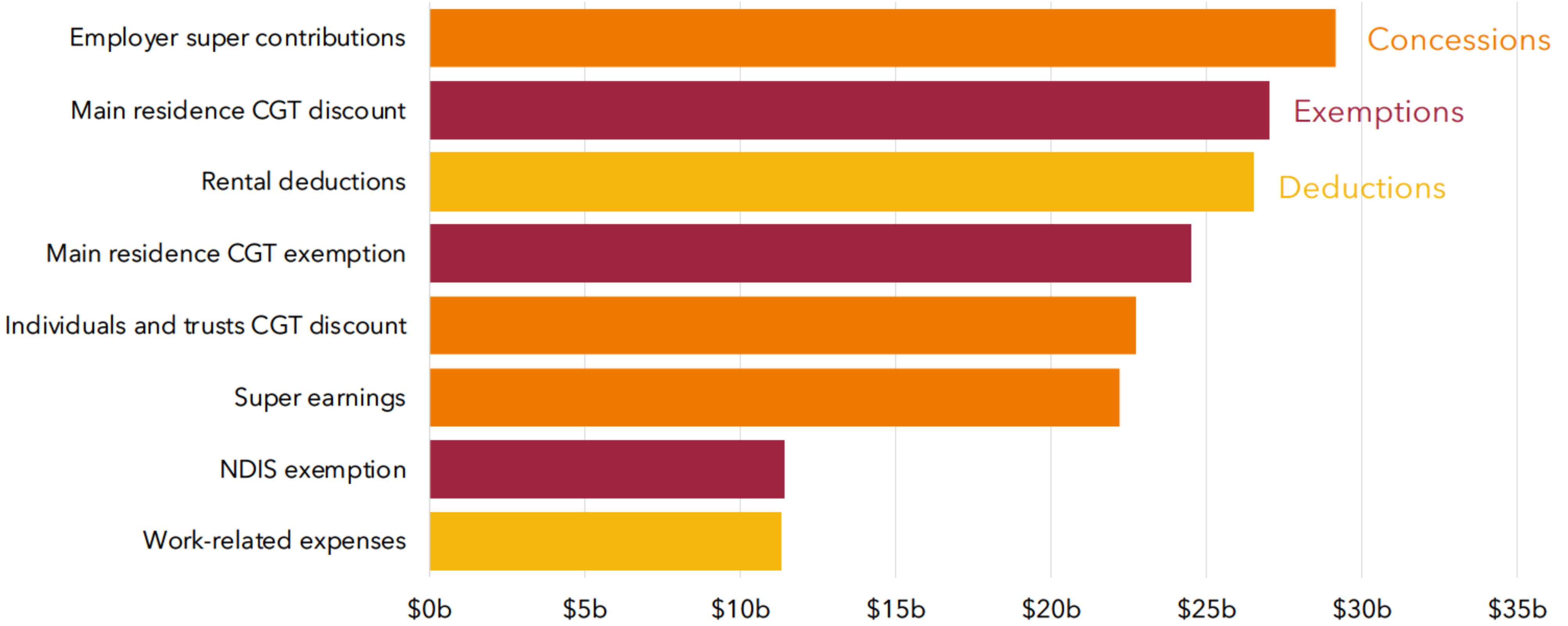
Top 8 personal income tax expenditures and deductions, 2024-25



Notes: The CGT discount for main residence and individuals and trusts refers to the capital gains tax exemption of 50% of the nominal gain where the asset has been owned for at least 12 months. Exemption for NDIS amounts refers to payments and benefits provided under the NDIS to participants for approved reasonable and necessary supports are exempt from income tax.
Source: 2024-25 Tax Expenditures and Insights Statement: https://treasury.gov.au/publication/p2025-607085.

5. Older Australians pay far less tax than younger Australians on the same income

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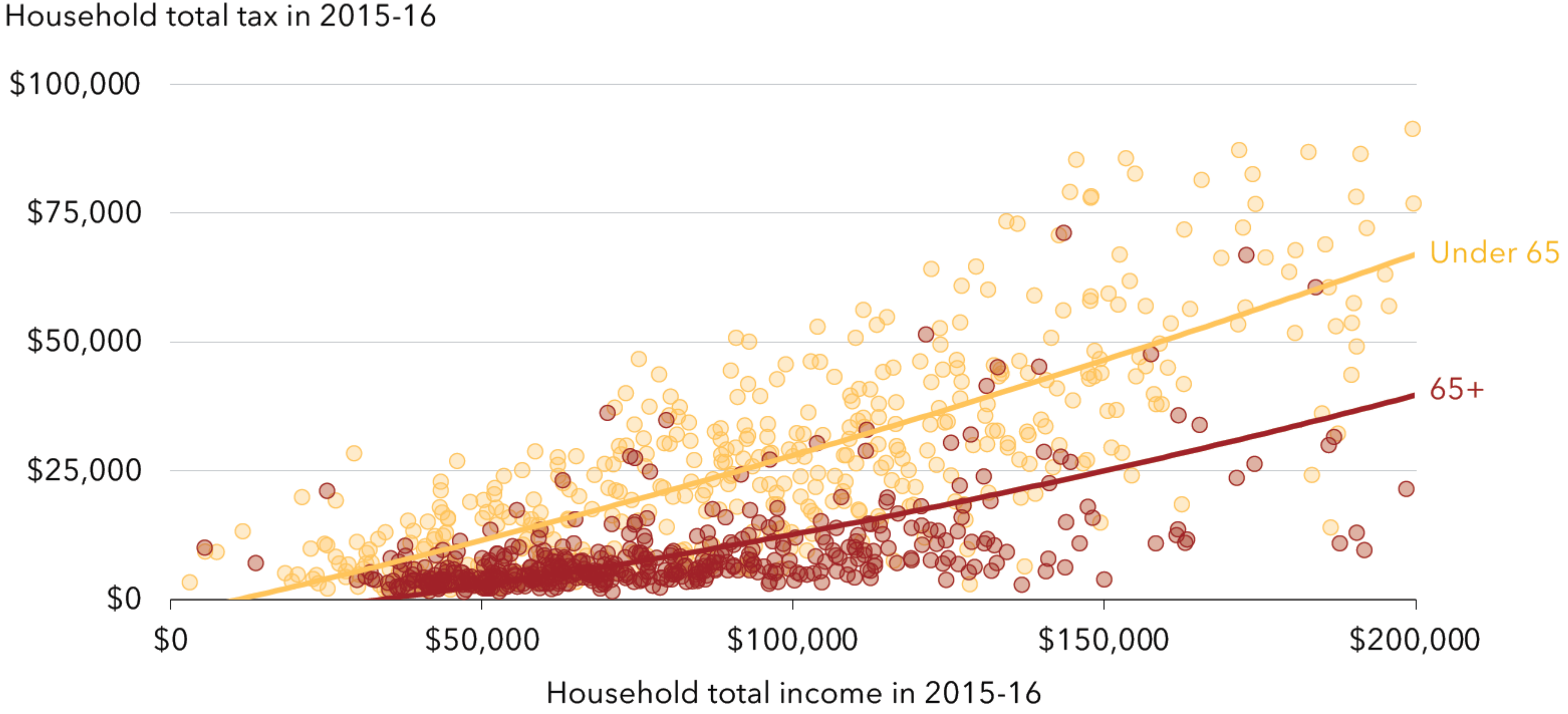
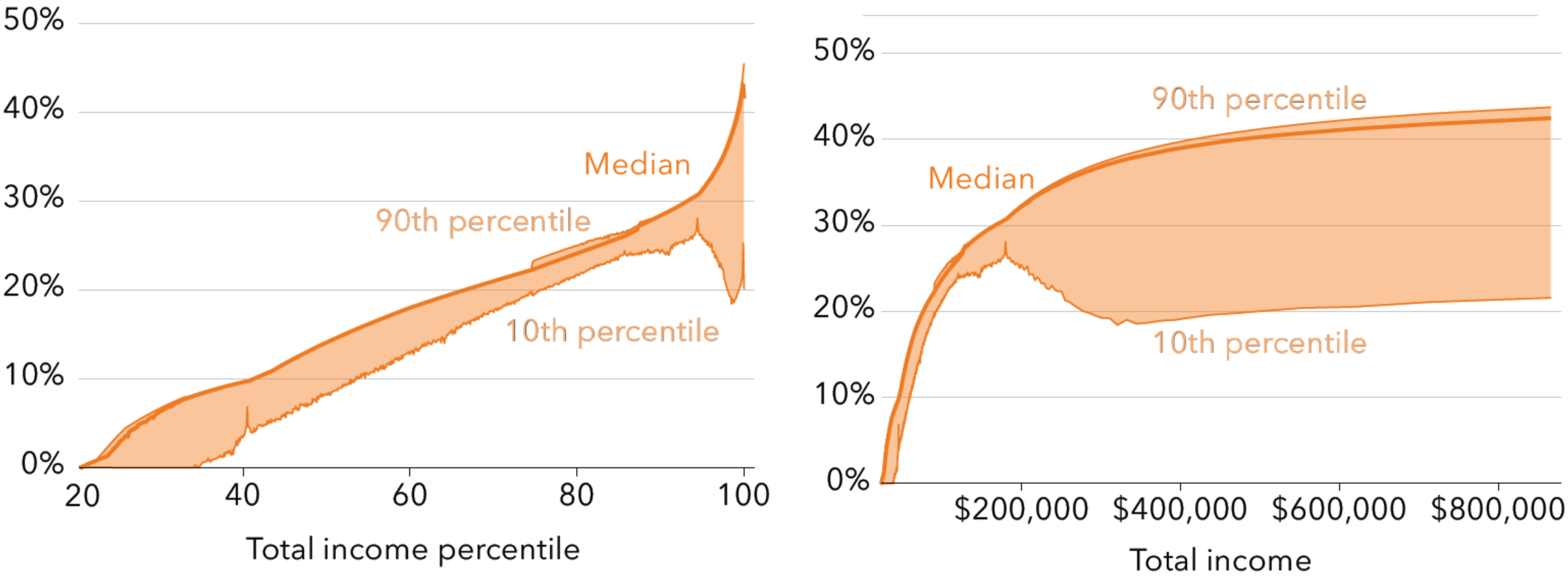


Notes: Total tax includes both direct and indirect taxes. Total income includes all sources. Figure shows a random sample of 500 households per age bracket.
Source: ABS Fiscal Incidence Study 2015-16, available in HES microdata.

6. The distribution of effective tax rates

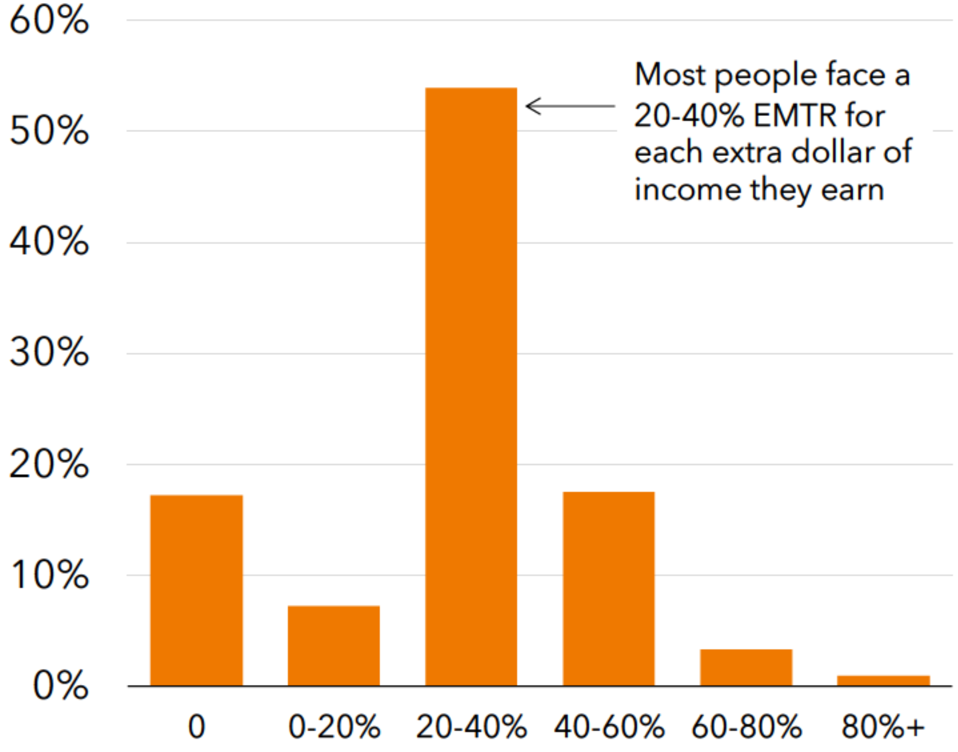
Effective income tax rates by total income percentile, and by total income



Notes: Total income measured comprehensively as all income available for consumption.
Source: Kaplan, Maltman and Nolan (2025), Who pays income tax?, e61, Figure 1.

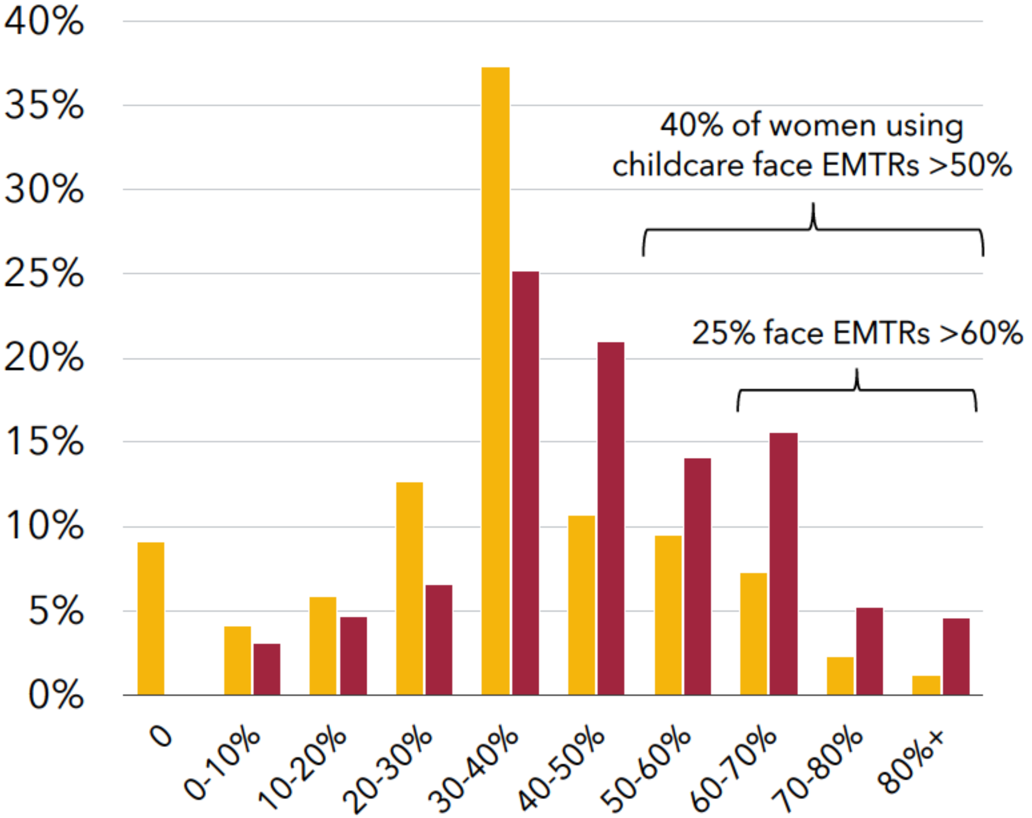
7. Working-age women using childcare face particularly high disincentives to work more

Proportion of working-age people by EMTR category



Most people face a 20-40% EMTR for each extra dollar of income they earn

Proportion of working-age women by EMTR category: **All women**, **Women using childcare**



40% of women using childcare face EMTRs >50%

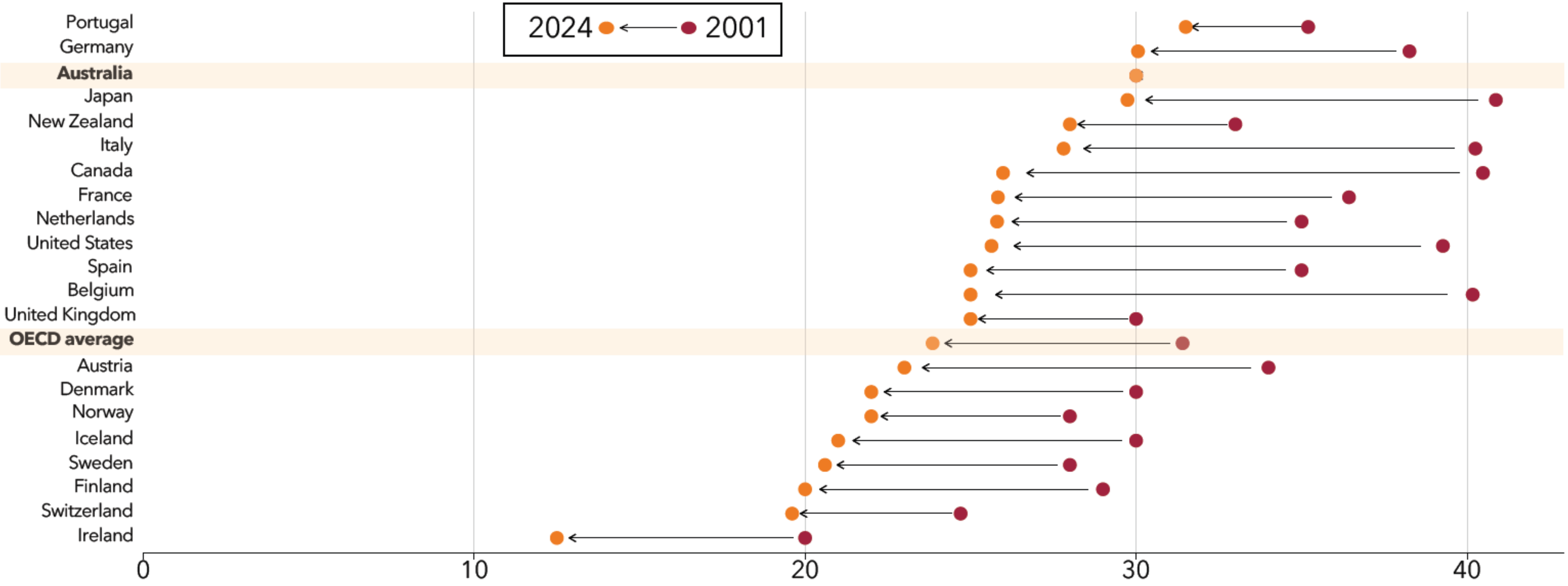
25% face EMTRs >60%

Notes: As at December 2023. Effective marginal tax rates (EMTRs) are the proportion of additional income lost to taxes, reduced welfare payments, additional childcare costs, and HELP repayments. When EMTRs are high, there is less incentive to work.

Source: Phillips 2024, Work incentives in Australia: The distribution of effective marginal tax rates for working-age Australians in 2023, Figures 3 and 9.

8. Australia's headline corporate tax rate hasn't fallen and is high compared to other OECD countries

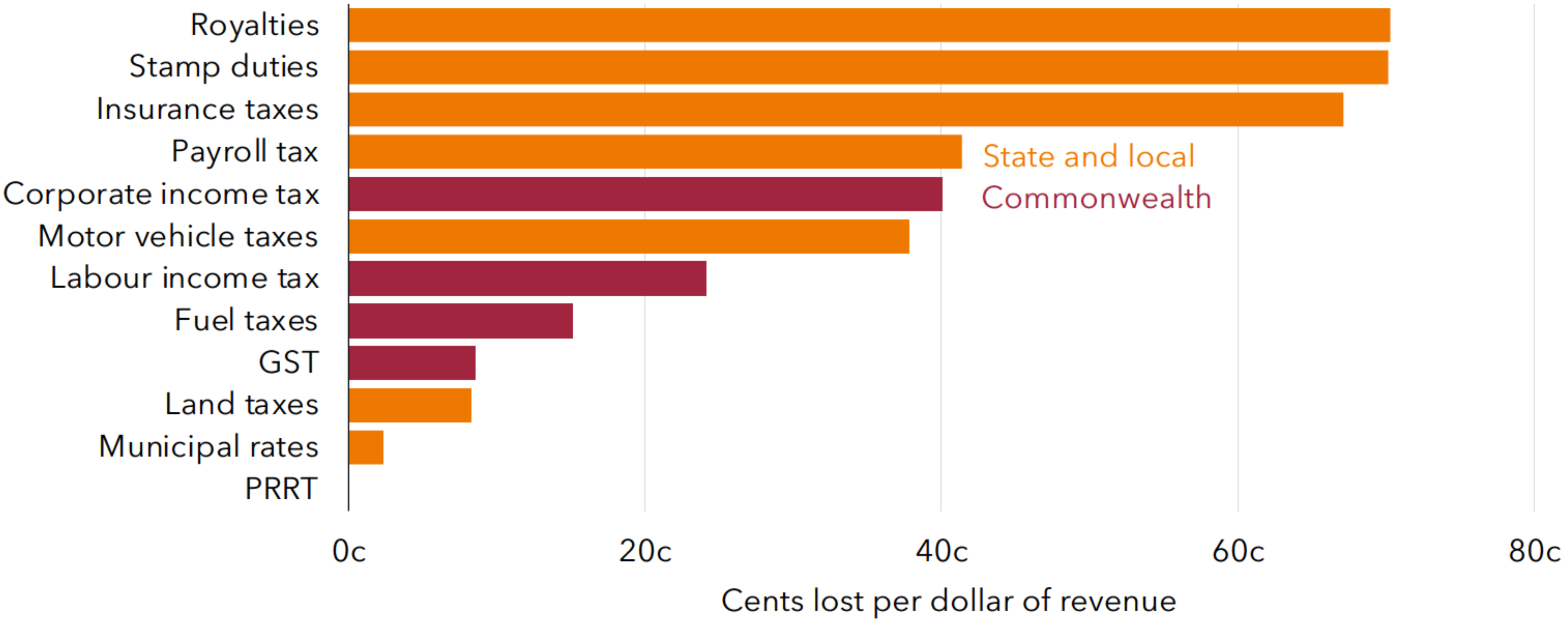
Statutory corporate tax rates in OECD countries



Notes: Selected OECD countries. Australia's headline rate is 30 per cent but companies with turnover less than $50 million per year pay a 25 per cent corporate tax rate.
Sources: OECD Data Explorer (2025); OECD Corporate Tax Statistics (2024).

9. Some taxes are much less efficient than others

Loss of economic activity for each $1 increase in the tax



Notes: PRRT = Petroleum resource rent tax. Chart shows the marginal excess burden of taxes.
Sources: PBO (2025); Cao et. al (2015); Australian Treasury (2010) .

Appendix:
International comparisons

Australia relies more on income tax than average, in part because we don't do social security contributions

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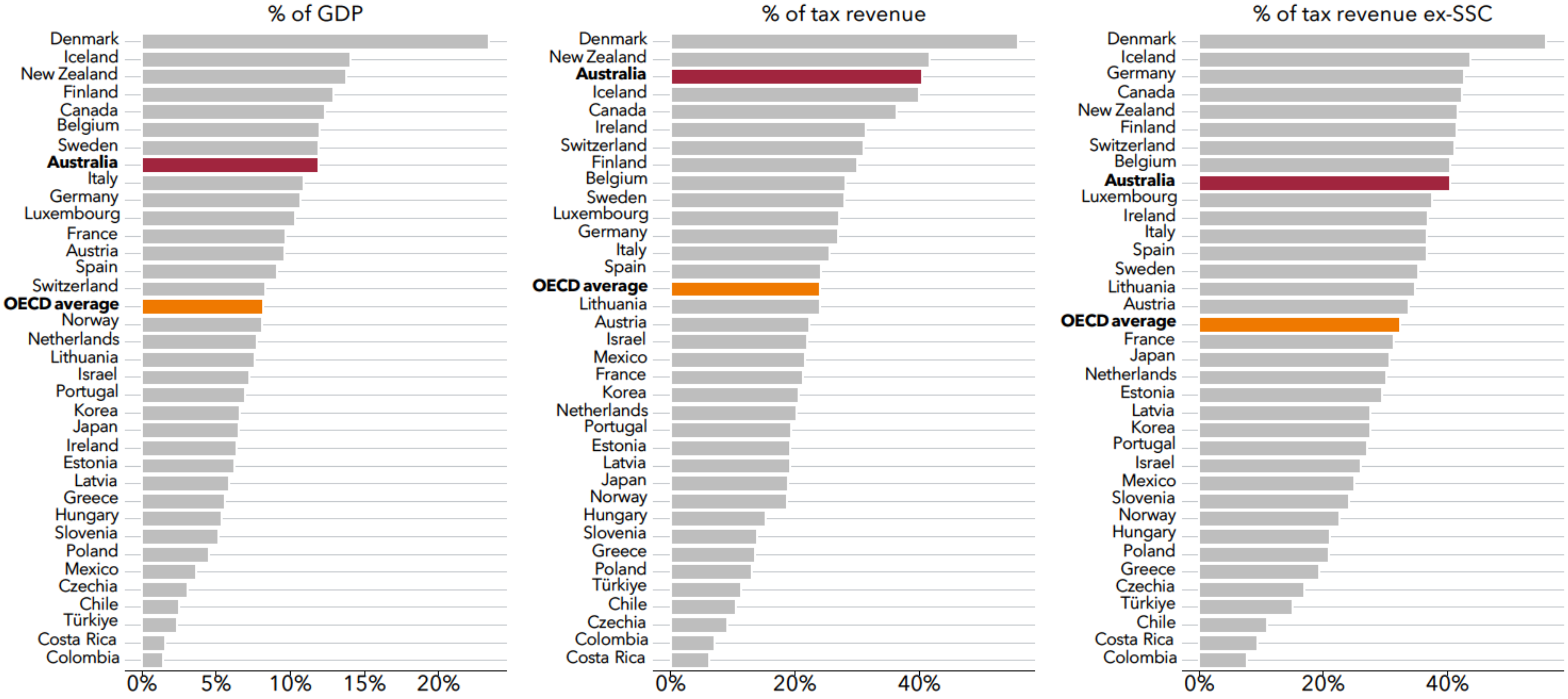
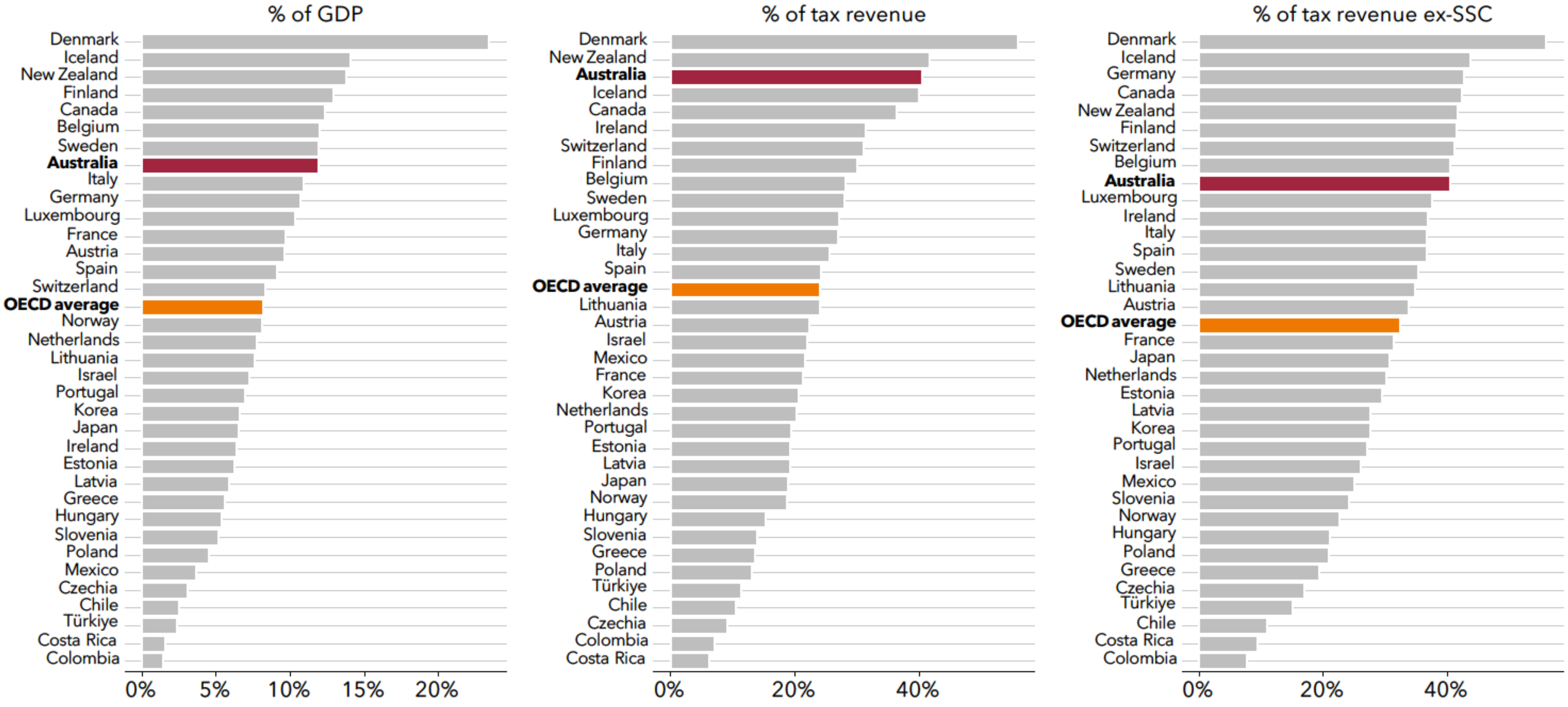
Individual tax as a % of GDP, total tax, and total tax excluding social security contributions, 2022



Source: OECD (2024) Global Revenue Statistics.

Australia has a high reliance on corporate tax

Corporate tax as a % of GDP, total tax, and total tax excluding social security contributions, 2022



Source: OECD (2024) Global Revenue Statistics.

Australia has a relatively low reliance on GST

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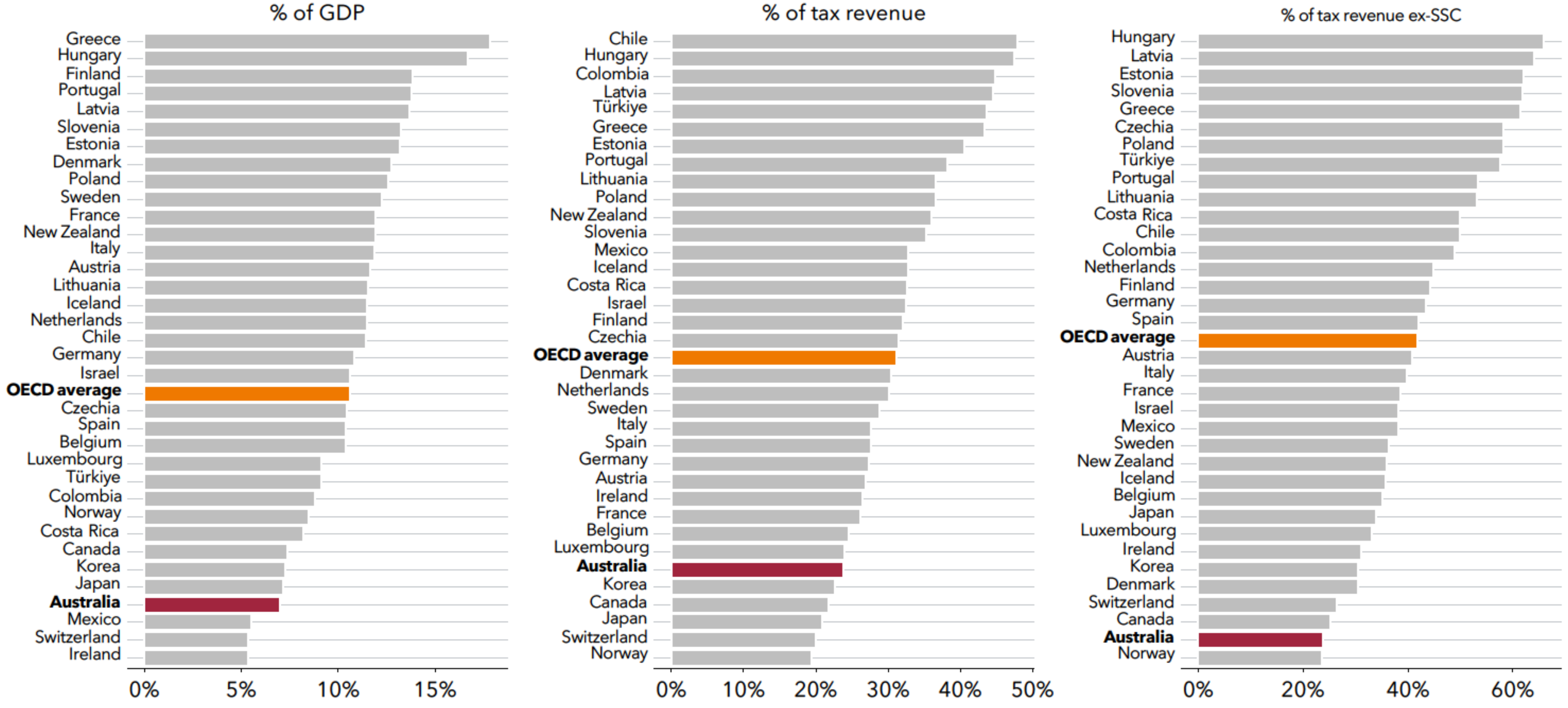
GST as a % of GDP, total tax, and total tax excluding social security contributions, 2022



Source: OECD (2024) Global Revenue Statistics.